



INTERNAL AUDIT DIVISION

REPORT 2023/029

Audit of procurement at the United Nations Environment Programme

There is need to improve procurement planning and performance monitoring of procurement activities

4 August 2023

Assignment No. AA2022-220-05

Audit of procurement at the United Nations Environment Programme

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of procurement at the United Nations Environment Programme (UNEP). The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes in ensuring efficient and effective procurement at UNEP. The audit covered the period from January 2020 to December 2022 and included a review of: (a) procurement planning; (b) provision of procurement services to UNEP; (c) timeliness of procurement activities; (d) competitiveness in procurement activities; (e) payments to vendors; and (f) performance management.

The audit indicated the need for UNEP to improve procurement planning and performance monitoring of procurement activities.

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

- Prepare acquisition plans in accordance with the Procurement Manual and share them with procurement service providers to facilitate efficient and effective procurement of its goods and services;
- Provide appropriate training to requisitioners on preparing source selection plans, including the internal clearing process and responsibilities of its procurement service providers;
- Follow up with procurement service providers to ensure that the performance reports stipulated in the Memoranda of Understanding are provided in a timely manner;
- Periodically check the suitability of vendors invited to bid to ensure effective competition and best value in procurement;
- Ensure that all requests for payment to vendors are supported in Umoja with documentation confirming receipt of the related goods and services;
- Enhance its performance reporting of procurement activities to Executive Management and the Corporate Services Division to promote more effective and efficient procurement of goods and services; and
- Establish a mechanism to ensure that complete contractor performance evaluation reports are prepared and documented in accordance with the requirements of the Procurement Manual.

UNEP accepted the recommendations and has initiated action to implement them. Actions required to close the recommendations are indicated in Annex I.

CONTENTS

I. BACKGROUND	1
II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY	1-2
III. AUDIT RESULTS	2-8
A. Procurement planning	2-4
B. Provision of procurement services to UNEP	4-5
C. Timeliness of procurement activities	5
D. Competitiveness in procurement activities	5-6
E. Payments to vendors	6
F. Performance management	7-8
IV. ACKNOWLEDGEMENT	8
ANNEX I	Status of audit recommendations
APPENDIX I	Management response

Audit of procurement at the United Nations Environment Programme

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of procurement at the United Nations Environment Programme (UNEP).
2. UNEP is the leading global environmental authority that sets the global environmental agenda, promotes coherent implementation of the environmental dimension of sustainable development within the United Nations system, and serves as an authoritative advocate for the global environment. Its mandate derives from General Assembly resolution 2997 (XXVII).
3. UNEP has its headquarters in Nairobi, Kenya. Its organization structure includes seven divisions and six regional offices located in Africa, Europe, Asia and the Pacific, and North and South America. UNEP also administers or provides secretariat functions to several Multilateral Environmental Agreements and other entities.
4. Procurement is defined in the United Nations Financial Regulations and Rules as all actions necessary for the acquisition, by purchase or lease, of property, including products and real property, and of services, including works. The main principles of procurement are best value for money, fairness, integrity and transparency, effective international competition, and the interest of the Organization.
5. The Executive Director of UNEP has delegation of procurement authority in terms of the Secretary-General's bulletin ST/SGB/2019/2, as well as guidelines from the Department of Management Strategy, Policy and Compliance (DMSPC) and the Department of Operational Support (DOS). The Executive Director has sub-delegated the authority to key staff in UNEP's Corporate Services Division. In a memorandum dated 13 August 2019, DOS designated the United Nations Office at Nairobi (UNON) as the service provider for all UNEP procurements exceeding \$50,000.
6. For the period 2020 to 2022, UNEP's total procurement amounted to \$85.3 million. Procurements done through UNON amounted to \$55.7 million (65 per cent) while UNEP's own procurements amounted to \$20.6 million (24 per cent). Additionally, the United Nations Office at Geneva (UNOG) procured \$1.8 million (two per cent) of UNEP's goods and services, while procurements through other entities such as the Procurement Division in New York amounted \$7.2 million (9 per cent). The main goods and services procured included meeting support, information and communications technology, office accommodation, hotel services, and project-related items.
7. Comments provided by UNEP are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

8. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes in ensuring efficient and effective procurement at UNEP.
9. This audit was included in the 2023 risk-based work plan of OIOS due to the risk that potential weaknesses in procurement could have an adverse impact on UNEP's operations.
10. OIOS conducted this audit from January to May 2023. The audit covered the period from January 2020 to December 2022. Based on an activity-level risk assessment, the audit included a review of: (a) procurement planning; (b) provision of procurement services to UNEP; (c) timeliness of procurement

activities; (d) competitiveness in procurement activities; (e) payments to vendors; and (f) performance management.

11. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; and (d) judgmental sample testing of transactions.

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

III. AUDIT RESULTS

A. Procurement planning

Need for development of acquisition plans

13. Paragraph 4.1 of the Procurement Manual states that acquisition planning is an essential phase in the overall acquisition process and a prerequisite to the procurement process. It seeks to forecast the Organization's requirements effectively and systemically, based on demand plans generated by end-users/requisitioners. Acquisition planning supports timely and efficient fulfilment of mandates.

14. Acquisition planning includes procurement forecasting geared towards timely delivery of goods and services. Requisitioners are responsible for developing timely acquisition plans in cooperation with procurement officials. Ideally, acquisition plans should be developed in advance of each budgetary cycle to allow the concerned procurement office the necessary lead time to develop its procurement strategies, including consolidation of requirements to leverage economies of scale.

15. During the period 2020 to 2022, UNEP procured goods and services totalling \$85.3 million. However, UNEP had not developed acquisition plans for 2020 and 2021. The acquisition plan for 2022 had not been shared with its service providers, including UNON, who procured goods and services for them. UNON procurement for UNEP amounted to \$55.7 million or 65 per cent of the total.

16. UNEP stated that the 2021 acquisition planning process was started but not completed. The Corporate Services Division's Programme Advisory Services Unit had requested UNEP divisions to provide acquisition plans, but responses were not received. Further, UNEP stated that 2020 and 2021 were 'special years' due to the COVID pandemic, and the combination of supply chain and logistical challenges made advance planning even more difficult.

17. UNEP had developed an electronic tool to support supply chain management, which has the capability to incorporate acquisition planning together with requests related to procurement actions to be undertaken. The tool is expected to provide workflows that are easy to view and track, and also support long-term supply chain planning. The tool was at an advanced stage of user testing and was expected to be released in June 2023.

18. Lack of acquisition plans could impair UNEP's ability to efficiently and effectively procure goods and services needed for implementing its programmes and projects.

<p>(1) UNEP should prepare acquisition plans in accordance with the Procurement Manual and share them with procurement service providers to facilitate efficient and effective procurement of its goods and services.</p>
--

UNEP accepted recommendation 1 and stated that the recommendation will be implemented through the UNEP Supply Chain Planning and Management solution (Etima). The implementation continues following the schedule in place with the consolidated demand plan to be shared with service providers in first quarter of 2024.

Need for improvement in completion of source selection plans

19. According to the Procurement Manual, source selection plans (SSPs) describe critical components of the sourcing process and provide justification for sourcing decisions to achieve best value. They also provide an objective approach to the methodology for selecting the best source to fulfil the established need. The procurement official and the requisitioner are jointly responsible for contributing to, preparing, finalizing, and obtaining required approvals for SSPs before solicitation documents are issued. UNEP requisitioners prepared SSPs, and the UNON Procurement Section (which is responsible for the solicitation process) reviewed and approved them.

20. OIOS reviewed the 15 SSPs that were prepared during the audit period and noted the following:

(a) While eight SSPs had appropriate key performance indicators (KPIs), seven SSPs did not. For example, the SSP relating to provision of cleaning services had no KPIs defined, whereas in the SSP for provision of a digital asset management solution, the only KPI was indicated as “service uptime”.

(b) For four SSPs, the procurement activities planned to be completed fell beyond the dates when the goods/services were required. The four SSPs were for reporting services (\$3 million), conference equipment (\$120,000), car hire (\$108,000), and a technological assessment (\$100,000).

(c) While all 15 SSPs had indicated risk identification and mitigation strategies, the risks identified were generally not comprehensive. For example, only one SSP identified unethical practices, including prohibited practices, as a risk factor. Risk of delays in completion of requisite tasks within UNON, UNEP and the Office of Legal Affairs (OLA) were not identified and assessed. Two solicitations were repeated due to low responses. However, when new SSPs were developed, this risk was not identified.

(2) UNEP should provide appropriate training to requisitioners on preparing source selection plans, including the internal clearing process and responsibilities of its procurement service providers.

UNEP accepted recommendation 2 and stated that it started advanced requisitioner training in November 2022 via a specific course managed by the United Nations System Staff College. Advanced training finishes in July 2023. UNEP planned further discussions with UNON on SSP requirements to re-affirm the service provider’s responsibilities related to SSPs.

Action was being taken for more effective planning of requirements for Environment Assembly sessions

21. The United Nations Environment Assembly (UNEA) is the highest decision-making body on the environment. It meets biennially in Nairobi, Kenya, to set priorities for global environmental policies and develop international environmental law. The first part of the fifth session of the Assembly (UNEA 5) was held online from 22 to 23 February 2021 (UNEA5.1); the second part was held online and in-person in Nairobi from 28 February to 2 March 2022 (UNEA5.2).

22. OIOS reviewed contract no. UNEP/2022/028 (Umoja #4700022633) relating to procurement activities that supported UNEA5.2 and UNEP’s 50th Anniversary. The contract for provision of event management services for UNEA 5.2 was awarded on 10 February 2022 with a Not-To-Exceed (NTE)

amount of \$420,603 for a three-month period. The NTE amount was later increased to \$720,323 and finally to \$731,799 to cater for additional services requested by UNEP. According to the minutes of the UNON Local Committee on Contracts (LCC) meeting of 15 July 2022, UNEP incurred additional costs of \$406,501 on items not originally contracted for, which had to be managed on an ex-post-facto basis. Given that some of the contracted items amounting to \$106,781 were not utilized, the net increase in the total cost amounted to \$299,720.

23. According to the LCC minutes, UNON Procurement Section explained that the ex-post-facto situation arose due to inadequately defined requirements. This resulted in a situation where vendors submitted prices that were not representative of UNEP's requirements for the event. UNEP had previously confirmed to LCC that some requirements were a 'work-in-progress' to be confirmed to the contractor after contract award. During contract implementation, UNEP identified these requirements and issued various task orders as and when needed. The total amount of these orders exceeded the NTE amount, resulting in an ex-post-facto situation. For example, the cost of opening and closing ceremonies was indicated as \$54,740 in the contract but the actual cost was \$216,528. Likewise, the cost of launching flagship reports and media events was indicated as \$34,030 in the contract, but the actual cost was \$102,762.

24. UNEP stated that planning for UNEA was challenging due to various uncertainties, including lack of clarity as to whether the Assembly was going to take place, given the COVID-19 pandemic. In the circumstances, it was inevitable to have some transactions processed on an ex-post-facto basis in order to hold UNEA5.2 successfully. Nevertheless, UNEP clarified that it has taken action to implement a new approach to deal with the organization of the next three UNEA conferences by: (i) developing the terms of reference for engaging a vendor to support UNEP in managing the event; and (ii) conducting a market survey for the new solicitation. UNEP was expecting a long-term agreement to be available from October 2023 with a duration of 5 years.

B. Provision of procurement services to UNEP

Need for reporting based on KPIs

25. On 8 December 2017, UNEP and UNON signed a Memorandum of Understanding (MOU) on provision of services by UNON to UNEP. The MOU requires UNEP to undertake pre-requisite actions it is responsible for, and for UNON to meet the performance indicators established. The indicators were measured in terms of the number of days taken for processing requests for proposals, invitations to bid, requests for quotation, purchase orders, contract amendments and requests for waivers.

26. UNON also agreed to set up the necessary mechanisms to measure its performance using the selected performance indicators and to prepare biannual reports thereon, which were to include discrepancies, if any, between the performance indicators and actual performance.

27. During the period under review, there were no biannual reports prepared by UNON for UNEP that compared actual with expected performance. Nevertheless, UNON provided UNEP with reports that tracked the completion dates of individual procurement actions against the target dates.

28. Similarly, in April 2019, UNEP signed an MOU with UNOG on provision of services, including procurement services. Annex III of the MOU described the respective duties and responsibilities of UNEP and UNOG and provided KPIs as benchmarks for the services rendered. In this connection, UNOG agreed to set up necessary mechanisms to measure its performance using the selected performance indicators and to report annually on discrepancies, if any, between performance indicators and actual performance. However, no performance reports were available for the audit period.

(3) UNEP should follow up with UNON and UNOG to ensure that the performance reports stipulated in the Memoranda of Understanding are provided in a timely manner.

UNEP accepted recommendation 3.

C. Timeliness of procurement activities

Delays in procurement were being addressed

29. On a monthly basis, UNON prepared a report that summarized progress on ongoing procurement activities. As of January 2023, UNON had 37 ongoing procurement actions involving \$17.8 million that were delayed for an average of 115 days. The longest delay of 168 days related to a procurement action in the amount of \$994,149 concerning office space for UNEP's Europe Office.

30. UNEP and UNON stated that monthly meetings were held to discuss the progress of ongoing procurement actions and resolve any issues. According to UNEP, there were several communication exchanges with UNON during the preparation of requisitions so that UNON could work on them expeditiously. Training activities were underway for requisitioners. Further, some of the delays were due to time taken for clearance of contracts by OLA at Headquarters. The UNON Procurement Section stated that some of the delays that were taking place at the UNON LCC and the Headquarters Committee on Contracts were beyond its control. Additionally, some UNEP procurement requests were complex and therefore required more time for processing them.

Tools were being developed to monitor average procurement timelines against benchmarks

31. UNEP Corporate Services maintained a dashboard that monitored average times, in days, for its procurement actions. The dashboard tracked all types of procurement including those involving informal and formal solicitations as well as waivers. UNEP explained that it was developing new tools to track procurement activities from planning to execution. The new system was expected to allow for enhanced reporting and tracking of the related processes.

D. Competitiveness in procurement activities

Unsuitable vendors were invited to bid

32. The audit showed that in some cases, vendors without the relevant capabilities to provide the required goods and services were invited to bid. OIOS reviewed the appropriateness of 266 bidders who were invited to bid in ten solicitations and noted that in three of ten cases reviewed, only 12 out of 124 (9.6 per cent) bidders were suitable to provide the required goods and services.

33. Bidders gave various reasons for not submitting proposals, including lack of capacity, inability to meet the technical requirements, inability to meet deadlines, inability to meet the performance security requirements, and missing the invitation email due to technical glitches.

34. UNEP needs to ensure that only qualified vendors are invited to bid, so that the procurement action can be competitive enough to assure best value for the Organization.

(4) UNEP should periodically check the suitability of vendors invited to bid to ensure effective competition and best value in procurement.

UNEP accepted recommendation 4 and stated that this pertained to the operations of service providers and was dependent on their actions. UNEP stated that in Quarter 3 of 2023, it will engage UNON Procurement to discuss the solicitation and sourcing process as well as review the solicitations carried out by UNOG and undertake follow-up actions. UNEP also stated that solicitations carried out by the UNEP Supply Chain Services Team already addressed this point via a secondary review of the proposed bidder's pre-solicitation.

E. Payments to vendors

Some payments were made without adequate supporting documentation

35. Payments to vendors should be based on valid contracts or purchase orders, as well as documentation in Umoja confirming receipt of the goods and services. As requisitioners, UNEP certified receipt of goods and services while UNON, as provider of treasury services, made payments to vendors.

36. OIOS reviewed 52 vendor payments in Umoja valued at \$4.8 million. For fifteen out of 52 payments amounting to \$1 million, the supporting documentation was not adequate. For example:

(a) 12 payments to a vendor in an aggregate amount of \$917,775 (mainly for UNEA5.2 events management) did not have documentation in Umoja to confirm receipt of services provided.

(b) A payment to a hotel for meeting facilities for \$56,421 on 6 July 2022 was only supported with a proforma invoice in Umoja.

(c) A payment to a United Nations agency for \$56,903 on 1 November 2021 had no supporting documentation evidencing receipt of services in Umoja.

(d) A payment to a vendor for \$60,659 on 31 December 2021 had no supporting documentation of deliverables in Umoja for the final payment.

37. OIOS is of the view that in its capacity as requisitioner, it is UNEP's responsibility to ensure that documentation confirming the receipt of goods and services is prepared and available in Umoja as a prerequisite for UNON to make payments to vendors.

(5) UNEP should ensure that all requests for payment to vendors are supported in Umoja with documentation confirming receipt of the related goods and services.

UNEP accepted recommendation 5 and stated that documentation confirming receipt of goods and services before paying vendors were not always readily accessible in Umoja but were sometimes maintained in different systems. UNEP has since provided OIOS with examples of such documentation. UNEP will implement the recommendation by providing guidelines to staff members regarding vendor payments. These instructions will outline the necessary standard documents that must be included in all payment transactions within the Umoja system.

F. Performance management

Need to enhance reporting on procurement activities

38. The Executive Director of UNEP has delegation of procurement authority in terms of ST/SGB/2019/2 and guidelines from United Nations Headquarters. The Executive Director has sub-delegated the procurement authority to key staff in the UNEP Corporate Services Division. The Executive Director remains accountable and responsible for appropriate exercise of sub-delegated authority and is expected, as the first line of defence, to proactively identify and manage risks and implement corrective action to address any control deficiencies.

39. OIOS noted the following areas for strengthening the monitoring and reporting of procurement activities at UNEP:

(a) At the Executive Management level, the corporate dashboards did not include monitoring of KPIs related to procurement activities. Therefore, Executive Management did not have the means to intervene or take prompt action to address issues relating to procurement.

(b) Formal periodic performance reporting against set targets had not been developed by the Corporate Services Division. Formalization of performance reporting for procurement activities could promote effective identification of issues at an early stage for prompt resolution.

(6) UNEP should enhance its performance reporting of procurement activities to Executive Management and the Corporate Services Division to promote more effective and efficient procurement of goods and services.

UNEP accepted recommendation 6.

Vendor performance evaluation needs to be conducted

40. According to the Procurement Manual, contract management refers to all actions undertaken after the award of a contract, including vendor performance monitoring. The primary goal of contract management is to ensure that quality goods and services, in the right quantity, are delivered on time and in accordance with the agreed-upon contract terms. Depending on the nature of the contract, the contract management function is the responsibility of either staff directly assigned to oversee and manage the contract, the requisitioner, or the end-user (hereinafter collectively referred to as “responsible contract management staff” or RCMS). RCMS is responsible for monitoring the performance of the vendor and for receiving, accepting, and approving the deliverables specified in the contract.

41. RCMS should conduct an evaluation of vendors’ performance, supported by the procurement official if necessary. For contracts exceeding \$200,000, or long-term contracts, a "Contractor Performance Report" should be completed. This report has sections to be completed by RCMS as well as procurement officials.

42. OIOS’ review of 24 vendors on a sample basis showed that in 17 cases, UNON Procurement Section was able to provide the requested vendor performance reports. For the remaining seven, UNON requested that they be obtained from UNEP. On 31 March 2023, OIOS requested UNEP to provide the reports for these seven vendors, but they were not received.

43. UNEP made overall positive assessments in all the 17 contract performance reports available. However, in 3 out of the 17 reports reviewed, no scores were provided for various aspects of the evaluation to justify the overall positive assessment.

44. Furthermore, vendor performance evaluations are required to be conducted annually. At the time of the audit, two contracts involving expenditure of \$1.1 million were overdue for vendor performance evaluation. The contracts were last evaluated on 9 November 2018 and 22 September 2020, respectively.

(7) UNEP should establish a mechanism to ensure that complete contractor performance evaluation reports are prepared and documented in accordance with the requirements of the Procurement Manual.

UNEP accepted recommendation 7.

IV. ACKNOWLEDGEMENT

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

Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of procurement at the United Nations Environment Programme

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	UNEP should prepare acquisition plans in accordance with the Procurement Manual and share them with procurement service providers to facilitate efficient and effective procurement of its goods and services.	Important	O	Receipt of evidence of acquisition plans prepared in accordance with the Procurement Manual and shared with UNEP's procurement service providers.	31 March 2024
2	UNEP should provide appropriate training to requisitioners on preparing source selection plans, including the internal clearing process and responsibilities of its procurement service providers.	Important	O	Receipt of evidence of training provided to requisitioners, and clarification of the internal clearing process and responsibilities of service providers on preparing source selection plans.	31 March 2024
3	UNEP should follow up with UNON and UNOG to ensure that the performance reports stipulated in the Memoranda of Understanding are provided in a timely manner.	Important	O	Receipt of evidence that procurement service providers are providing performance reports based on agreed KPIs.	31 March 2024
4	UNEP should periodically check the suitability of vendors invited to bid to ensure effective competition and best value in procurement.	Important	O	Receipt of evidence that UNEP is periodically checking the suitability of vendors invited to bid.	31 March 2024
5	UNEP should ensure that all requests for payment to vendors are supported in Umoja with documentation confirming receipt of the related goods and services.	Important	O	Receipt of confirmation that UNEP has issued guidelines outlining standard documentation to support payment transactions in Umoja.	31 March 2024
6	UNEP should enhance its performance reporting of procurement activities to Executive Management and the Corporate Services Division to promote more effective and efficient procurement of goods and services.	Important	O	Receipt of evidence of enhancement of performance reporting to Executive Management and the Corporate Services Division	31 March 2024

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.

³ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁴ Date provided by UNEP in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of procurement at the United Nations Environment Programme

7	UNEP should establish a mechanism to ensure that complete contractor performance evaluation reports are prepared and documented in accordance with the requirements of the Procurement Manual.	Important	O	Receipt of evidence that contractor performance reports are being completed in accordance with the requirements of the Procurement Manual.	31 March 2024
---	--	-----------	---	--	---------------

APPENDIX I

Management Response

Management Response

Audit of procurement at the United Nations Environment Programme

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNEP should prepare acquisition plans in accordance with the Procurement Manual and share them with procurement service providers to facilitate efficient and effective procurement of its goods and services.	Important	Yes	Chief Programme Advisory Services	Q1 2024	The recommendation is under implementation since November 2022, and will be implemented through the UNEP Supply Chain Planning and Management Solution (Etima). The implementation continues with the following schedule: <ul style="list-style-type: none"> • Q3 2023: Release of the Supply Chain Planning and Management Solution (Etima) to UNEP staff on a pilot basis; • Q3 2023: Loading of the available demand plans in the solution (Etima) ; • Q4 2023: First round of updates to demand plans; • Q4 2023: First analysis and consolidation of the demand plans; • Q1 2024: Consolidated demand plan shared with Service providers.
2	UNEP should provide appropriate training to requisitioners on preparing source selection plans, including the internal	Important	Yes	Chief Programme Advisory Services	Q1 2024	The recommendation is under implementation. UNEP started advanced requisitioner training in November 2022 via a specific course

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

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

Management Response

Audit of procurement at the United Nations Environment Programme

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	clearing process and responsibilities of its procurement service providers.					<p>managed by the UNS Staff College. Advanced training finishes in July 2023. Next tasks planned are:</p> <ul style="list-style-type: none"> Q4 2023: Further discussions with UNON on Source selection plan requirements to re-affirm the Service Provider's responsibilities related to Source Selection Plans; Implementation Q1, 2024.
3	UNEP should follow up with UNON and UNOG to ensure that the performance reports stipulated in the Memoranda of Understanding are provided in a timely manner.	Important	Yes	Chief Programme Advisory Services	Q1 2024	<p>Recommendation accepted with the following timelines:</p> <ul style="list-style-type: none"> Q3 2023: Engagement with UNON to define KPIs and reporting periods Q3 2023: Engagement with UNOG to define KPIs and reporting periods Q4 2023: First KPI reports available from the service providers Implementation Q1, 2024
4	UNEP should periodically check the suitability of vendors invited to bid to ensure effective competition and best value in procurement.	Important	Yes	Chief Programme Advisory Services	Q1 2024	<p>Recommendation is accepted although this pertains to the operations of service providers and is dependent on their actions.</p> <ul style="list-style-type: none"> Q3 2023: Engagement with UNON Procurement Services to discuss

Management Response

Audit of procurement at the United Nations Environment Programme

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>solicitation and sourcing process</p> <ul style="list-style-type: none"> Review of the solicitations carried out by UNOG and eventual follow-up actions - September/October 2023 <p>UNEP confirms that Solicitations carried out by the UNEP Supply Chain Services Team already address this point via a secondary review of the proposed bidders pre-solicitation</p> <p>Implementation pending service provider action Q1, 2024.</p>
5	UNEP should ensure that all requests for payment to vendors are supported in Umoja with documentation confirming receipt of the related goods and services.	Important	Yes	Chief Financial Management Services	Q1 2024	<p>UNEP has provided further documentation as proof for confirmation for receipt of services and goods before processing payments to the respective vendors. However, it has been noted that the documents are not always readily accessible in Umoja and are sometimes maintained in different systems.</p> <p>UNEP will implement the recommendation by providing guidelines to SMs regarding vendor payments. These instructions will outline the necessary standard documents that must be included in all payment transactions within the Umoja system.</p>

Management Response

Audit of procurement at the United Nations Environment Programme

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<i>Based on the above, UNEP is seeking a revision of the report's wording to make it clear that the supporting documents for the payments made were submitted but were not accessible in the Umoja system during the time of the assessment.</i>
6	UNEP should enhance its performance reporting of procurement activities to Executive Management and the Corporate Services Division to promote more effective and efficient procurement of goods and services.	Important	Yes	Chief Programme Advisory Services	Q1 2024	Recommendation accepted. Timelines for implementation: <ul style="list-style-type: none"> Q3 2023: Corporate Services Directors engagement with the Supply Chain Management Team to define the parameters of the performance reporting. First reports to be delivered in Q4 2023 Implementation Q1, 2024.
7	UNEP should establish a mechanism to ensure that complete contractor performance evaluation reports are prepared and documented in accordance with the requirements of the Procurement Manual.	Important	Yes	Chief Programme Advisory Services	Q1 2024	Recommendation accepted. Timelines for implementation: <ul style="list-style-type: none"> Q3 2023 Internal analysis of the risk level tied to performance evaluation, and Q4 2023 Draft plan prepared on how to streamline and standardize vendor performance evaluation. Implementation Q1, 2024.