



## INTERNAL AUDIT DIVISION

### REPORT 2018/056

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Audit of safety and security arrangements for the Strategic Heritage Plan project at the United Nations Office at Geneva

Essential security requirements must be included in the project budget and controls for background screening of contractor's personnel need to be strengthened

8 June 2018  
Assignment No. AE2017/310/04

# **Audit of safety and security arrangements for the Strategic Heritage Plan project at the United Nations Office at Geneva**

## **EXECUTIVE SUMMARY**

The Office of Internal Oversight Services (OIOS) conducted an audit of safety and security arrangements for the Strategic Heritage Plan (SHP) project at the United Nations Office at Geneva (UNOG). The objective of the audit was to determine: (a) whether safety and security considerations were assessed and incorporated in the design of the SHP project; and (b) the adequacy of arrangements made for safety and security of staff, site and assets during execution of the project. The audit covered the period from January 2016 to December 2017 and included a review of: (a) planning and design of safety and security requirements; and (b) operational arrangements for security during the construction and renovation phases.

Security considerations were not fully assessed and incorporated in the design of the SHP project since security was not explicitly pointed out as a key priority of the project. UNOG had hired a consultant to develop a Security Master Plan in which security requirements would be addressed more holistically. UNOG had also developed security, health and safety operation plans to help protect staff and assets during the project and established mechanisms to identify, monitor and address safety and security risks that could impact project design and costs. It is necessary that essential security requirements are included in the project budget and controls for background screening of contractor's personnel are strengthened.

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

- Ensure that essential security requirements for buildings are identified and prioritized in the security budget allocation of CHF 7.3 million and any gaps are reported to senior management, the SHP Project Owner and the SHP Steering Committee for action;
- Review the staffing requirements for the project coordination team for the next phase of the SHP project;
- Ensure that any anticipated shortfalls in associated costs related to security operations are documented and communicated to UNOG senior management in a timely manner; and
- Revise the established procedure for vetting contractors to ensure that the requirement to perform background checks of contractor personnel and sub-contractors is fully enforced.

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

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# **Audit of safety and security arrangements for the Strategic Heritage Plan project at the United Nations Office at Geneva**

## **I. BACKGROUND**

1. The Office of Internal Oversight Services (OIOS) conducted an audit of safety and security arrangements for the Strategic Heritage Plan (SHP) project at the United Nations Office at Geneva (UNOG).
2. The Palais des Nations, where UNOG offices are located, comprises of an historic building complex completed in 1937 and expanded in the 1950s. A conference facility and office tower (the E building) was added in 1973. The Palais has eight buildings and five stand-alone villas/annex buildings. The buildings have 34 major conference rooms and 2,800 workspaces, including 222 touchdown workspaces for conference participants.
3. Since construction, the buildings at the Palais had undergone minimal major maintenance and renewals of core infrastructure. This had over time resulted in increased maintenance requirements that exposed United Nations delegates, staff and visitors to health and safety risks. The SHP project was initiated to renovate, restore and modernize the buildings in order to address non-compliance with building codes and the health and safety risks, and to preserve the heritage of the historic buildings.
4. The SHP project activities are guided by General Assembly resolution 68/247 of 27 December 2013 which approved the implementation plan for planning and designing the project, and resolution 70/248 of 23 December 2015 which approved the project scope, schedule, timelines and estimated costs. The SHP project is planned to be implemented in two phases: the first phase from 2017 to 2019 involves the construction of a new building and the second phase from 2019 to 2023 the renovation of existing buildings. The current budget for the SHP project is CHF 836.5 million, of which an estimated CHF 7.3 million related to security requirements.
5. Comments provided by UNOG are incorporated in italics.

## **II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY**

6. The objective of the audit was to determine: (a) whether safety and security considerations were assessed and incorporated in the design of the SHP project; and (b) the adequacy of arrangements made for safety and security of staff, site and assets during execution of the project.
7. This audit was included in the 2017 risk-based work plan of OIOS due to the risks associated with failure to adequately identify and address safety and security requirements in the design and implementation of the SHP project.
8. OIOS conducted this audit from January to March 2018. The audit covered the period from January 2016 to December 2017. Based on an activity-level risk assessment, the audit covered risk areas relating to the safety and security arrangements of the SHP, including: (a) planning and design of safety and security requirements; and (b) operational arrangements for security during the construction and renovation phases.
9. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; (d) physical observation and verification of security controls at the construction site for the new building; and (e) sample testing of related transactions.

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

### III. AUDIT RESULTS

#### A. Planning and design of safety and security requirements

##### Need to ensure that essential security requirements are included in the project plan and budget

11. The United Nations Security Policy Manual Chapter IV, Section E outlines basic security principles relating to the assessment, selection and construction of United Nations premises. For premises built for use by United Nations organizations, the manual requires security system requirements, and related capital investment, to be included in the earliest stages of project planning, and calls for the involvement of security subject matter experts in determining the security requirements. The early planning and inclusion of security system requirements was also a key lesson learned from the Capital Master Plan (CMP) that involved renovation of the United Nations Headquarters complex in New York.

12. Among the objectives of the SHP project were the need to address building code deficiencies at the Palais and the related health and safety risks and to enhance accessibility for persons with disabilities. Security was not explicitly pointed out at the outset as a key priority of the project and therefore the project was not intended to address all the gaps in security at the Palais. OIOS was informed that upon project inception, an amount of CHF 5 million was allocated to the project’s security requirements based on a conceptual estimate of those requirements that were considered to be within the scope of the SHP. This allocation was increased to CHF 7.3 million following discussions with Safety and Security staff.

13. A subsequent analysis of the costs of the project’s security design prepared by SHP in June 2016 projected the costs of security requirements at around CHF 11.5 million. This estimate was based on the cost of the detailed design of phase one of the project (Buildings A and B1) which was then extrapolated to the remaining buildings prior to detailed design of these other buildings. Due to budget limitations, the security budget could not be increased and UNOG Safety and Security Service (UNOG SSS) was asked to prioritize the security requirements that should be included in the CHF 7.3 million budget allocation. Consequently, UNOG SSS reduced the Access Control and closed-circuit television (CCTV) requirements by about CHF 3.38 million as shown in Table 1. There was no formal assessment or analysis showing the impact of this scope reduction, and/or to confirm that the CHF 7.3 million allocation adequately incorporated the essential security requirements.

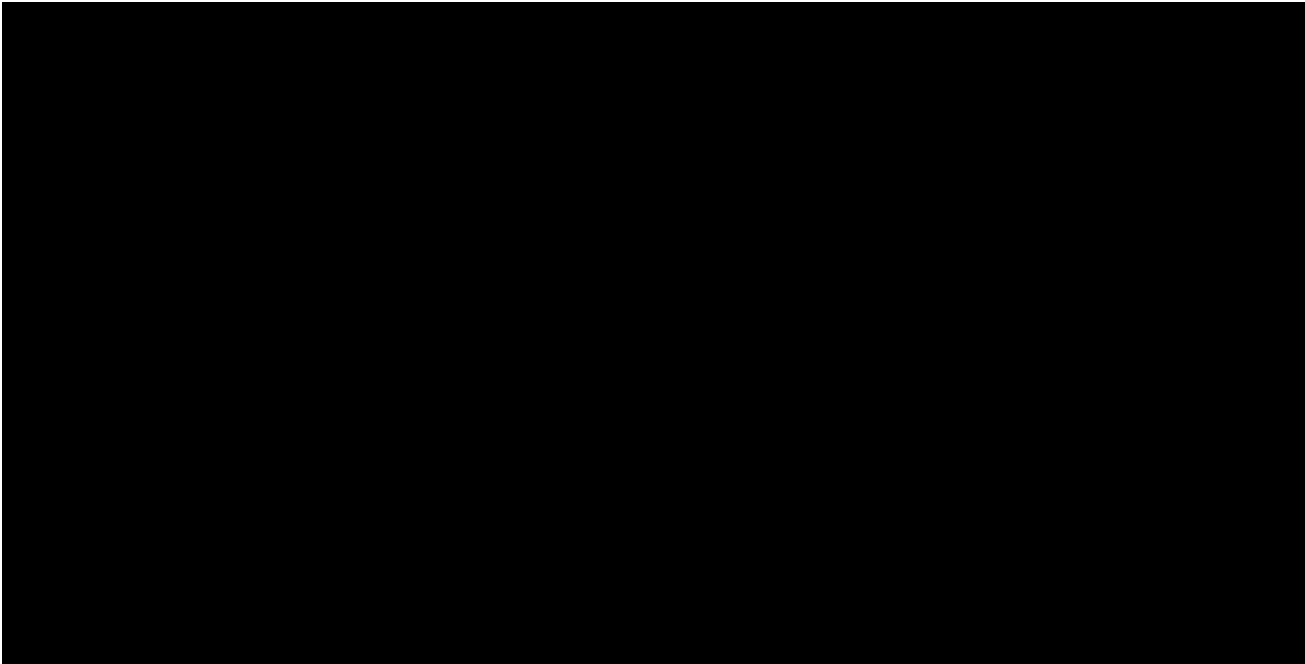
**Table 1: Estimates of security and safety cost for the SHP project**

	<b>Extrapolated cost snapshot per detailed design of Buildings A/B1 (CHF millions)</b>	<b>Current budget allocation included in SHP budget (CHF millions)</b>
New building	0.81	1.1
Renovations		
New security control center	1.75	1.75
Speed gates	1.63	1.63
Access control	5.37	2.6
CCTV	1.98	3.64
Adjustment to the scope of access control and CCTV due to budget constraints		<b>(3.38)</b>
<b>Total</b>	<b>11.54</b>	<b>7.34</b>

14. The security requirements were presented and discussed in the SHP Steering Committee meeting of June 2016. In the meeting, UNOG SSS also highlighted other deficiencies in perimeter and access controls at the Palais. Noting the significance of the security requirements, and taking into account the revision of the country security level rating from “minimal” to “low” which occurred after the project scope and budget had been approved, the Steering Committee recommended that security issues should be addressed more holistically by developing a Security Master Plan (SMP). The resources for the SMP project would be sourced separately. At the time of the audit, the consultant hired to develop the SMP had presented to UNOG management a comprehensive report of security recommendations which UNOG was analyzing partly to determine their impact in relation to the SHP security plans. However, since the funding for the SMP project was yet to be sourced, there is a risk that security requirements identified in the SMP would be incorporated after the building plans are finalized or be retrofitted after actual construction and renovation had begun or been finalized. This could increase the project costs, impact the quality of works done, and potentially cause delays. To avoid this, it is necessary to ensure that all essential security requirements that need to be incorporated/fitted in building designs are prioritized in the CHF 7.3 million SHP project security budget.

**(1) UNOG should ensure that: (i) essential security requirements for buildings are identified and prioritized in the security budget allocation of CHF 7.3 million; and (ii) any gaps are reported to senior management, the SHP Project Owner and the SHP Steering Committee for action.**

*UNOG accepted recommendation 1 and stated that essential security requirements will be identified and prioritized prior to the finalization of the design phase of the SHP project and submission of the request for proposals. Recommendation 1 remains open pending receipt of evidence that: (i) essential security requirements that need to be incorporated in building designs have been assessed and incorporated in the SHP project budget; and (ii) any gaps have been reported to senior management, the SHP Project Owner and as appropriate the SHP Steering Committee for action.*



### Mechanisms were in place to identify, monitor and address safety and security risks

16. SHP had adopted a risk-based approach to managing project risks including safety and security risks. In August 2015, DSS prepared a SHP specific physical security assessment which identified the health, safety and security risks that could impact the design and implementation of the project. UNOG had also appointed an independent risk management consultant who performed periodic risk analysis and prepared risk management reports highlighting key project risks, including safety and security risks, their potential impact to the project cost and timelines and recommended mitigation measures. The consultant also periodically analyzed and determined the estimate of contingencies to be set aside to cater for the time and cost impact of the identified project risks if they materialized. The contingency provisions were continuously reviewed for adequacy and adjusted where necessary. Based on the above, OIOS concluded that there were adequate mechanisms to identify, monitor and address safety and security risks that could impact project design and costs.

### Need to review the capacity of the security project coordination team

17. In line with the United Nations Security Policy Manual requirements for the involvement of physical security subject matter experts in determination of safety and security requirements of United Nations premises, UNOG had made arrangements to coordinate the implementation of security requirements within the SHP project. The Under-Secretary-General of DSS represents the Department in the SHP Steering Committee which oversees overall project implementation. Two UNOG SSS staff (a P-3 Security Focal Point Programme Officer and a G-5 Health Safety Coordinator) were attached to the SHP project to coordinate the planning and implementation of health, safety and security requirements. The Security Focal Point was full time and funded by SHP while the Health Safety Coordinator worked part time (50 per cent) for SHP and 50 per cent for UNOG although he was fully funded by SHP. The two were supported on an ad-hoc basis by a team of three other UNOG SSS staff: A Security Project Manager (P-4) who provides guidance on security systems and supports the interface between SHP and the SMP project; an Information Systems Assistant (G-6); and an Assistant Project Coordinator (G-7).

18. Collectively, the UNOG SSS coordination team has substantive years of security and project related experience and the staff had taken a number of relevant training including the Security Certification Programme, Physical Security Training and Security System. Two of the staff had also undertaken the external PRINCE 2 Foundation project management course while the health and safety focal point had certification on host country health and safety standards. The team maintained regular contact with the SHP team, represented UNOG SSS in project meetings and provided feedback to UNOG SSS management. There was also evidence that the team coordinated with the Physical Security Unit of DSS Headquarters that was involved in the CMP project. This helped to assure that best practices and lessons learned from the CMP were incorporated in the SHP project. One such lesson incorporated in the SHP project was the hiring of a sub-contractor by the SHP team to work on the analysis and design of the project's security related components with the validation of UNOG SSS.

19. Discussions with UNOG SSS and SHP indicated that the existing arrangements were working well. However, the P-4 staff member who supported the interphase between the SMP and SHP project was a temporary staff member and it had not been determined if this role would be needed on a continuous basis. This, coupled with the other ad-hoc staffing arrangement mentioned above, could impair continuity and effectiveness of the UNOG SSS coordination team. Also, the post approved for the security focal point was a P-4 although the current security focal point was at P-3 level. As the construction of the new building had commenced and the renovations were due to commence in slightly over a year's time, it is an opportune time for UNOG SSS to assess its future staffing requirements for the coordination team and ensure it has an appropriate mix of grades as well as full time and part time staff supporting the project as it moves to the next phase.

**(2) UNOG SSS should review the staffing requirements for the project coordination team for the next phase of the SHP project.**

*UNOG accepted recommendation 2 and stated that the renovation phase of the SHP project is due to begin in the second half of 2019, therefore staffing requirements will be finalized by that time. Recommendation 2 remains open pending receipt of the results of the staffing requirements review for UNOG SSS.*

## **B. Operational arrangements**

### Need to review and communicate any anticipated shortfalls in operational costs in a timely manner

20. According to a comprehensive document of lessons learned from the CMP project, one of the key lessons learned was the need to ensure associated security operational costs are identified and included in the project plan and budget. The SHP project budget included an allocation of CHF 3 million to cater for associated security costs expected to be incurred throughout the project cycle. DSS informed OIOS that it had expressed its concerns regarding the adequacy of this amount, given that the allocation was not determined on the basis of any documented needs assessment, and had called for further analysis to be done to establish a more reliable estimate. At the time of the audit, UNOG SSS was preparing an assessment of the security operational resources that would be required. UNOG SSS indicated that plans to segregate and outsource security responsibilities for the new building construction site to the Contractor were expected to reduce the need for additional security resources during the construction phase for the new building and that the assessment would mainly focus on the requirements for the renovation phase. UNOG SSS also indicated that the assessment would be concluded once the SHP team finalized the operational plans and designs for the renovation phase which according to the project implementation plan were to be finalized in the second half of 2018. OIOS is of the view that any anticipated shortfalls in the associated security operational costs should be determined in a timely manner so that the related budgetary requests can be made early enough before commencement of the renovation phase.

**(3) UNOG SSS should ensure that any anticipated shortfalls in associated costs related to security operations are documented and communicated to UNOG senior management in a timely manner.**

*UNOG accepted recommendation 3 and stated that the recommendation is valid for the entirety of the project, through 2023. UNOG SSS will make continuous assessments of security operational resources requirements throughout the life-cycle of the SHP. Recommendation 3 remains open pending receipt of the results of the security operational resources requirements assessment.*

### Security, health and safety operation plans had been developed

21. Appropriate security, health and safety programmes are needed to help protect staff and assets from health and safety risks associated with the construction and renovations works. At the time of the audit, SHP had developed a health and safety plan and a security plan to guide operational arrangements and protocols to be adhered to during the project construction phase, and was in the process of developing similar plans for the renovation phase of the project. The health and safety plan outlined the Contractor's responsibilities and specific requirements and measures to safeguard health and safety on project site. The plan specifically required the Contractor to incorporate the safety measures prescribed by the Swiss cantonal and federal laws and regulations, and to adhere to the United Nations safety security principles. The security plans also detailed out the contractor responsibilities relative to site security, including the prescribed physical security controls and processes for granting and controlling access to the construction



site and screening of personnel and vehicles entering the site. OIOS concluded that there were appropriate operational plans to help mitigate health and safety risks during the execution of the project.

Need to strengthen controls relating to the criminal background screening of contractor personnel

22. According to the security operations plan prepared by SHP, the construction site of the new building was to be fenced off and segregated from the rest of the Palais, with the responsibility for site security being outsourced to the Contractor. Key amongst the Contractor's responsibilities was the need to ensure that workers and sub-contractors granted access to the site were subjected to criminal background checks covering the previous five-year period. Workers who had not secured their criminal record certificates on a timely manner were to be allowed daily access to the site for a maximum of five days per year. At the time of the audit, the construction site had not been fenced off from the rest of the Palais compound. Therefore, the contractor personnel and vehicles accessed the construction site through the existing access points of the Palais and their accreditation and issuance of ground passes (ID badges) was done through the established UNOG SSS standard procedures and practices.

23. OIOS noted some shortcomings in compliance with the established procedures. The Contractor's personnel who had not yet secured their criminal background certificates were granted access to the construction site and by extension the Palais for 30 days and longer instead of the prescribed maximum of five days per year. UNOG SSS indicated that this was a mistake as the 30 days was the standard for regular contractors and should not have been used for the SHP project contractors. In addition, copies of criminal background certificates submitted to support the contractor's requests for the issuance of ID badges for its personnel did not specify the periods covered and no alternative documentation was provided to confirm that the criminal background certificates covered five years as stipulated in the contract. OIOS was therefore not able to verify compliance with the five-year background checks requirement. Inadequate background screening elevates the risk of UNOG permitting access to contractor's personnel who may pose safety and security risks.

**(4) UNOG should revise the established procedure for vetting contractors to ensure that the requirement to perform background checks of contractor personnel and sub-contractors is fully enforced.**

*UNOG accepted recommendation 4 and stated that UNOG SSS will revise the standard operating procedure for enforcement of the policy on background checks for contractors. Recommendation 4 remains open pending receipt of the revised standard operating procedures for vetting contractors.*

#### **IV. ACKNOWLEDGEMENT**

24. 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 safety and security arrangements for the Strategic Heritage Plan project at the United Nations Office at Geneva

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	UNOG should ensure that: (i) essential security requirements for buildings are identified and prioritized in the security budget allocation of CHF 7.3 million; and (ii) any gaps are reported to senior management, the SHP Project Owner and the SHP Steering Committee for action.	Important	O	Receipt of evidence that essential security requirements that need to be incorporated in building designs have been assessed and incorporated in the SHP project budget and any gaps reported to senior management, the SHP Project Owner and as appropriate the SHP Steering Committee for action.	December 2018
2	UNOG SSS should review the staffing requirements for the project coordination team for the next phase of the SHP project.	Important	O	Receipt of the results of the staffing requirements review for UNOG SSS.	July 2019
3	UNOG SSS should ensure that any anticipated shortfalls in associated costs related to security operations are documented and communicated to UNOG senior management in a timely manner.	Important	O	Receipt of the results of the security operational resources requirements assessment.	December 2023
4	UNOG should revise the established procedure for vetting contractors to ensure that the requirement to perform background checks of contractor personnel and sub-contractors is fully enforced.	Important	O	Receipt of the revised standard operating procedure for vetting contractors.	July 2019

<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 UNOG in response to recommendations.

# **APPENDIX I**

## **Management Response**



MEMORANDUM INTERIEUR

INTEROFFICE MEMORANDUM

TO: Mr. Gurpur Kumar  
A: Deputy Director  
Internal Audit Division, OIOS

DATE: 5 June 2018

REF.

FROM: Clemens M. Adams  
DE: Director  
Division of Administration, UNOG

Confidential: OIOS-2018-00865 Draft report on an audit of safety and security  
SUBJECT: arrangements for the Strategic Heritage Plan project at the United Nations Office at  
OBJET: Geneva (Assignment No. AE2017/310/04)

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1. UNOG acknowledges receipt of the Draft report on an audit of safety and security arrangements for the Strategic Heritage Plan project at the United Nations Office at Geneva (Assignment No. AE2017/310/04) of 25 May 2018.
2. We take note of the overall comments of the audit and the recommendations made to UNOG.
3. Please find attached Appendix 1 duly completed, including the action plan with target dates and titles of individuals responsible for implementing the recommendations.

cc. The Director-General, UNOG  
Mr. David Bongi, Director, Division of Headquarters Security and Safety Services, DSS  
Mr. David Mc Cuaig, Director, Strategic Heritage Plan (SHP), UNOG  
Mr. Philipp Compte, Chief, Central Support Services, UNOG  
Mr. Jorge J. Villanueva, Chief, Security and Safety Service, UNOG  
Mr. Hugues Noubissie, Special Assistant to the Director, Division of Administration, UNOG  
Ms. Anna Nyaoro, Chief, European Audit Section, OIOS  
Ms. Cynthia Avena-Castillo, Professional Practices Section, Internal Audit Division, OIOS

## Management Response

## Audit of safety and security arrangements for the Strategic Heritage Plan project at the United Nations Office at Geneva

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNOG should ensure that: (i) essential security requirements for buildings are identified and prioritized in the security budget allocation of CHF 7.3 million; and (ii) any gaps are reported to senior management, the SHP Project Owner and the SHP Steering Committee for action.	Important	Yes	Chief of Security & Safety Service/ Director, SHP Project	December 2018 (SHP Request for Proposal submission)	Essential security requirements will be identified and prioritized prior to the finalization of the design phase of the SHP project and RFP submission.
2	UNOG SSS should review the staffing requirements for the project coordination team for the next phase of the SHP project.	Important	Yes	Chief of Security & Safety Service	Ongoing	The renovation phase of the SHP project is due to begin in the second half of 2019, therefore staffing requirements will be finalized by that time.
3	UNOG SSS should ensure that any anticipated shortfalls in associated costs related to security operations are documented and communicated to UNOG senior management in a timely manner.	Important	Yes	Chief of Security & Safety Service/ Director, SHP Project	December 2023	This recommendation is valid for the entirety of the project, through 2023. SSS will make continuous assessments of security operational resources requirements throughout the life-cycle of the SHP.
4	UNOG should revise the established procedure for vetting contractors to ensure that the requirement to perform background checks of contractor personnel and sub-contractors is fully enforced.	Important	Yes	Chief of Security & Safety Service	July 2019	SSS will revise standard operating procedure for enforcement of the policy on background checks for contractors.

<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.