

Highlights of [GAO-06-577](#), a report to congressional committees

Why GAO Did This Study

For more than a decade, experts have called on the United Nations (UN) Secretariat to correct serious deficiencies in its procurement process. Recent evidence of corruption and mismanagement in procurement suggests that millions of dollars contributed to the UN by the United States and other member states are at risk of fraud, waste and abuse. During the last decade, UN procurement has more than tripled to more than \$1.6 billion in 2005, largely due to expanding UN peacekeeping operations. More than a third of that amount is procured by UN peacekeeping field missions.

To review the UN's internal controls over procurement, GAO assessed key control elements, including (1) the overall control environment and (2) specific control activities aimed at providing reasonable assurance that staff are complying with directives.

What GAO Recommends

GAO recommends that the State Department work with member states to encourage the UN to establish clear lines of authority, enhance training, adopt ethics guidance, establish an independent bid protest mechanism, and implement other steps to improve UN procurement. GAO provided State and the UN with an opportunity to comment on a draft of this report. State endorsed GAO's recommendations. The UN chose not to provide comments.

www.gao.gov/cgi-bin/getrpt?GAO-06-577.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Thomas Melito at (202) 512-9601 or melitot@gao.gov.

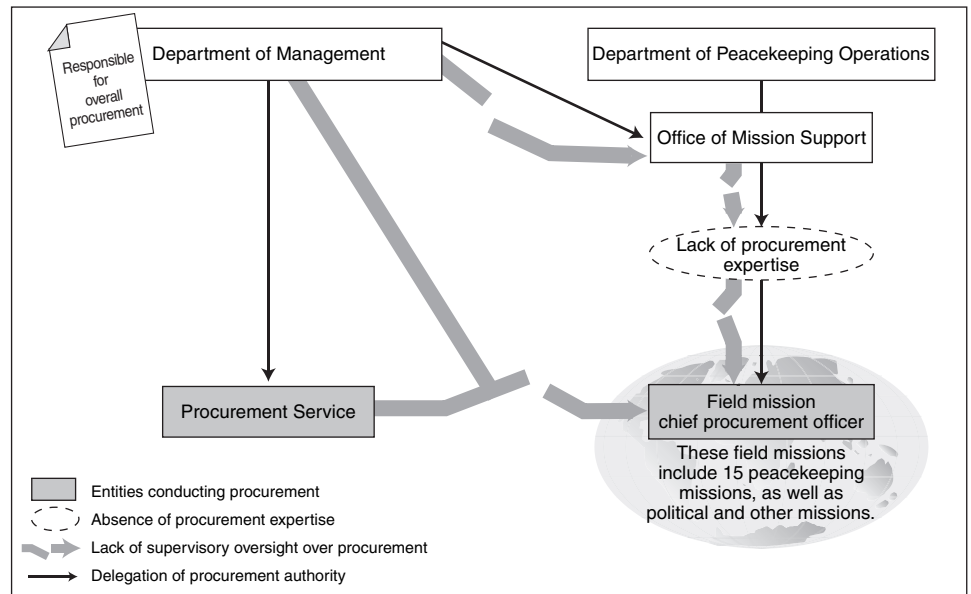
UNITED NATIONS

Procurement Internal Controls Are Weak

What GAO Found

Weak internal controls over UN headquarters and peacekeeping procurement operations expose UN resources to significant risk of waste, fraud, and abuse. The UN's overall control environment for procurement is weakened by the absence of (1) an effective organizational structure, (2) a commitment to a professional workforce, and (3) specific ethics guidance for procurement staff. GAO found that leadership responsibilities for UN procurement are highly diffused. While the UN Department of Management is responsible for UN procurement, field procurement staff are instead supervised by the UN Department of Peacekeeping Operations, which currently lacks the expertise and capacities needed to manage field procurement activities. Also, the UN has not demonstrated a commitment to maintaining a qualified, professional procurement workforce. It has not established training requirements or a procurement career path. In addition, the UN has yet to establish specific ethics guidance for procurement staff in response to long-standing mandates by the UN General Assembly, despite recent findings of unethical behavior.

Diffusion of Leadership Responsibilities for UN Procurement



Source: GAO.

GAO also found weaknesses in key control activities. For example, the UN has not addressed workload and resource problems that are impeding the ability of a key committee to review high-value contracts. Also, the UN has yet to establish an independent process to review vendor complaints, despite long-standing recommendations that it do so. In addition, the UN has not updated its procurement manual since 2004. As a result of these and other weaknesses, many millions of dollars in U.S. and other member state contributions could be vulnerable to fraud, waste, and abuse.