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Observation No: 18
Audit area: Procurement
Issue title: Issues relating to procurement cycle

Condition

- a) During the course of our audit we noted certain instances where purchase orders were not raised in respect of procurement of goods. The detailed instances are as follows;

Description	Voucher #	Date	Amount USD	Purchase order
Purchase of Toyota vehicles	00109611	28-Dec-11	308,968	x
Toners and IT equipments	00108444	12-Dec-11	63,578	x
Software for EPS	00105926	04-Oct-11	63,401	x
CTC Stationeries	00097627	02-Feb-11	35,381	x
Copier machine- Regional EPS	00107349	22-Nov-11	129,497	x
IT equipments for PTC	00099089	13-Mar-11	236,920	x
IT equipments for PTC	00097960	13-Feb-11	273,959	x
IT equipments for PTC	00099084	13-Mar-11	363,868	x
GIS Software and Printer for EPS	000108445	12-Dec-11	57,547	x

- b) We noted some instances where supplier evaluation sheets were not approved by the deputy project manager. Detailed instances are as follows;

Description	Voucher #	Date	Amount USD
Purchase of Furniture	00099533	23-Mar-11	1,814
Purchase of Furniture	00099519	22-Mar-11	2,390

Criteria

As per UNDP procurement policies "In the case of goods valued at USD 2,500 or more procured by UNDP, contracts must be issued in the form of a written purchase order".

Further, as per current practice followed by UNDP LOTFA, all the evaluation sheets are approved by Project/Deputy Project Manager prior to awarding contracts to selected vendors for procurement of goods and services

Cause

Lack of/inadequate guidance/supervision at project level

Impact or risk

This may affect the transparency of procurement process and may result in unauthorized purchases.

Recommendation

We recommend that the requirements of UNDP procurement policy should be complied and purchase orders should be raised for all procurement activities exceeding

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USD 2,500. Further, we recommend that all the evaluation sheets should be approved by Project/Deputy Project Manager to ensure the transparency of procurement process.

Priority

Medium

Management comments

As normal practice contracts were awarded instead of PO for the supply of these equipments. Approval of evaluation was recommended at OSS meeting, the practice was commenced soon after the recommendation.

Responsible Manager

Expected Completion Date