



## **INTERNAL AUDIT DIVISION**

**OFFICE OF INTERNAL OVERSIGHT SERVICES**

# **AUDIT REPORT**

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## **Procurement and contracts management in UNOCI**

**29 November 2007**

**Assignment No. AP2007/640/04**

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United Nations  Nations Unies  
INTEROFFICE MEMORANDUM MEMORANDUM INTERIEUR

INTERNAL AUDIT DIVISION · DIVISION DE L'AUDIT INTERNE  
OFFICE OF INTERNAL OVERSIGHT SERVICES · BUREAU DES SERVICES DE CONTROLE INTERNE

TO: Mr. Y. J. Choi  
A: Special Representative of the Secretary-General  
United Nations Operation in Côte d'Ivoire

DATE: 29 November 2007

REFERENCE: AUD-7-5:76 (07- 00777)

*for* *William Peters*  
FROM: Dagfinn Knutsen, Director  
DE: Internal Audit Division, OIOS

SUBJECT: **Assignment No. AP2007/640/04: Procurement and contracts**  
OBJET: **management in UNOCI**

1. I am pleased to present the report on the above-mentioned audit, which was conducted from March to April 2007.
2. Based on your comments, we are pleased to inform you that we will close recommendations 5, 9, 13 and 14 in the OIOS recommendations database as indicated in Annex 1. OIOS is reiterating recommendation 4 and requests that you reconsider your initial response concerning this recommendation. In order for us to close the remaining recommendations, we request that you provide us with the additional information as discussed in the text of the report and also summarized in Annex 1.
3. Please note that OIOS will report on the progress made to implement its recommendations, particularly those designated as critical (i.e., recommendations 2, 5 and 6), in its annual report to the General Assembly and semi-annual report to the Secretary-General.
4. IAD is assessing the overall quality of its audit process and kindly requests that you consult with your managers who dealt directly with the auditors and complete the attached client satisfaction survey form.

cc: Mr. Jean-Marie Guéhenno, Under-Secretary-General for Peacekeeping Operations  
Mr. Philip Cooper, Director, DFS  
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors  
Mr. Jonathan Childerley, Chief, Oversight Support Unit, Department of Management  
Mr. Byung-Kun Min, Programme Officer, OIOS  
Mr. Roland Bill, Chief Resident Auditor, UNOCI

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## INTERNAL AUDIT DIVISION

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### FUNCTION

*“The Office shall, in accordance with the relevant provisions of the Financial Regulations and Rules of the United Nations examine, review and appraise the use of financial resources of the United Nations in order to guarantee the implementation of programmes and legislative mandates, ascertain compliance of programme managers with the financial and administrative regulations and rules, as well as with the approved recommendations of external oversight bodies, undertake management audits, reviews and surveys to improve the structure of the Organization and its responsiveness to the requirements of programmes and legislative mandates, and monitor the effectiveness of the systems of internal control of the Organization” (General Assembly Resolution 48/218 B).*

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## **EXECUTIVE SUMMARY**

### **Procurement and contracts management in UNOCI**

OIOS conducted an audit of procurement and contracts management in UNOCI in March and April 2007. The main objectives of the audit were to assess whether: (i) the procurement of goods and services, and the management of contracts were performed in accordance with the Procurement Manual and the Financial Regulations and Rules of the United Nations (FRR); (ii) the staffing of the Contracts Management Unit was commensurate with the operational requirements of the Mission; and (iii) an effective system of internal controls for the management of contracts was in place. This audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

OIOS found that the procurement and contracts management functions in the Mission needed significant improvement. Particularly, the Mission needs to address the following major weaknesses:

- UNOCI leased the Saida Beach and Socopag properties although the properties, according to the Security Section's survey reports, were not compliant with the minimum operating security standards for the properties to be used by Mission personnel;
- In several cases, certain sections, such as the Communications and Information Technology Section and the Public Information Office, conducted procurement activities on their own, without the involvement of the Procurement Section, breaching the provisions of the Procurement Manual and the FRR;
- The Contracts Management Unit had not been operational since the inception of the Mission in April 2004. Three posts allocated to the Unit for fiscal year 2006/07 have not been filled. Also, at the time of the audit, the Unit's terms of reference, operating procedures and reporting line have not been defined.

## TABLE OF CONTENTS

<b>Chapter</b>	<b>Paragraphs</b>
I. INTRODUCTION	1-4
II. AUDIT OBJECTIVES	5
III. AUDIT SCOPE AND METHODOLOGY	6-7
IV. AUDIT FINDINGS AND RECOMMENDATIONS	
A. Payments/claims without proper contractual arrangements	8-19
B. Lease of property without security clearance	20-22
C. Delayed collection of emergency blood shipment	23-28
D. Breach of UN Financial Regulations and Rules in the provision of telecommunication services	29-37
E. Monitoring of not-to-exceed amounts	38-41
F. Staffing issues	42-45
G. Record-keeping	46-49
V. ACKNOWLEDGEMENT	50
ANNEX 1 – Actions needed to close audit recommendations	

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## I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of procurement and contracts management at the United Nations Operation in Cote d'Ivoire (UNOCI) in March and April 2007.
2. The Mission is in the process of establishing the Contracts Management Unit. According to the budget for the fiscal year 1 July 2006 to 30 June 2007, the Unit has three authorized posts – one P-4, one P-3 and one national General Service staff. In order to ensure the independence of the Unit and avoid any conflict of interest between the management of contracts and operational aspects of contract administration, the Unit will report directly to the Chief of Integrated Support Services (CISS).
3. Currently, signed contracts are administratively handled by requisitioners since no central Contract Management Unit exists. A copy of all signed contracts is kept in the Procurement Section. Based on the list provided by the Procurement Section, there were 266 written contracts being managed by UNOCI as of 1 February 2007.
4. Comments made by UNMIS are shown in *italics*.

## II. AUDIT OBJECTIVES

5. The objectives of the audit were to assess whether:
  - (a) The procurement of goods and services, and the management of contracts were performed in accordance with the existing SOPs adopted by UNOCI and the Financial Rules and Regulations of the United Nations (FRR) and the Procurement Manual;
  - (b) The staffing of the Contracts Management Unit was commensurate with the operational requirements of the Mission;
  - (c) An effective system of internal controls for the management of contracts was in place.

## III. AUDIT SCOPE AND METHODOLOGY

6. The audit covered the period from the Mission's inception in April 2004 to date with an emphasis on fiscal years 2005/06 and 2006/07. In the absence of an operational Contracts Management Unit, the audit focused on the coordination and cooperation between the Procurement Section and other sections/units in the management of written contracts.
  7. The audit involved contract reviews and structured interviews with key personnel of UNOCI to ensure that written contracts are prepared in line with the FRR and the Procurement Manual.
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## **IV. AUDIT FINDINGS AND RECOMMENDATIONS**

### **A. Payments/claims without proper contractual arrangements**

8. OIOS reviewed the following cases where UNOCI made payments for services received without contractual arrangements and/or proper obligating documents:

#### Provision of air time programmes to UNOCI FM

9. UNOCI collaborated with the Ivorian National Broadcast Organization RTI in providing airtime programmes to promote the Mission's image and messages to the local population. RTI started airing programmes for UNOCI in early January 2006 without a prior contractual arrangement. An *ex-post facto* procurement case for \$150,000 was sent to the HCC for review, but the case was still pending because of questions raised by the Controller. The Mission's response was sent on 5 March 2007.

10. The Controller had already asked for advice from the Office of Legal Affairs at UNHQ as to whether this case should be considered as a claim. As of 11 April 2007, no payment has been made to RTI for airtime programmes, but an obligation was issued in the amount of \$122,190 in fiscal year 2005/06.

#### Payment for coverage of the 2006 Football World Cup for UNOCI FM

11. The Public Information Office selected an individual to provide coverage for UNOCI FM of the football matches of the Cote d'Ivoire National Team during the 2006 Football World Cup, without going through the proper procurement procedures. The Chief, PIO sent a letter to the OIC, Administration on 1 March 2007 asking for the approval of the payment of 1,000 Euros as a direct expenditure request since the amount was less than \$2,500. This case was submitted *ex-post facto* to the LCC.

#### Detention, storage and demurrage charges

12. UNOCI paid two invoices totaling \$3,272 for detention, demurrage and storage fees due to the failure to release containers owned by shipping lines within 48 hours. The delay resulted from operational inefficiencies in processing documents within UNOCI which, in turn, caused late issuance and approval of customs documents by the Ivorian Ministry of Foreign Affairs. Invoices were settled by the Finance Section as a direct expenditure since the amounts were below \$2,500 but no requisition was raised by the Movement Control Section (MovCon) to get approval for an *ex-post facto* purchase order.

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13. In a similar case, MovCon requested an *ex-post facto* approval (MOV7-100013) for storage and demurrage charges owed to GETMA CI totaling CFA 2,776,712 (or \$5,490). This case was presented to the LCC, but as of the audit date, final approval was pending.

14. Regular payments with miscellaneous obligating documents (MOD) or the use of *ex-post facto* requisitions undermines the integrity of the procurement process and constitutes a violation of the FRR.

15. The above cases violate Financial Rule 105.9, which states that “An obligation must be based on a formal contract, agreement, purchase order or other form of undertaking, or on a liability recognized by the United Nations. All obligations must be supported by an appropriate obligating document.”

### **Recommendations 1 and 2**

#### **UNOCI Management should ensure that:**

**(1) All payments are made on the basis of appropriate obligating documents, such as signed contracts; and**

**(2) Requisitioning units strictly comply with relevant provisions of the United Nations Financial Regulations and Rules and the Procurement Manual when procuring goods and services.**

16. *UNOCI Management accepted recommendation 1 and stated that all payments are made on the basis of appropriate obligating documents. Recommendation 1 remains open pending OIOS’ verification that payments are made on the basis of appropriate obligating documents.*

17. *UNOCI Management accepted recommendation 2 and stated that the Procurement Section reviews all approved requisitions before processing, and ex post-facto cases are handled in accordance with the UN Financial Regulations and Rules and the Procurement Manual. Recommendation 2 remains open pending OIOS’ verification that requisitioning units comply with the Procurement Manual and FRR’s provisions on the procurement of goods and services.*

### **SODEXAM**

18. SODEXAM is a state-owned company that provides ground handling services at airports in Cote d’Ivoire. SODEXAM charges UNOCI a passenger embarkation tax for troop rotations within the country, contravening articles 15 and 34 of the Status of Forces Agreement (SOFA). Although the Mission Management has been in consultation with officials from the Ivorian Ministry of Foreign Affairs to resolve the issue, UNOCI has already paid \$211,308 to SODEXAM for passenger embarkation taxes as of March 2007.



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### **Recommendation 3**

**(3) UNOCI Management should pursue the resolution of the issue regarding the payment of passenger embarkation tax and recover the amount (\$211,308) paid for this purpose, in contravention of the Status of Forces Agreement.**

19. *UNOCI Management accepted recommendation 3 and stated that several attempts have been made by UNOCI with the Ivorian authorities to arrange for the refund of amounts paid for passenger embarkation tax and to ensure that the Mission is not charged for this tax in the future. The Mission provided OIOS with a chronology of events from June 2005 to September 2007 exemplifying its attempts to resolve the issue. This issue is now included in the list of UNOCI's SOFA/SOMA violations, which is submitted to UNHQ. Recommendation 3 remains open pending resolution of the issue regarding the recovery of passenger embarkation tax.*

### **B. Lease of property without security clearance**

20. UNOCI signed a lease contract with SCI Saida Beach in July 2005 for the accommodation of military staff officers. Serious security lapses were mentioned in two security survey reports (15 March 2005 and 3 October 2005) and the subject site was not compliant with the minimum operating security standards (MOSS). Nevertheless, UNOCI disregarded the security surveys and decided to occupy the premises. Since this site was never cleared by the Security Section, UNOCI Management recently decided to find another location for the accommodation of military staff officers, but the procurement of another site could not be completed immediately as the procurement process will take time.

### **Recommendations 4 and 5**

**UNOCI Management should:**

**(4) Determine why Saida Beach premises were leased despite the Security Section's survey reports showing that the property had security lapses and the finding that it was not compliant with the minimum operating security standards, and assess accountability for such decision; and**

**(5) Ensure that potential sites being considered for the accommodation of military staff officers comply with the minimum operating security standards and that lapses noted in security surveys are addressed before leasing or occupying any properties.**

21. *UNOCI Management accepted recommendation 4 and stated that, based on the original Security Section's report, the use of Saida Beach was recommended conditionally to be used by UNOCI Military Staff Officers only. When the lapses were corrected, the proposed award of the lease contract was*

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*presented to and endorsed by the LCC and HCC, and approved by the Controller. The lease contract was terminated in August 2007. At the time of the lease contract's approval, the site was recommended by the Security Section. As stated in paragraph 20, two security surveys indicated that the Saida Beach premises had security lapses, making it unsafe for occupancy by UN personnel. OIOS reiterates recommendation 4 and asks that UNOCI reconsider its initial response to this recommendation and clarify the circumstances leading to the lease of this property.*

22. *UNOCI Management accepted recommendation 5 and stated that effective 1 September 2007, the Mission no longer provides accommodation to all Military Staff Officers posted at UNOCI HQ. Military Staff Officers in Sectors HQs are accommodated in UN-provided facilities, which are fully MOSS compliant. Based on the Mission's response, this recommendation has been closed.*

### **C. Delayed collection of emergency blood shipment**

23. OIOS raised the issue of delays in the collection of blood supplies in its audit of medical services (AP/2006/640/10). In the current audit, OIOS noted that such delays were still occurring. For example, the Medical Section rejected a blood shipment in January 2007 because the physical examination of the blood showed that:

- The blood packages were not stored in frozen containers; and
- The internal temperature of blood packages was above 8°C. Regulations require that blood packages be stored at temperatures between 2°C and 6°C.

24. OIOS' discussions of the above shipment with the Chief, Medical Section, Chief, Movement Control Section, and the OIC, Procurement Section, and review of relevant documentation indicated the following:

- The blood bags arrived in Abidjan on 15 January 2007 and were received by SDV, a customs clearance agent, on the same day;
- Due to the delayed submission by the vendor of the commercial invoice, it was received by MovCon on 17 January 2007, two days after arrival of the blood bags and not five days before the arrival of the shipment as required by purchase order #7OCI -300088. The Ivorian customs authorities require the commercial invoice for the issuance of importation authorizations and the temporary removal of blood bags from customs. A review of blood shipments in the last five months showed that the vendor has not been in full compliance with the terms of purchase order #7OCI -300088 as the vendor sent the commercial invoice either on the same day or one day before the arrival of the blood bags.

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- On 17 and 18 January 2007, UNOCI requested the Ivorian authorities to provide the importation authorizations and clearances. UNOCI received the authorizations (dated 19 and 22 January 2007) on 23 January 2007 and arranged for the removal of the blood from customs on 24 January 2007. The UNOCI Medical Section, however, rejected the blood packages upon noticing that the blood bags were already spoiled.

25. On 11 January 2007, the Mission knew that the blood supply would arrive on 15 January 2007. However, due to the lack of forward planning, coordination among the sections/units in the Mission and the late dispatch of the commercial invoice, collection of the shipment was delayed. The late dispatch of the commercial invoice by the vendor played a major role in the late removal of the blood bags. Consequently, Mission management should decide whether or not to pay the value of the specific blood shipment which is \$8,943.

26. In the past, the Mission did not take the necessary measures to formalize the blood supply procedures and draft a formal emergency action plan, but rather depended on the goodwill and cooperation of the Ivorian authorities. Moreover, the Ivorian Ministry of Health and Customs Authorities had in the past exercised a certain degree of flexibility, which had allowed the Mission to collect the blood supplies and submit the documents at a later date. But due to a toxic waste scandal, the host country authorities have recently started implementing its laws and regulations without exceptions and requested the Mission to submit the necessary documents in order to collect blood supplies.

#### **Recommendations 6 to 8**

##### **UNOCI Management should:**

**(6) Ensure that standard operating procedures and a formal action plan with clear guidelines and assigned responsibilities concerning blood supplies are drafted, approved and implemented immediately;**

**(7) Reach an agreement with the Ivorian Authorities that would allow for a smooth and uninterrupted emergency blood supply in the future; and**

**(8) Remind the vendor about its contractual obligation to send all shipping documents to the Mission five days before the arrival of blood bags and consider holding the vendor financially accountable for the delayed delivery and spoilage of the 15 January 2007 blood shipment amounting to \$8,944.**

27. *UNOCI Management accepted recommendation 6 and 7 stated that Supply Section has prepared a consolidated SOP, which was approved by all parties concerned involved in the procurement and handling of blood products. The main plan of action has been drafted with a particular focus to address the issue of securing an expedited treatment from the Pharmaceutical Division of the*

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*Government of Côte d'Ivoire. Blood is also tested in the National blood bank on a monthly basis. Recommendations 6 and 7 remain open pending receipt of a copy of the final action plan.*

28. *UNOCI Management accepted recommendation 8 and explained that the Procurement Section sent a fax to the vendor on 1 February 2007 stating the requirement for the vendor to send shipping documents to the Mission five days before the arrival of the shipment. In another fax message dated 5 March 2007, the Procurement Section informed the vendor that the Mission will not pay for the shipment of spoiled blood unless the vendor provides the Mission with the full investigation report regarding the subject blood shipment. Recommendation 8 remains open pending receipt of documentation from UNOCI showing the final resolution of the issue regarding the 15 January 2007 shipment of spoiled blood to the Mission.*

#### **D. Breach of UN Financial Regulations and Rules in the provision of telecommunication services**

29. Documentation pertaining to the provision of telecommunication services indicated that services, such as international and local calls and mobile phone services, were provided without proper contractual arrangements.

##### Mobile phone service contracts

30. UNOCI's mobile phone services provided by two private contractors, MTN and Orange SA, are not covered by any written agreements. The UNOCI mobile phone service agreement, signed in July 2004, has already expired but the Mission continues to use MTN's services without a valid contract. UNOCI never had a contract with Orange SA for the provision of mobile phone services.

31. UNOCI explained that between March 2003 and July 2004, MINUCI (the predecessor of UNOCI) piggybacked on the UNDP's global system for mobile (GSM) communications service contract with Orange-CI. Under the arrangement, Orange-CI provided MINUCI, through UNDP, both regular phone and GSM services. When UNOCI was authorized by the Security Council, it inherited this arrangement and continued to utilize Orange-CI service. The decision was influenced by the critical need to avert a disruption in service and to give the UNOCI Procurement Section time to conduct a normal competitive sourcing exercise.

32. While MTN is the main provider of cellular services, UNOCI, particularly members of the Senior Management Team, has continued to use Orange SA services under the terms previously agreed upon with UNDP. The UNOCI Procurement Section has established a target date of 15 August 2007 to finalize a formal contract with Orange SA.

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### Long distance and local call services

33. UNOCI has been using the services of the Cote d'Ivoire Telecom Company (hereafter referred to as CI Telecom) for the provision of landline local calls. CI Telecom is a state-owned national telecommunications company with an exclusive franchise to provide landline local call services in the country. For international long distance call services, the Mission has been using the services of CI Telecom and Wind Spa, an Italian telecommunications company. Wind Spa has a contract with UNHQ for the provision of telecommunication services to the UN missions through the United Nations Logistics Base. However, UNOCI does not have a formal contract with CI Telecom for the provision of either local or international long distance call services. UNOCI has been receiving these services from CI Telecom since the inception of the Mission.

34. UNOCI has not taken proper action to regularize the provision of telecommunication services. Instead, the Communications and Information Technology Section had arbitrarily switched, three times, from one long distance service provider to another without proper documentation of the decision-making process undertaken to shift from one company to another.

35. Based on OIOS' interviews with key CITS and Procurement Section staff, it became evident that the Procurement Section was not involved in the procurement of telecommunications services. CITS could not provide any documentation pertaining to the selection and establishment of the commercial relationship with CI Telecom, including technical and financial evaluations of the service provider's capability to render such services.

### **Recommendations 9 and 10**

#### **UNOCI Management should:**

**(9) Ensure that the Communications and Information Technology Section ceases immediately the practice of engaging in procurement activities without the involvement of the Procurement Section; and**

**(10) Immediately regularize the provision of telecommunication services without a valid contract, by initiating the bidding process and formalizing arrangements for such services.**

36. *UNOCI Management accepted recommendation 9 and stated that CITS has started procurement activities for the local, long distance and cellular services through the Procurement Section. Based on action taken by the Mission, this recommendation has been closed.*

37. *UNOCI Management accepted recommendation 10 and stated that the bidding exercise for both landline telephone services and mobile phone services was completed. The contract for the landline telephone services is ready for final*

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*review and signature. The mobile phone service contract has been received and is being evaluated. Recommendation 10 remains open pending receipt of documentation from UNOCI showing that the contracts for landline and mobile telephone services have been finalized.*

## **E. Monitoring of not-to-exceed amounts**

38. The current system of monitoring contract NTE amounts is inefficient. The Procurement Section checks the NTE amounts only prior to a contract amendment which may occur one or two times annually. There is no system in place for requisitioning sections/units to monitor the NTE amount on an ongoing basis.

39. Moreover, the Procurement Section's monitoring of NTE balances is limited to local and HQ system contracts in the Mercury system, which does not provide for effective monitoring by the Procurement Section as these contracts constitute a small portion of the total number of contracts. Large contracts, such as those for peacekeeping missions' air charter services, are not monitored through Mercury. Since there is no reliable database to provide accurate, up-to-date information on NTE balances on all contracts, it is a time-consuming process to gather the relevant information in order to calculate how much of the NTE amount has been consumed.

40. In order to ensure that NTE amounts are effectively monitored on an ongoing basis and are not exceeded, the Procurement Section is planning to create a database in which the total balance of purchase orders pertaining to a specific contract would be linked to the contract balance as per the Sun System. This will require the Procurement Section, in consultation with CITS, to determine the format and content of such a database.

### **Recommendation 11**

**(11) UNOCI Management should ensure that the Procurement Section's efforts to develop a database for monitoring not-to-exceed amounts on all contracts are coordinated with the Communications and Information Technology Section, to ensure that the database will provide accurate, reliable and timely information.**

41. *UNOCI Management accepted recommendation 11 and stated that the format of the database for the monitoring of not-to-exceed amount on all approved contracts has been developed and the Procurement Section is in the process of entering all data, which will be updated regularly. Recommendation 11 remains open pending receipt of documentation from UNOCI showing that the development of the database was coordinated with CITS.*



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## **F. Staffing issues**

### Filling of Contracts Management Unit posts

42. The Contracts Management Unit has not been operational since the inception of the Mission. The Unit has three authorized posts (one P-4, one P-3 and one local staff) for fiscal year 2006/07, none of which have been filled to date. The Personnel Section has started the recruitment process to fill these vacant posts within the calendar year. However, at the time of the audit, the Unit's terms of reference, operating procedures and reporting lines were not yet clear.

### Rotation of Procurement Section staff

43. The Procurement Section has yet to adopt a formal policy for rotating staff on a regular basis. The only staff rotation took place on 1 July 2006, after the previous CPO implemented UNHQ directives and audit recommendations on the rotation of procurement staff. However, a staff member who was supposed to be rotated to another procurement team by the end of 2006 has not been rotated as of February 2007. According to the Procurement Section, the next rotation plan is still being discussed and finalized.

### **Recommendations 12 and 13**

#### **UNOCI Management should:**

**(12) Immediately fill the three vacant posts allocated to the Contracts Management Unit to ensure that the Unit is able to commence operations and properly discharge its functions; and ensure that the Unit's terms of reference, operating procedures and reporting lines are defined; and**

**(13) Implement a formal policy for regularly rotating staff members in the Procurement Section as an additional control measure over the procurement function.**

44. *UNOCI Management accepted recommendation 12 and stated that recruitment for the FS-5 post is underway, specifically an offer was sent to the selected candidate on 24 October 2007, who has accepted the offer. Shortlists were forwarded to the Service Chief for the Chief Contract Management Officer (P-4) post and Supply Officer Contract Management (P-3) post, and interviews are scheduled for 20 November 2007. Recommendation 12 remains open pending receipt of documentation from UNOCI showing that the three vacant posts have been filled.*

45. *UNOCI Management accepted recommendation 13 and stated that staff rotation in the Procurement Section is done every two years to give staff members sufficient time to learn their new tasks. The last rotation was completed*

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on 1 July 2006 and the next is scheduled for 1 July 2008. Based on the Mission's response, this recommendation has been closed.

## **H. Record-keeping**

46. OIOS' review of 25 sample procurement files indicated the following:

(a) In six cases, no vendor performance evaluation form was found in the procurement file while in four cases mid-term vendor performance evaluations were yet to be conducted. Furthermore, in one case, although the vendor was suspended from the vendor's roster due to poor performance in another contract, no vendor performance appraisal was conducted for the contract reviewed by OIOS (5ONU/CON/00066-SONITRA).

(b) In eight cases, the original copy of the contract and amendments were not found in the file.

(c) In one case, no performance bond was found in the file (5ONU/CON/00070) while in another case (6ONU/CON/00076), although the contract amount was amended, a new performance bond equivalent to 10 per cent of the revised amount was not received as required by the contract terms.

(d) The amended purchase order relating to contract 6ONU/CON/00076 was not found in the file. This contract pertains to the procurement of a core requirement, with the NTE amount of \$485,653.

### **Recommendation 14**

**(14) UNOCI Management should ensure that procurement files contain all important documents relating to procurement actions such as original contracts and amendments, performance bonds, vendors' performance evaluations.**

47. *UNOCI Management accepted recommendation 14 and stated that procurement files are periodically checked to ensure that all important original documents are available for future review.* Based on the Mission's response, this recommendation has been closed.

48. Due to the lack of archiving facilities in the Mission, expired/canceled contracts were not stored separately from the active contracts. Paragraphs 15.4 and 15.5 of the Procurement Manual state that "all procurement contractual files shall be stored either by the Procurement Section or by the Archive Facility of the mission for a minimum of seven years after the date of the close-out of the contract. Once a contract is issued, the original contract file is deposited at the UN/PD archives or similar archives in the field".



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### **Recommendation 15**

**(15) UNOCI Management should establish an archiving facility to allow for the segregation of expired and cancelled contracts from active contracts to comply with the Procurement Manual requirements.**

49. *UNOCI Management accepted recommendation 15 and stated that the Mission is actively working to establish such a facility. The project should be completed by 28 February 2008. Recommendation 15 remains open pending receipt of documentation from UNOCI showing the establishment of an archiving facility.*

## **V. ACKNOWLEDGEMENT**

50. We wish to express our appreciation to the Management and staff of Procurement for the assistance and cooperation extended to the auditors during this assignment.

## STATUS OF AUDIT RECOMMENDATIONS

Recom. no.	C/O <sup>1</sup>	Actions needed to close recommendation	Implementation date <sup>2</sup>
1	O	Verification by OIOS that payments are made on the basis of appropriate obligating documents	28/06/2007
2	O	Verification by OIOS that requisitioning units comply with the Procurement Manual and FRR's provisions on the procurement of goods and services	01/07/2007
3	O	Submission to OIOS of documentation showing the final resolution of the issue regarding the payment of passenger embarkation tax	
4	O	UNOCI management's reconsideration of its initial response to the recommendation	
5	C		01/09/2007
6	O	Submission to OIOS of a copy of the final action plan to secure an expedite release of blood shipments from the Government of Cote d'Ivoire	31/03/2007
7	O	Submission to OIOS of a copy of the final action plan to secure an expedite release of blood shipments from the Government of Cote d'Ivoire	31/03/2007
8	O	Submission to OIOS of documentation showing the final resolution of the issue regarding the 15 January 2007 shipment of spoiled blood to the Mission	30/04/2007
9	C		01/06/2007
10	O	Submission to OIOS of documentation showing that the contracts for landline and mobile telephone services have been finalized	by 15/12/2007
11	O	Submission to OIOS of documentation showing that the development of the database to monitor NTE contract amounts was coordinated with CITS	by 31/12/2007
12	O	Submission to OIOS of documentation showing that the three vacant posts have been filled	01/02/2008
13	C		01/07/2008
14	C		Ongoing
15	O	Submission to OIOS of documentation showing the establishment of an archiving facility	28/02/2008

<sup>1</sup> C = closed, O = open

<sup>2</sup> Date provided by UNOCI in response to recommendations