



Internal Oversight Division

Reference: IOD-INV-2017-35

Management Implication Report

March 6, 2018

1. FACTS

1. As part of a recent inquiry, the Internal Oversight Division (IOD) found that a number of purchase requisitions, raised in 2017 on the same day by one staff for goods to be provided by the same supplier, amounted to more than 100,000 Swiss francs in total while their individual amounts were all below 20'000 Swiss francs. The procurement processes for which those requisitions had been raised did not involve any request for quotation or other form of competition.
2. IOD's inquiry confirmed that the goods in question were to be procured via the direct purchase method, in violation of WIPO Procurement Manual paragraph 51¹.
3. However, the Procurement and Travel Division (PTD) noticed the irregularity and the procurement was eventually cancelled.

2. ISSUE

4. In this case, a violation of WIPO's procurement rules could only be avoided through action from PTD.
5. While the systematic review and validation of procurement operations by PTD constitutes an effective transaction-level control, it may be possible to further mitigate residual risks of non-compliance through adequate automated controls.

3. RECOMMENDATION

6. In view of the foregoing, IOD recommends the following action:

1. The Management and Administrative Applications Section of the Department of Program Planning and Finance (DPPF/MAAS), in consultation with the Procurement and Travel Division (PTD), should examine the possibility of implementing automated controls in the Administrative Integrated Management System (AIMS) for the detection and prevention of procurement transactions cumulatively exceeding, within any calendar year, the maximum admissible amount for direct procurement.

(Importance: High)

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¹ Providing: "Direct purchase is allowed provided the total payments made to the same vendor for similar or related purchases during a period of one calendar year has not reached or exceeded 20,000 Swiss francs. If it has reached or exceeded 20,000 Swiss francs, three offers are required for any further purchase"

TABLE OF RECOMMENDATIONS

No.	Recommendation	Responsible unit/manager	Deadline for implementation	Management comment and action plan
1	The Management and Administrative Applications Section of the Department of Program Planning and Finance (DPPF/MAAS), in consultation with the Procurement and Travel Division (PTD), should examine the possibility of implementing automated controls in the Administrative Integrated Management System (AIMS) for the detection and prevention of procurement transactions cumulatively exceeding, within any calendar year, the maximum admissible amount for direct procurement.	J. Maurissen DPPF/MAAS	September 30, 2018	Such a control already exists in AIMS ("rule 18") but deserves some enhancements. In order to address the recommendation, further configuration is required. An enhancement request already exists (ref. CHAN01246), which will need further input from PTD on the parameters. The degree of automation will be adapted to what is technically possible and practicable.