



## INTERNAL AUDIT DIVISION

### REPORT 2017/049

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Audit of major construction and alterations projects in the Economic and Social Commission for Asia and the Pacific

The establishment of the governance structure for the seismic mitigation retrofit and life-cycle replacement project was progressing well but needed to be finalized

13 June 2017

Assignment No. AN2017/740/02

# **Audit of major construction and alterations projects in the Economic and Social Commission for Asia and the Pacific**

## **EXECUTIVE SUMMARY**

The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the management of major construction and alterations projects in the Economic and Social Commission for Asia and the Pacific (ESCAP). The audit covered the period from 1 January 2016 to 31 March 2017 and focused on the management of the seismic mitigation retrofit and life-cycle replacement project. The audit included an examination of project pre-planning activities, governance and oversight mechanisms, and management framework.

ESCAP satisfactorily completed project pre-planning activities, filled four out of five project management positions, established a project Stakeholders Committee, and developed a project management plan. However, the project governance structure needed to be finalized.

OIOS made five recommendations. To address issues identified in the audit, ESCAP needed to:

- Finalize the Administrative and Coordination Agreement to formalize roles and responsibilities for oversight arrangements;
- Update the project management plan to include a change management plan and communication strategy;
- Prioritize the development of a strategy for identifying and securing suitable swing space for the duration of the project; and
- Establish necessary legal capacity at ESCAP.

In addition, the Office of Central Support Services (OCSS) needed to review whether the current level of delegation of authority in human resources management and procurement activities is appropriate to effectively manage major construction projects.

ESCAP and OCSS accepted the recommendations and have initiated action to implement them.

# CONTENTS

	<i>Page</i>
I. BACKGROUND	1
II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY	2
III. OVERALL CONCLUSION	2
IV. AUDIT RESULTS	2-7
A. Project pre-planning activities	2-3
B. Project governance mechanisms	3-4
C. Project management framework	5-7
V. ACKNOWLEDGEMENT	8
ANNEX I      Status of audit recommendations	
APPENDIX I   Management response	

# Audit of major construction and alterations projects in the Economic and Social Commission for Asia and the Pacific

## I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of major construction and alterations projects in the Economic and Social Commission for Asia and the Pacific (ESCAP).

2. ESCAP is the regional development arm of the United Nations for the Asia-Pacific region. ESCAP premises in Bangkok presently comprise three reinforced concrete buildings: (i) a 15-floor secretariat building built in the early 1970s; (ii) a 4-floor service building with two basement floors also built in the early 1970s; and (iii) a 3-floor United Nations Conference Centre with two basement floors built in the early 1990s. Professional seismic engineering consultants assessed these buildings from 2012 to 2014, and reported that the first two buildings are vulnerable to earthquakes and required seismic mitigation measures to safeguard personnel in the event of an earthquake.

3. Under Section IV of its resolution 71/272 dated 23 December 2016, the General Assembly approved a proposal to undertake a seismic mitigation retrofit and life-cycle replacement project to comply with national codes and mitigate health and safety risks related to persons working and/or visiting the buildings. The estimated maximum cost of the project is \$40,019,000, as shown in Table 1. The project is to be implemented in six phases from 2016 through 2023 comprising: (i) in 2016, pre-planning activities including inspection, feasibility study, and preparation of business case (completed); (ii) from 2017, planning including establishment of project team, development of project programme, architectural requirements and project governance; (iii) detailed structural seismic retrofit and architectural design, specifications and scope of works; (iv) development of bidding documents; (v) construction and handover; and (vi) project close-out.

**Table 1: Project costs schedule – 2017-2023 (in millions of US Dollars)**

Costs/Schedule	Phase Year	2-4 2017	2-4 2018	5 2019	5 2020	5 2021	5 2022	6 2023	Total
Trade costs		0	2.139	6.155	4.988	8.607	2.926	0	24.816
Construction fees		0.325	0.628	0.392	0.301	0.582	0.142	0	2.370
Escalation		0.013	0.226	0.817	0.899	1.991	0.814	0	4.760
Contingencies		0.034	0.299	0.736	0.619	1.118	0.388	0	3.195
Project management		0.506	0.696	0.696	0.916	0.916	0.916	0.232	4.878
	<b>Total</b>	<b>0.878</b>	<b>3.988</b>	<b>8.796</b>	<b>7.724</b>	<b>13.215</b>	<b>5.187</b>	<b>0.232</b>	<b>40.019</b>

4. The Executive Secretary of ESCAP is the owner of the project. She has designated the Director, Division of Administration as Project Executive, responsible for: managing the dedicated project management team headed by a P-5 Project Manager, interacting with internal and external stakeholders including on strategic issues requiring senior-level decision-making, and coordinating with the Office of Central Support Services (OCSS), which supports regional commissions in the management of their properties and constructions. The project management team comprises six temporary positions in ESCAP and half of one P-4 position based at United Nations Headquarters. The General Assembly approved for 2017, an appropriation of \$877,400, comprising \$505,600 under Section 19 and \$371,800 under Section 33 (construction, alteration, improvement and major maintenance) of the regular budget.

5. Comments provided by ESCAP and OCSS 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 management of major construction and alterations projects in ESCAP.

7. The audit was requested by the General Assembly under resolution 71/272 and was included in the 2017 risk-based work plan of OIOS due to the risks of delays, wastage and cost overruns inherent in major construction and alterations projects.

8. OIOS conducted this audit in March and April 2017. The audit covered the period from 1 January 2016 to 31 March 2017 and focused on the management of the seismic mitigation retrofit and life-cycle replacement project. Based on the activity-level risk assessment, the audit covered higher and medium risks associated with the management of the project, including pre-planning activities, establishing project governance and oversight mechanisms and a project management framework.

9. The audit methodology included: (a) an assessment of the governance structure and oversight mechanisms, human resources management and the Project Management Plan (PMP); (b) interviews of key personnel; (c) review of relevant documentation; and (d) analytical reviews of data.

## **III. OVERALL CONCLUSION**

10. ESCAP satisfactorily completed the pre-planning activities of the project. The establishment of the governance structure was in progress and needed to be finalized. ESCAP also needed to update the PMP to include a change management plan and communication strategy; develop and implement a strategy for identifying and securing suitable swing space for the duration of the project; and establish necessary legal capacity at the secretariat. OCSS needed to review whether the current level of delegation of authority in human resources management and procurement activities was appropriate to effectively manage major construction projects.

## **IV. AUDIT RESULTS**

### **A. Project pre-planning activities**

Pre-planning activities of the project were satisfactorily completed

11. In accordance with the Guidelines for the Management of Construction Projects, ESCAP conducted project pre-planning activities including commissioning inspections and feasibility study of its buildings, and preparing a business case for the project. An amount of \$400,000 was allotted for this phase under programme budget Section 33. Expenditure reported as at 31 December 2016 was \$382,959 for: (i) other staff costs - \$286,700; and (ii) consultants - \$95,720. These expenses were incurred to reconfirm and complement prior studies conducted during 2012 to 2015.

12. ESCAP used the results of the 2016 studies as well as those previously conducted to prepare a business case that was submitted to the General Assembly under the Secretary-General's report A/71/333 dated 15 August 2016. The General Assembly approved the estimated maximum cost of \$40,019,000 for the project under resolution 71/272 of 23 December 2016. The resolution also approved: (a) an appropriation in the amount of \$877,400 for the biennium 2016-2017; and (b) the establishment of a multi-year construction-in-progress account for the expenditures of the project from 2017 until its completion.

13. OIOS, therefore, concluded that ESCAP satisfactorily completed the pre-planning activities of the project, which formed the basis of the General Assembly's approval of the project.

## **B. Project governance mechanisms**

### The establishment of a project governance structure was in progress

14. In accordance with OCSS Guidelines for the Management of Construction Projects, and in line with General Assembly resolution 71/272, ESCAP was expected to establish a project governance structure. The progress status as of 31 March 2017 was as follows:

(a) Completed project governance activities as of 31 March 2017

15. The Executive Secretary of ESCAP, as the Project Owner, appointed the Director of Administration as the Project Executive and also established a Stakeholders Committee in January 2016 to assist in the management of the project. The Committee had 11 members and four observers and held its first meeting on 17 February 2017. The Committee plans to meet three times a year in May, August and November. The project management team in ESCAP also established three thematic working groups, reporting to the Stakeholders Committee dealing with: (i) accessibility requirement as required by resolution A/71/272; (ii) environmentally sustainable management; and (iii) occupational health and safety.

(b) ESCAP and OCSS needed to sign the Administrative and Coordination Agreement

16. In line with the General Assembly resolution emphasizing the importance of close interaction and coordination among key stakeholders, a draft Administrative and Coordination Agreement was prepared in January 2017 outlining the need for effective coordination with the Host Country, United Nations Headquarters, ESCAP corporate support unit and stakeholders.

17. While ESCAP and OCSS were already coordinating their activities and with other stakeholders including the Host Country, Member States and tenants, the Administrative and Coordination Agreement had not yet been finalized and signed. As an accountability tool outlining the roles and responsibilities of the management and oversight functions, it is important that the document be formalized at the beginning of the project for compliance and monitoring purposes.

**(1) ESCAP and OCSS should finalize and sign the Administrative and Coordination Agreement to formalize the accountabilities, roles and responsibilities for the management of the seismic mitigation retrofit and life-cycle replacement project at ESCAP.**

*ESCAP and OCSS accepted recommendation 1 and ESCAP stated that it would work with OCSS to finalize the Administrative and Coordination Agreement. Recommendation 1 remains open pending receipt of the finalized Agreement.*

(c) Project Manager and Project Coordinator posts were being filled as of 31 March 2017

18. In the 2016-2017 biennium, the General Assembly approved the establishment of six temporary positions (1 P-5, 1 P-4, 2 P-3 and 1 General Service in Bangkok, and a P-4 position for OCSS to be equally shared between ESCAP and the Economic Commission for Africa). At the time of the audit, ESCAP had filled four of the five posts, and the filling of the two posts of Project Manager (P-5) in ESCAP and the Project Coordinator (P-4) post in OCSS was at various stages of recruitment.

19. Without a fully operational project team early in 2017, ESCAP risked potential delays in initiating critical phase 2-4 activities such as the procurement of the services of a lead consultant firm responsible for developing the project construction design. Similarly, OCSS needed to fill the Project Coordinator post to enable the incumbent to effectively oversee the management of the project and to supervise the work of the independent risk management consultant. Early establishment of the team could significantly reduce the risk of project delays and cost overruns.

20. Nevertheless, given that the recruitment of the Project Manager and the Project Coordinator is currently in progress, OIOS is not making any recommendation.

(d) Contracting of the project lead consultant firm is expected in September 2017

21. According to the scope of work in the request for proposal (RFP), the lead consultant firm is responsible for developing complete design and construction documentation for the project to allow ESCAP to accurately schedule, estimate, manage and monitor the project at various stages of construction.

22. The United Nations Procurement Division approved a local procurement authority of \$1.5 million to allow ESCAP to procure architectural and engineering services. On 17 March 2017, ESCAP issued an RFP to 63 prospective vendors with the deadline of submitting proposals by 17 April 2017. Taking into account the various steps in the procurement process, ESCAP is expecting to issue the contract in September 2017. As phases 3 and 4 of the project (design and development of bidding documents) are scheduled to start in 2017 and be completed by end of 2018, it is important for ESCAP to ensure that the timelines are reviewed once the lead consultant firm is on board, taking into consideration any potential risks that might delay project activities.

(e) OCSS needed to expedite the hiring of an independent risk management firm

23. The Secretary-General's proposal to the General Assembly identified the role of an independent risk management firm as part of the project governance structure. The firm, reporting to OCSS, would develop a corporate level risk management strategy for the Secretariat's major construction and alteration projects, integrating operational risks of individual construction projects managed in different Secretariat entities. The corporate level risk management strategy is intended to assist OCSS in its oversight responsibility of Secretariat-wide construction projects and to support individual construction projects.

24. ESCAP conducted a risk assessment of the project at the operational level. The assessment, however, was not sufficiently comprehensive as it, for example, needed to identify and review risks such as those related to: (i) acquiring suitable swing space in-kind from the host country or commercially in the event that the host country was unable to provide a suitable space; and (ii) losing rental income from existing tenants should they decide not to renew their leases when they expire on 31 December 2017, anticipating disruptions to their operations by the construction project. Therefore, it is crucial for the independent risk management firm to exercise its role in supporting managers of construction projects.

25. According to OCSS, the procurement process for engaging a risk management firm is well advanced and is expected to be completed by July 2017. Therefore, OIOS is not making any recommendation in this matter.

## C. Project management framework

### The PMP needed to include a change management plan and communication strategy

26. United Nations Secretariat construction project professional standards require that a comprehensive PMP be developed to guide the implementation of a project establishing the scope and schedules, and defining the methods and procedures to be followed.

27. ESCAP developed a draft PMP to provide practical guidance and procedures to facilitate the management, monitoring and coordination of project activities. The PMP generally followed “industry standards” (Project Management Institute and PRINCE2) covering project purpose, governance, roles and responsibilities.

28. However, the PMP did not include a change management plan and communication strategy for the project. While ESCAP kept Member States informed on the activities of the project, including: (i) updating the Advisory Committee of Permanent Representatives; (ii) issuing note verbales to Member States in the region seeking financial and other assistance to support the project; (iii) holding preliminary informal consultations with tenants; and (iv) consulting with the host government on swing space, the draft PMP had no provision for developing and implementing a change management plan and communication strategy to regularly inform ESCAP staff, tenants and other stakeholders. The current method of interactions is ad hoc and informal, which may not be adequate for dealing with sensitive and urgent matters affecting ESCAP staff and tenants, from whom ESCAP obtains rental income of \$3.5 million per biennium.

29. The absence of an effective change management plan and communication strategy could: (i) delay obtaining formal commitment from the host country to identify a suitable cost-free and/or commercially leased swing space; (ii) affect the morale of ESCAP staff; (iii) disrupt the delivery of ESCAP’s tenants’ mandates resulting in reputational risk for ESCAP; and (iv) limit ESCAP’s ability to generate financial and other assistance from donors required for the project.

**(2) ESCAP should update the project management plan for the seismic mitigation retrofit and life-cycle replacement project to include a change management plan and communication strategy to guide these important aspects of the project.**

*ESCAP accepted recommendation 2 and stated that it would update the PMP to include a change management plan and communication strategy. Recommendation 2 remains open pending receipt of the updated PMP.*

### ESCAP needed a definitive plan to timely secure suitable swing space for its staff and tenants

30. In its resolution 71/272, the General Assembly reiterated that space optimization is one of the key objectives of the project. Swing space availability was also a key risk in the project business case.

31. ESCAP has office space of 25,886 square meters of which ESCAP occupies about 49 per cent of the total space. For the construction phase of the project, ESCAP identified 4,800 square meters of temporary swing space needs to accommodate its staff and tenants. Of these needs, 1,200 square meters would be met from onsite ESCAP premises and the remaining space would be met by a combination of host country contributions and/or commercially leased space. ESCAP is currently in discussion with the host country for the in-kind contribution of suitable swing space.

32. As noted in paragraph 22, the lead consultant firm is not expected to be on board before September 2017. Therefore, ESCAP is not currently in a position to definitively specify its swing space needs to the host country. The General Assembly has approved trade costs related to swing space as a contingency should in-kind contribution not be available. However, without a concrete timeline for critical decisions, this uncertainty could delay ESCAP's ability to timely acquire real estate for lease.

**(3) ESCAP should prioritize the development and implementation of a strategy for identifying and securing suitable swing space for the duration of the seismic mitigation retrofit and life-cycle replacement project.**

*ESCAP accepted recommendation 3 and stated that it would further develop its strategy to ensure that ESCAP has in place mitigating measures against any uncertainty surrounding suitable swing space and that ESCAP's ability to timely respond to its needs is not delayed. Recommendation 3 remains open pending receipt of the strategy to address ESCAP's need for suitable swing space.*

Delegation of authority appropriate to manage major construction projects needed a strategic review

33. In approving the project under resolution 71/272, the General Assembly set a number of project management principles leading to the effective and efficient management of major construction projects based on good governance, transparency and accountability.

34. OIOS analysed compliance with the General Assembly project management principles. The review showed that ESCAP had generally taken them into account in establishing the governance structure and developing the PMP for the project. However, ESCAP relies on the Office of Human Resources Management (OHRM) and OCSS in implementing many human resources and procurement activities. Project operational requirements meant that staff on the project must be recruited more speedily than the existing human resources management procedures lend themselves to doing. For example, as of the audit, two key positions remained to be filled. Furthermore, additional positions are being proposed for the project in subsequent years. Filling of these positions could be delayed due to the current protracted recruitment process in the Secretariat.

35. Similarly, although the Procurement Division had approved a local procurement authority of \$1.5 million for ESCAP for architectural and engineering services, the procurement delegation to ESCAP Director of Administration remained at \$200,000. As procurement activities increase in the design and construction phases, OCSS needs to consider whether an increased level of delegated authority is required to ensure efficiency in the process.

36. In the context of the Secretariat's strategic capital review which envisages a 20-year capital maintenance programme for the period 2018-2037, several multi-year major construction projects are likely to be initiated in a number of duty stations. In this regard, OCSS increased the delegation of procurement authority to the Director of Administration in the Economic Commission for Africa solely for the Africa Hall renovation project to \$500,000 in response to OIOS recommendation in its audit of the project in 2016.

37. Without a strategic review of the level of delegation of authority in human resources management and procurement activities appropriate for the operational needs, major construction projects risked delays and cost overruns.

**(4) OCSS should, in consultation with OHRM and offices undertaking major construction projects, strategically review whether the current level of delegation of authority in human resources management and procurement activities is appropriate to effectively manage major construction projects.**

*OCSS accepted recommendation 4 as it pertains to areas under its purview. OCSS would review ESCAP's specific request on procurement authority once received. In terms of human resources management, as it is under OHRM's purview, OCSS would participate in discussions and provide its views and lessons learnt from other major construction projects, but the decision will be made by OHRM. ESCAP also accepted recommendation 4 and stated that it would work with OCSS and OHRM to review the relevant delegations. Recommendation 4 remains open pending finalization of strategic reviews of the adequacy of delegations of authority in human resources management and procurement, with specific decisions related to ESCAP.*

#### ESCAP legal capacity needs to be strengthened

38. In the delegation of procurement authority to ESCAP, OCSS requires ESCAP to establish a Local Committee on Contracts (LCC) to deliberate on and advise the Director of Administration on procurement cases. The composition of an LCC requires a Legal Officer to be a member of the Committee. However, ESCAP did not have a Legal Officer, and OCSS did not include a provision in the delegation of procurement authority whereby legal expertise could be substituted by a staff member from another function. ESCAP advised that to the extent possible, staff members with legal background were nominated to serve in the LCC. At the time of audit, the LCC membership comprised a member with the legal background who, however, did not perform legal functions as part of his core responsibilities. This presented a weak accountability on legal matters.

39. Separately, given the complexity of the project and other ongoing needs for which legal expertise will be needed, such as host country agreements, contracts, memoranda of understandings, leases, donor relations, grants, project documents, in-kind contributions as well as staff relations, absence of an in-house legal officer could diminish ESCAP's efficiency in expediting procurement and other legal matters. While, ESCAP seeks advice from the Office of Legal Affairs (OLA), these sometimes come with delays, which could impact the successful implementation of the project.

**(5) ESCAP should, in consultation with OLA, seek to establish the necessary legal capacity to, inter alia: (a) meet the delegation of procurement authority requirement specified by OCSS; and (b) provide ongoing legal advice to the Executive Secretary and members of seismic mitigation retrofit and life-cycle replacement project.**

*ESCAP accepted recommendation 5 and stated that it would consult with OLA about such capacity. Recommendation 5 remains open pending notification of actions taken to establish legal capacity at ESCAP.*

## V. ACKNOWLEDGEMENT

40. OIOS wishes to express its appreciation to the management and staff of ESCAP and OCSS 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 major construction and alterations projects in the Economic and Social Commission for Asia and the Pacific

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
1	ESCAP and OCSS should finalize and sign the Administrative and Coordination Agreement to formalize the accountabilities, roles and responsibilities for the management of the seismic mitigation retrofit and life-cycle replacement project at ESCAP.	Important	O	Receipt of finalized agreement signed by ESCAP and OCSS.	31 July 2017
2	ESCAP should update the project management plan for the seismic mitigation retrofit and life-cycle replacement project to include a change management plan and communication strategy to guide these important aspects of the project.	Important	O	Receipt of updated PMP incorporating a change management plan and a communication strategy.	31 December 2017
3	ESCAP should prioritize the development and implementation of a strategy for identifying and securing suitable swing space for the duration of the seismic mitigation retrofit and life-cycle replacement project.	Important	O	Receipt of ESCAP's strategy to address the need for suitable and timely swing space.	30 June 2018
4	OCSS should, in consultation with OHRM and offices undertaking major construction projects, strategically review whether the current level of delegation of authority in human resources management and procurement activities is appropriate to effectively manage major construction projects.	Important	O	Finalization of the strategic reviews of adequacy of delegations of authority in human resources management and procurement as they relate to ESCAP.	31 December 2017
5	ESCAP should, in consultation with OLA, seek to establish the necessary legal capacity to, inter alia: (a) meet the delegation of procurement authority	Important	O	Notification of actions taken to establish legal capacity at ESCAP.	31 December 2017

<sup>1</sup> Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

<sup>2</sup> Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

<sup>3</sup> C = closed, O = open

<sup>4</sup> Date provided by ESCAP and OCSS in response to recommendations.

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of major construction and alterations projects in the Economic and Social Commission for Asia and the Pacific

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
	requirement specified by OCSS; and (b) provide ongoing legal advice to the Executive Secretary and members of seismic mitigation retrofit and life-cycle replacement project.				

# **APPENDIX I**

## **Management Response**

## Management Response

## Audit of major construction and alterations projects in the Economic and Social Commission for Asia and the Pacific

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	ESCAP and OCSS should finalize and sign the Administrative and Coordination Agreement to formalize the accountabilities, roles and responsibilities for the management of the seismic mitigation retrofit and life-cycle replacement project at ESCAP.	Important	Yes	Jack Howard, Chief of Overseas Property Management Unit, OCSS, UNHQ  Anne Matthews, Director of Administration, ESCAP	31 July 2017	ESCAP agrees with this recommendation and will work with OCSS to finalize the Administrative and Coordination Agreement.
2	ESCAP should update the project management plan for the seismic mitigation retrofit and life-cycle replacement project to include a change management plan and communication strategy to guide these important aspects of the project.	Important	Yes	Anne Matthews, Director of Administration, ESCAP	31 December 2017	ESCAP agrees with this recommendation and will update its project management plan to include a change management plan and communication strategy.
3	ESCAP should prioritize the development and implementation of a strategy for identifying and securing suitable swing space for the duration of the seismic mitigation retrofit and life-cycle replacement project.	Important	Yes	Anne Matthews, Director of Administration, ESCAP	30 June 2018	ESCAP agrees with this recommendation and will further develop its strategy to ensure that ESCAP has in place mitigating measures against any uncertainty surrounding this area and ESCAP's ability to timely respond to its needs is not delayed.

<sup>1</sup> Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

<sup>2</sup> Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

## Management Response

## Audit of major construction and alterations projects in the Economic and Social Commission for Asia and the Pacific

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
4	OCSS should, in consultation with OHRM and offices undertaking major construction projects, strategically review whether the current level of delegation of authority in human resources management and procurement activities is appropriate to effectively manage major construction projects.	Important	Yes	Stephen Cutts, ASG of OCSS, UNHQ  Anne Matthews, Director of Administration, ESCAP	31 December 2017	<p>ESCAP agrees with this recommendation and will work with OCSS and OHRM to review the relevant delegations.</p> <p>OCSS accepts this recommendation as it pertains to areas under its purview.</p> <p>OCSS will review ESCAP's specific request on procurement authority once received;</p> <p>In terms of human resources management, as it is under OHRM's purview, OCSS will be happy to participate in discussion and provide its view and lessons learnt from other major construction projects, but the decision will be made by OHRM, therefore the timeline is dependent on its review.</p>
5	ESCAP should, in consultation with OLA, seek to establish the necessary legal capacity to, inter alia: (a) meet the delegation of procurement authority requirement specified by OCSS; and (b) provide ongoing legal advice to the Executive Secretary and members of seismic mitigation retrofit and life-cycle replacement project.	Important	Yes	Anne Matthews, Director of Administration, ESCAP	31 December 2017	ESCAP agrees with this recommendation and will consult OLA about such capacity.