



INTERNAL AUDIT DIVISION

REPORT 2020/037

Audit of facilities management at the United Nations Office at Geneva

**There is need to develop a long-term
maintenance strategy and strengthen space
management and some aspects of project and
contract management**

6 October 2020

Assignment No. AE2019-310-02

Audit of facilities management at the United Nations Office at Geneva

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of facilities management at the United Nations Office at Geneva (UNOG). The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the effective management of facilities at UNOG. The audit covered the period from 1 January 2018 to 31 December 2019 and included a review of risk areas relating to: (a) strategic planning; (b) project management; (c) contract management; and (d) management of office space.

UNOG was in the course of implementing a large construction and renovation project (the Strategic Heritage Plan) whose main objective is to address health and safety risks and preserve and rehabilitate the Palais des Nations to enhance its capacity to meet existing and future operational needs. The audit showed that there was a need to develop a long-term maintenance strategy and strengthen space management and some aspects of project and contract management.

OIOS made six recommendations. To address the issues identified in the audit, UNOG needed to:

- Develop a long-term maintenance strategy and continue to support the case for the creation of a capital funding mechanism for buildings and infrastructure assets;
- Undertake a capacity assessment of the Facilities Management Section in light of the expected changes in complexity and size arising from the Strategic Heritage Plan, and develop an appropriate action plan to address them;
- Provide in its project business cases an analysis as to whether the projects could be undertaken using internal resources, as well as the staffing resources required for each project; and develop a mechanism for periodic reporting of the status of project implementation to enhance oversight and accountability;
- Ensure that appropriate key performance indicators are included in long-term contracts to enable objective assessment of contractors' performance;
- Strengthen the design and management of the cleaning contract; and
- Establish clear guidelines outlining the roles and responsibilities and related procedures for management of office space including approved space allocation guidelines taking into account post Strategic Heritage Plan flexible working arrangements, host country standards and the COVID-19 pandemic distancing requirements.

UNOG accepted the recommendations and has initiated action to implement them.

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Audit of facilities management at the United Nations Office at Geneva

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of facilities management at the United Nations Office at Geneva (UNOG).

2. The Palais des Nations occupies land that is 464,307 square meters in size. Its building surface is 181,560 square meters and the building has 43 conference rooms. These are managed by the Facilities Management Section (FMS) in the Central Support Service of UNOG's Division of Administration. FMS is responsible for the maintenance of buildings, parks and gardens; management of several projects related to buildings; office planning and allocation of space; and coordination of related building services requirements. In 2018 and 2019, the Palais des Nations accommodated several entities as shown in the Table.

Table: Entities accommodated by UNOG in 2018 and 2019

Entity type	No. of contracts by entity type	
	2018	2019
United Nations entities	28	31
Commercial entities	16	15
Media houses	31	30
Individual journalists	14	11
Total	89	87

3. In the 2018-2019 biennium, FMS had a budget of \$43.2 million. Of this, \$18 million was for regular maintenance, \$11.6 million for major maintenance and alterations, \$5.7 million for rent of office spaces of the Office of the High Commissioner for Human Rights, and the rest was for utilities and other expenses. In addition, there was an ongoing project of the Strategic Heritage Plan (SHP) with an overall budget of CHF836 million that entails the construction of a new building and renovations of the existing buildings. SHP's main objective were to address health and safety risks and to preserve and rehabilitate the Palais des Nations to enhance its capacity to meet the existing and future operational needs. The project was expected to be completed around 2024.

4. FMS is headed by a P-5 supported by 83 staff (2 P-4, 4 P-3, 2 P-2 and 75 General-Service level). Two of these posts were financed by SHP, and two were vacant at the time of the audit. FMS is divided into two units: the Buildings Unit and the Engineering Unit.

5. Comments provided by UNOG are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

6. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the effective management of facilities at UNOG.

7. This audit was included in the 2020 risk-based work plan of OIOS because of risks associated with facilities management at UNOG which could affect operations and staff.

8. OIOS conducted this audit from March to June 2020. The audit covered the period from 1 January 2018 to 31 December 2019. Based on an activity-level risk assessment, the audit covered risk areas relating

to: (a) strategic planning; (b) project management; (c) contract management; and (d) management of office space.

9. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; (d) sample testing; and (e) physical observation.

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

III. AUDIT RESULTS

A. Strategic planning

Need for a long-term maintenance strategy

11. The Secretary-General's report on facilities management (A/54/628 - paragraph 28) recommends long-range planning of up to 12 years for maintenance needs. As part of its strategy to address its long-term needs, UNOG was in the course of implementing SHP to renovate the Palais des Nations. However, it did not have a long-term maintenance plan or strategy to cover the maintenance needs during and subsequent to SHP. A long-term maintenance strategy with a focus towards routine and preventive maintenance plans in line with applicable construction industry standards should be developed clearly defining the forthcoming maintenance tasks and related resource requirements. Such a maintenance strategy is likely to be cost effective in the long run and would help to avoid significant deterioration and depreciation of the buildings similar to the situation currently experienced which necessitated the SHP project.

12. With a budget ceiling of around CHF836 million, SHP was not expected to address all maintenance needs of the Palais des Nations complex and therefore, any areas not covered would need to be incorporated in the maintenance programme as appropriate. For example, there were 26,000 meters of heating pipes that were 80 years old, whose full replacement estimated at \$14 million had been excluded from the scope of SHP. UNOG stated that this decision was made after surveys had established that the condition of the pipes was still acceptable. Nonetheless, considering the age of the pipes, future repair/replacement will need to take place and planned for accordingly.

13. There were also about 887 old windows that were not replaced in 2013 and 2014 when most of the windows were replaced through an in-kind donation from the host country. UNOG stated that the windows replaced in 2013 and 2014 were the ones where the most benefits such as thermal gain could be achieved. SHP will replace windows in all rooms where significant renovation works are foreseen, including those that will support the achievement of a Swiss environmental certification programme for low-energy-consumption buildings. UNOG further stated that 595 out of the 887 windows would be replaced under SHP. Any windows not replaced under SHP would need to be considered in future maintenance programmes as appropriate. Further, annexes to the Palais des Nations were not part of SHP and although they were undergoing some maintenance, such as replacement of windows, there was a need for a comprehensive assessment and plan for maintaining them in accordance with appropriate standards.

14. With regard to funding, efforts had been ongoing at United Nations Headquarters since 2015 to establish a funding mechanism for the long-term maintenance of office complexes, but this had not yet been approved. The 2016 Secretary-General's report on strategic capital review (A/70/697), for instance, addressed the issue and stated that more information may be provided on funding mechanisms in future projects. UNOG needs to continue supporting the case for the creation of a capital funding mechanism that

would enable FMS to manage the Palais complex in an effective manner in the post-SHP period. At present, the budgeting process for routine and capital projects is on an annual basis, which may not be ideal for the planning of long-term needs. In the absence of an appropriate funding mechanism, there is a risk of delays in carrying out essential maintenance of buildings and infrastructure assets which could eventually result in additional costs.

(1) UNOG should: (a) comprehensively identify, document and cost its maintenance needs; (b) develop a long-term maintenance strategy for the Palais des Nations complex; and (c) share its long-term maintenance strategy with United Nations Headquarters to support the corporate case for the creation of a capital funding mechanism for buildings and infrastructure assets.

UNOG accepted recommendation 1 and stated that: (a) FMS will carry out the requested review and continue to coordinate with SHP to identify maintenance gaps. The results of this review will feed into the UNOG long-term maintenance strategy; and (b) in order to implement this recommendation and create the capacity to coordinate input across different in-house trades and external expertise, the Central Support Service/FMS will need to reprioritize internal resources. The full implementation of the recommendations stemming from the long-term maintenance strategy that UNOG will develop will be subject to resources being made available for such purposes within the context of budgetary submissions. Recommendation 1 remains open pending receipt of evidence that UNOG has: (a) identified and costed the maintenance gaps not covered by SHP; and; (b) taken action to develop a long-term maintenance strategy.

Need to identify and address gaps in human resources

15. FMS had 84 posts, 82 of which were encumbered; recruitment for the remaining two was ongoing but were subject to the recruitment freeze until further notice. With the addition of the new modern building and more staff moving into the Palais des Nations from outside, facilities management has become more complex. The following are some of the changes and their potential impact on FMS' human resources:

(a) The relocation of at least 900 staff into the Palais des Nations complex would lead to additional responsibilities for managing the space. At the time of the audit, the sub-unit responsible for space management had three staff (one supervisor at the GS-7 level who was also responsible for project support), one draftsman at the GS-5 level (working at 80 per cent), and one temporary draftsman at the GS-5 level. It was not clear whether the staffing level was adequate to manage the additional workload.

(b) The additional space meant that approximately 1,000 workstations would be added with no additional maintenance staff, which could further stretch the capacity of FMS.

(c) New equipment installed in the complex was of advanced technology, which could require new and/or additional skills to manage them effectively.

16. While FMS was aware of some of the gaps in its staffing which were documented in its risk assessment, it was yet to undertake a comprehensive assessment to detail all the gaps and develop an action plan to address them. Although FMS had reclassified one of the five posts which became vacant during the 2018-2019 biennium, it was evident that more needed to be done, such as training and further reclassification of posts, among other things. Three FMS staff were scheduled to retire by the time SHP comes to an end (around 2024). There was an opportunity to enrich the job descriptions of some of the staff to equip them with additional skills. The potential to transfer some aspects of space management to clients and utilize any resources of UNOG's client organizations that will be relocating to the Palais could

also be explored. The extent to which some of the routine maintenance work should be outsourced or in-housed could also be included in the assessment of FMS' staffing needs.

(2) The UNOG Facilities Management Section should undertake a capacity assessment in light of the expected changes in complexity and size arising from the construction of a new building and the planned move of a large number of staff to its premises as a result of the Strategic Heritage Plan, and develop an appropriate action plan to address them.

UNOG accepted recommendation 2 and stated that implementation of any recommended measures resulting from the capacity assessment that involve addressing major skill-set gaps in personnel will be subject to training and/or operational budgets being made available to UNOG, in addition to the constraints of current human resources natural attrition practices and policies for replacement of staff. Recommendation 2 remains open pending receipt of evidence that a capacity assessment has been undertaken and a plan of action established to address the identified gaps.

B. Project management

Need to strengthen project planning, reporting and monitoring of projects

17. Planning and monitoring are essential to ensure that the available resources are properly prioritized and optimally utilized. OIOS' review of three out of eight maintenance projects implemented in the 2018-2019 biennium with a value of \$3 million showed evidence of quality control. Projects were monitored through weekly meetings between FMS and contractors. Further, on a weekly basis, FMS tabulated all costs incurred, and the unspent balances under each project. FMS also took photographs of project sites to visually document the status of each project. All the three projects reviewed were implemented within budget. Controls were in place to ensure that the amounts invoiced were accurate and consistent with the work done. There were notes on invoices showing the aspects disputed, and cases where the contractor was asked to redo the work.

18. However, certain aspects needed to be strengthened. Business cases of all projects did not include an analysis of the extent to which the projects could be undertaken internally or using external resources, and the level of internal staffing that would be required for each project. In interviews with OIOS, both the Buildings and Engineering Units explained the challenges they faced whenever there was a need to borrow staff from each other, something that could be minimized if staffing needs were planned for and specified at the time of developing the business case. Documenting the staffing needs for each project would enable FMS to perform a more realistic assessment of how to optimally allocate the existing staffing resources between maintenance projects and regular work. It could also be useful in determining the phasing and timing of projects to optimally use internal resources where feasible, before considering the option to outsource the work. *UNOG stated that the Organization's budgetary process and uncertainties, in particular due to the ongoing liquidity crisis and the absence of funding to outsource specific professional skills due to budget constraints, in addition to location specific circumstances that often led to last-minute reprioritizations, were also elements to take into account in the analysis.*

19. Additionally, while UNOG stated that management was directly involved in any decisions impacting on budgets and major maintenance or renovation works, there was no formal reporting, annually or quarterly, to inform UNOG management of the status of various projects and reasons for cost and time overruns, if any. OIOS is of the view that such a reporting mechanism is essential to strengthen project oversight and accountability.

- (3) UNOG should: (a) provide in its project business cases an analysis as to whether the projects could be undertaken using internal resources, as well as the staffing resources required for each project; and (b) develop a mechanism for periodic reporting of the status of project implementation to enhance oversight and accountability.**

UNOG accepted recommendation 3 and stated that: (a) for each capital project submitted in the yearly budget request, the needed staffing resources will be identified and presented in the request; and (b) a template will be developed. Recommendation 3 remains open pending receipt of evidence that: (a) staffing needs have been identified in new capital projects; and (b) a mechanism has been developed for periodic reporting of the status of project implementation.

Insurance coverage had been obtained

20. Good facilities management practices require that significant risks to facilities and installations are identified and appropriately mitigated. UNOG had identified and insured itself for the following risks: fire, lightning, smoke, explosion, implosion, falling aircraft, civil commotion, malicious damage, natural perils (such as flooding and windstorm), water leakage or damage to the building caused by rainwater, vehicle impact, building collapse, radioactive contamination, burglary, earthquake/volcano and any sudden and accidental external event. Excluded were roads and fences of the Palais des Nations, but the risks to these were deemed to be low. Also excluded were risks related to donated art which, in accordance with the United Nations policy on gifts and donations, were not to be insured. The premium was \$271,000 per year and the limit payable by the insurer for claims was almost \$1 billion. UNOG also had another insurance policy covering terrorism and acts of sabotage which covered up to \$270 million of damage.

C. Contract management

Need to strengthen contract management

21. FMS had 113 contracts with a total value of \$111 million, of which the cleaning contract was the biggest at \$26 million. FMS had developed a procurement plan and kept a regularly updated spreadsheet which it used to monitor contract end dates, essential for timely initiation of the contract renewal process. OIOS reviewed the management of three high-value contracts in detail, namely, the cleaning contract (with an expenditure of \$8 million in the 2018-2019 biennium), the electrical installations contract valued at \$2.7 million and an architectural works contract valued at \$1.9 million. The review showed that there was clear and appropriate assignment of responsibilities for certification of invoices, and performance evaluations of contractors were performed as required. However, the contracts did not include key performance indicators (KPIs) that were specific and measurable to facilitate the evaluation of the quality of work done by the contractors.

22. The cleaning contract was signed in 2014 and was scheduled for replacement before the end of 2020. FMS stated that it relied on the technical specifications annexed to the contracts to measure the performance of contractors. There was evidence that FMS had established practices and mechanisms to assess compliance with contract specifications. This included performing daily spot checks to ensure that all areas of the complex were cleaned in accordance with contract specifications. Joint checks by FMS and the cleaning company's representatives of areas selected by FMS were also conducted each month. In addition, FMS maintained a record of complaints and held monthly meetings with the contractor to discuss or validate issues and ensure that performance was maintained at the right level. FMS also periodically checked the products and equipment used by the contractor to ensure that they met the required standards.

23. However, the contract did not have a section on KPIs as recommended in the Procurement Manual. The absence of KPIs was also mentioned in vendor performance evaluation forms reviewed, which were prepared on a quarterly basis. The Division of Administration carried out a client survey once a year at the division level but it was too broad to specifically pick up concerns on the performance of the contractor.

24. OIOS noted that deep cleaning took place only when staff or offices requested it, since the contract did not provide for it to be done at periodic intervals. It would be useful for FMS to define a minimum frequency for deep cleaning for each office that could be incorporated in the contract as appropriate. The need for assessing and defining the parameters for deep cleaning is particularly important in the context of the COVID-19 pandemic and its aftermath.

25. Similarly, the electrical installations contract and the architectural works contract did not have clearly stated KPIs. Although FMS checked the work performed against the specifications of each work order and the contract, it would be useful to determine key indicators to be used to measure the contractors' performance annually, one of which could be compliance with contract specifications.

26. Moreover, there was lack of clarity in article 7 of the cleaning contract. It did not provide for the notice that would have to be issued by UNOG in accordance with local laws if it desired to increase or reduce the scale of services under the contract. As a result, in early 2019, it became difficult for UNOG to reduce certain cleaning services as part of cost reduction measures, since it would have resulted in laying off some contractor personnel, which requires a prior notice of four months to be given to such personnel under local laws. UNOG needs to ensure that these circumstances are factored into the contract documents.

(4) The UNOG Facilities Management Section should, as a standard practice, ensure that appropriate key performance indicators are included in long-term contracts to enable objective assessment of contractors' performance.

UNOG accepted recommendation 4 and stated that KPIs will be established for long-term contracts with a not-to-exceed amount of over \$100,000 per year. Recommendation 4 remains open pending receipt of evidence that contracts include KPIs.

(5) The UNOG Facilities Management Section should: (a) establish a mechanism for obtaining periodic client feedback on the performance of the cleaning contractor; (b) ensure that the new cleaning contract includes appropriate clauses to allow UNOG to increase or reduce the scale of services in accordance with its needs; and (c) determine the appropriate frequency for deep cleaning of rooms in the Palais des Nations complex.

UNOG accepted recommendation 5 and stated that: (a) FMS will establish a mechanism for obtaining periodic client feedback on the performance of the cleaning contractor; (b) the clause to allow UNOG to increase or reduce the scale of services in accordance with its needs is included in the new contract on the existing buildings; and (c) frequency for deep cleaning will be fixed and formalized and a monitoring tool will be defined. Recommendation 5 remains open pending receipt of evidence that: (a) mechanisms for obtaining client feedback have been established; (b) the new cleaning contract includes clauses that would allow UNOG to increase or reduce the scale of services in accordance with its needs; and (c) the frequency for deep cleaning has been determined and implemented.

D. Management of office space

Need to strengthen arrangements for space management

27. For office space to be effectively managed, there needs to be clear authority and responsibility for space allocation, management and monitoring. At the time of the audit, UNOG had 42,000 square meters of office space, and an additional 24,000 square meters was being constructed as part of SHP. The current space accommodated approximately 3,000 staff and post-SHP, there were plans to bring on board an additional 900 staff that are currently accommodated elsewhere in Geneva. UNOG housed almost 90 entities who paid for space either under rental agreements or through cost-recovery arrangements.

28. FMS indicated that its space allocation guidelines were obsolete and needed to be replaced. For space allocation relating to the post-SHP period, SHP used the Swiss Code as a basis for allocation of workspace, but these were not incorporated in the UNOG guidelines for allocation of office space. Likewise, the guidelines did not reflect the provisions of the resolutions of the General Assembly regarding the incorporation of flexible working arrangements in the design of SHP. Additionally, the guidelines need to address space configuration requirements that have arisen in the wake of the COVID-19 situation which may become the norm for the near future. OIOS also noted the following:

(a) There were no designated focal points to coordinate with FMS on office space management issues. Considering the large number of entities accommodated in UNOG, it is essential to establish designated focal points in consultation with the concerned heads of offices, with clearly defined roles and responsibilities. Regular meetings of focal points should be held to enable discussion and coordination of all matters relating to facilities management in general, and office space in particular.

(b) There was an imbalance in the use of office space. According to the UNOG space management guidelines (IC/Genève/2008/7), the norms for allocating office space were: six square meters for General Service staff; 9 square meters for P-1 to P-3 staff; 12 square meters for P-4 staff, and so on. However, some staff (GS-1 to P-3) had an average of 15 square meters, while in other offices, P-4 staff used only 6 square meters. There was no evidence that the variations were due to the nature of functions. FMS stated that it had identified and reported such exceptions to management. OIOS was informed that post-SHP, the overall space will be allocated to entities based on the Swiss Code but the entities are expected to be responsible for assigning staff to offices and determining which staff should share or have individual offices. The role of FMS would then focus on monitoring compliance with the Swiss Code.

(c) FMS did not have the authority to take away unused or underutilized office space to reallocate it to where it was most needed. Some entities had converted some of their space into storerooms even though such spaces were not meant to be used for such purposes, and fire exit passages were sometimes obstructed by storage and shared printers. This pointed to the need for appropriate monitoring and review mechanisms for escalating anomalies to UNOG and the client's senior management. FMS has the ownership and fiduciary responsibilities for ensuring space is properly used and therefore it needs to be accorded clearly defined authority to enable it to effectively oversee space allocation issues.

(6) UNOG should establish clear guidelines outlining the roles and responsibilities and related procedures for management of office space including: (a) approved space allocation guidelines taking into account the post-Strategic Heritage Plan flexible working arrangements, host country standards, and the COVID-19 pandemic distancing requirements; (b) the authority and responsibility of the Facilities Management Section in overseeing office space management and reporting exceptions to senior management;

and (c) the roles and responsibilities of focal points, who should be designated by all heads of offices for their respective organizations/offices.

UNOG accepted recommendation 6 and stated that: (a) FMS will formalize the space allocation guidelines prepared by SHP; (b) overseeing required will need redeployment of staff and/or additional external resources and implementation shall be done after SHP; and (c) terms of reference for the focal point will be developed. Recommendation 6 remains open pending receipt of evidence that standard operating procedures or formal guidelines on space allocation have been developed and implemented.

Management of cost recovery and rentals was satisfactory

29. The UNOG complex hosted 76 entities and 11 journalists, and had, therefore, a total of 87 contracts of various forms. All had signed memoranda of understanding (MoUs) or lease agreements except the Office of Staff Legal Assistance which, nevertheless, was billed and paid \$3,800 per year. In 2018/19, the total income from these MoUs and leases was \$5,298,861. UNOG returned 70 per cent of this to the Member States (credited back to regular budget resources), while the remaining 30 per cent was cost recovery for utilities and other expenditure. OIOS reviewed 16 contracts of commercial entities, five of United Nations entities and 14 media entities and individual journalists and established that the commercial and United Nations entities were billed based on the approved rates as per the annual Administrative and Financial Instruction on reimbursement rates for office/conference space, services and equipment. In the audit period, the price was set as \$54/ m²/month or \$1.77/ m²/day. The \$54 rate included a notional element of capital cost at the time it was set ten years ago, but it had not been reviewed since then. At the time of the audit, efforts were underway to develop new rates for the post-SHP period based on market rates and guidance developed by the United Nations Secretariat's task force that was reviewing ways to harmonize space billing at all duty stations. Since there was evidence of ongoing efforts to review the rates, OIOS did not make a recommendation.

IV. ACKNOWLEDGEMENT

30. OIOS wishes to express its appreciation to the management and staff of UNOG for the assistance and cooperation extended to the auditors during this assignment.

(Signed) Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of facilities management at the United Nations Office at Geneva

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	UNOG should: (a) comprehensively identify, document and cost its maintenance needs; (b) develop a long-term maintenance strategy for the Palais des Nations complex; and (c) share its long term maintenance strategy with United Nations Headquarters to support the corporate case for the creation of a capital funding mechanism for buildings and infrastructure assets.	Important	O	Receipt of evidence that UNOG has: (a) identified and costed the maintenance gaps not covered by SHP; and; (b) taken action to develop a long-term maintenance strategy.	30 June 2021
2	The UNOG Facilities Management Section should undertake a capacity assessment in light of the expected changes in complexity and size arising from the construction of a new building and the planned move of a large number of staff to its premises as a result of the Strategic Heritage Plan, and develop an appropriate action plan to address them.	Important	O	Receipt of evidence that a capacity assessment has been undertaken and a plan of action established to address the identified gaps.	31 December 2021
3	UNOG should: (a) provide in its project business cases an analysis as to whether the projects could be undertaken using internal resources, as well as the staffing resources required for each project; and (b) develop a mechanism for periodic reporting of the status of project implementation to enhance oversight and accountability.	Important	O	Receipt of evidence that: (a) staffing needs have been identified in new capital projects; and (b) a mechanism has been developed for periodic reporting of the status of project implementation.	30 June 2021
4	The UNOG Facilities Management Section should, as a standard practice, ensure that appropriate key performance indicators are included in long-term	Important	O	Receipt of evidence that contracts include KPIs.	31 December 2020

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 UNOG in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of facilities management at the United Nations Office at Geneva

	contracts to enable objective assessment of contractors' performance.				
5	The UNOG Facilities Management Section should: (a) establish a mechanism for obtaining periodic client feedback on the performance of the cleaning contractor; (b) ensure that the new cleaning contract includes appropriate clauses to allow UNOG to increase or reduce the scale of services in accordance with its needs; and (c) determine the appropriate frequency for deep cleaning of rooms in the Palais des Nations complex.	Important	O	Receipt of evidence that: (a) mechanisms for obtaining client feedback have been established; (b) the new cleaning contract includes clauses that would allow UNOG to increase or reduce the scale of services in accordance with its needs; and (c) the frequency for deep cleaning has been determined and implemented.	(a) 31 December 2020 (b) 30 June 2021 (c) 31 December 2020
6	UNOG should establish clear guidelines outlining the roles and responsibilities and related procedures for management of office space including: (a) approved space allocation guidelines taking into account the post-Strategic Heritage Plan flexible working arrangements, host country standards, and the COVID-19 pandemic distancing requirements; (b) the authority and responsibility of the Facilities Management Section in overseeing office space management and reporting exceptions to senior management; and (c) the roles and responsibilities of focal points, who should be designated by all heads of offices for their respective organizations/offices.	Important	O	Receipt of evidence that standard operating procedures or formal guidelines on space allocation have been developed and implemented.	31 December 2021

APPENDIX I

Management Response

Management Response

Audit of facilities management at the United Nations Office at Geneva

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNOG should: (a) comprehensively identify, document and cost its maintenance needs; (b) develop a long-term maintenance strategy for the Palais des Nations complex; and (c) share its long-term maintenance strategy with United Nations Headquarters to support the corporate case for the creation of a capital funding mechanism for buildings and infrastructure assets.	Important	(a) Y (b) Y (c) Y	(a) Chief, Facilities Management Section (b) Chief, Facilities Management Section (c) Chief, Facilities Management Section	(a) June 2021 (b) June 2021 (c) June 2021	(a) The UNOG Facilities Management Section will carry out the requested review and continue to coordinate with SHP to identify maintenance gaps. The results of this review will feed into the UNOG long-term maintenance strategy. (b) In order to implement this recommendation and create the capacity to coordinate input across different in-house trades and external expertise, the Central Support Service/Facilities Management Section will need to reprioritize internal resources. The full implementation of the recommendations stemming from the long-term maintenance strategy that UNOG will develop will be subject to resources being made available for such purposes within the context of budgetary submissions

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 facilities management at the United Nations Office at Geneva

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
2	The UNOG Facilities Management Section should undertake a capacity assessment in light of the expected changes in complexity and size arising from the construction of a new building and the planned move of a large number of staff to its premises as a result of the Strategic Heritage Plan, and develop an appropriate action plan to address them.	Important	Y	Chief, Facilities Management Section	End 2021	UNOG highlights the fact that implementation of any recommended measures resulting from the capacity assessment that involve addressing major skill-set gaps in personnel will be subject to training and/or operational budgets being made available to UNOG, in addition to the constraints of current HR natural attrition practices and policies for replacement of staff.
3	UNOG should: (a) provide in its project business cases an analysis as to whether the projects could be undertaken using internal resources, as well as the staffing resources required for each project; and (b) develop a mechanism for periodic reporting of the status of project implementation to enhance oversight and accountability.	Important	(a) Y (b) Y	(a) Chief, Facilities Management Section (b) Chief, Facilities Management Section	(a) Next budget submission 2022 (b) June 2021	(a) For each capital project submitted in the yearly budget request, the needed staffing resources will be identified and presented in the request (b) Template will be developed
4	The UNOG Facilities Management Section should, as a standard practice, ensure that appropriate key performance indicators are included in long-term contracts to enable objective assessment of contractors' performance.	Important	Y	Chief, Facilities Management Section	End 2020	The UNOG Facilities Management Section manages a wide range of contracts. Therefore, key performance indicators will be established for long-term contracts with a not-to-exceed amount over 100,000 US dollars per year
5	The UNOG Facilities Management Section should:	Important				

Management Response

Audit of facilities management at the United Nations Office at Geneva

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	<p>(a) establish a mechanism for obtaining periodic client feedback on the performance of the cleaning contractor;</p> <p>(b) ensure that the new cleaning contract includes appropriate clauses to allow UNOG to increase or reduce the scale of services in accordance with its needs; and</p> <p>(c) determine the appropriate frequency for deep cleaning of rooms in the Palais des Nations complex.</p>		<p>(a) Y</p> <p>(b) Y</p> <p>(c) Y</p>	<p>(a) Chief, Facilities Management Section</p> <p>(b) Chief, Facilities Management Section</p> <p>(c) Chief, Facilities Management Section</p>	<p>(a) End 2020</p> <p>(b) Cleaning: Mid-2021</p> <p>(c) End 2020</p>	<p>(a) FMS to establish a mechanism for obtaining periodic client feedback on the performance of the cleaning contractor.</p> <p>(b) This is included in the new contract on the existing buildings.</p> <p>(c) Frequency will be fixed and formalized; monitoring tool will be defined</p>
6	<p>UNOG should establish clear guidelines outlining the roles and responsibilities and related procedures for management of office space including:</p> <p>(a) approved space allocation guidelines taking into account the post-Strategic Heritage Plan flexible working arrangements, host country standards, and the COVID-19 pandemic distancing requirements</p> <p>(b) the authority and responsibility of the Facilities Management Section in overseeing office space management and reporting exceptions to senior management; and</p> <p>(c) the roles and responsibilities of focal points, who should be designated by all heads of offices for their respective organizations/offices.</p>	Important	<p>(a) Y</p> <p>(b) Y</p> <p>(c) Y</p>	<p>(a) Chief, Facilities Management Section</p> <p>(b) Chief, Facilities Management Section</p> <p>(c) Chief, Facilities Management Section</p>	<p>(a) End 2021</p> <p>(b) End 2021</p> <p>(c) End 2021</p>	<p>(a) The Facilities Management Section will formalize the space allocation guidelines prepared by SHP</p> <p>(b) Overseeing required will need redeployment of staff and / or additional external resources and implementation shall be done after SHP</p> <p>(c) The terms of reference for the focal point will be developed</p>