



INTERNAL AUDIT DIVISION

REPORT 2022/089

**Audit of the project for replacement of
blocks A to J at the United Nations
Office at Nairobi**

**Some aspects of project management and
oversight needed to be strengthened**

27 December 2022

Assignment No. AA2020-210-01

Audit of the project for replacement of blocks A to J at the United Nations Office at Nairobi

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the project for replacement of blocks A to J at the United Nations Office at Nairobi (UNON). The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes in ensuring effective management of the project for replacement of blocks A to J at UNON. The audit covered the period from 1 January 2018 to 31 July 2022 and included a review of: (i) planning and implementation; (ii) monitoring and oversight; and (iii) human resources and contract management.

The audit showed that some aspects of project management and oversight needed to be strengthened.

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

- Ensure that appropriate documentation is kept to evidence the delays in project implementation that are reported to the General Assembly, so that they can be independently verified and/or corroborated;
- Ensure that safety and security equipment are installed at the Annex Building without further delay;
- Strengthen project governance by ensuring that the Stakeholder Committee meets on a regular basis to provide appropriate oversight and support on implementing the project; and minutes of the Committee's meetings are kept for reference and record;
- Establish a working group to explore the options for seeking voluntary and in-kind contributions from Member States for the project; and
- Ensure that all performance evaluations of contractors are documented in a timely manner in accordance with the provisions of the Procurement Manual.

UNON accepted the recommendations. Actions required to close the recommendations are indicated in Annex I.

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Audit of the project for replacement of blocks A to J at the United Nations Office at Nairobi

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the project for replacement of blocks A to J at the United Nations Office at Nairobi (UNON).

2. Nairobi became a United Nations duty station in 1972 with the establishment of the United Nations Environment Programme (UNEP) in the same year. In 1975, on 100 acres of land donated by the Government of Kenya at Gigiri in Nairobi, UNEP built nine blocks (A to J) as temporary office accommodation for its secretariat and relocated from its original office space at the Nairobi City Centre. In 1978, the United Nations Human Settlements Programme (UN-Habitat) was established and joined UNEP at the Gigiri Complex. As the Complex continued to grow, the Government donated an additional 40 acres of land. Between 1983 and 2011, a conference centre and additional office facilities were constructed at Gigiri to accommodate UNEP, UN-Habitat and other United Nations agencies, funds and programmes.

3. UNON was established in 1996 to provide a centralized administrative function for UNEP and UN-Habitat. In 2014, UNON undertook an assessment of the conditions of the buildings and infrastructure of the Gigiri Complex (Secretary-General's report A/70/697 on the strategic capital review). The assessment identified the need for various upgrades to the site-wide infrastructure and buildings, including the need to replace blocks A to J which had been built nearly 40 years earlier as temporary structures but were still in use. The buildings were deemed to have exceeded their useful lives and were non-compliant with the prevailing health, safety, and security codes. The strategic capital review determined that further investment in major maintenance of the buildings would, in time, cost more than their full replacement.

4. The proposed programme budget for 2022 (A/76/7.Add.17), which included the scope, implementation strategy and a provision of \$66.26 million for replacement of blocks A to J, was endorsed by the General Assembly in resolution 76/246. The budget was to cater for three components of the project: (i) "Early Works" for repurposing the existing Publishing Building and constructing an Annex Building; (ii) "New Building", which was the construction of a new office facility; and (iii) design and implementation of flexible workplace strategies.

5. Comments provided by UNON 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 in ensuring effective management of the project for replacement of blocks A to J at UNON.

7. This audit was included in the 2020 risk-based work plan of OIOS in view of the significant risks associated with a major construction project such as the replacement of blocks A to J at UNON.

8. OIOS conducted this audit from June to September 2022. The audit covered the period from 1 January 2018 to 31 July 2022. Based on an activity-level risk assessment, the audit focused on the "Early Works" component and covered relevant risk areas which included: (i) planning and implementation; (ii) monitoring and oversight; and (iii) human resources and contract management.

9. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; (d) judgmental 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. Planning and implementation

The “Early Works” component was near completion

11. “Early Works” consisted of repurposing the existing Publishing Building and constructing an Annex Building. Construction of the Annex Building commenced in April 2021, while renovation of the Publishing Building started at the end of August 2021. At the time of the audit, the Annex Building had undergone final inspection and was awaiting handover to UNON, while the Publishing Building was scheduled for completion at the end of 2022 (see pictures below).

Picture 1: “Early Works”: Annex Building



Picture 2: “Early Works”: Repurposed Publishing Building



Need to enhance transparency and accountability

12. In line with Section 7 of the Construction Manual, project management developed a schedule indicating the commencement and completion timelines for each of the construction components, including all major activities for each phase of the project. The schedule, which was first indicated in the Secretary-General report A/73/344, had been updated three times; the latest schedule was provided in report A/76/330. The “Early Works” component is expected to be completed in Quarter 4 of 2022, which is two years after the original planned completion date of December 2020. This delay was attributed to the COVID-19 pandemic, and complexities in installation of a new comprehensive data centre at the Publishing Building.

13. The annual reports of the Secretary-General to the General Assembly explained the reasons that contributed to the delays. Document A/74/343 indicated that there was six months’ slippage owing to design and tender action on the “Early Works” component, while report A/76/330 added that the COVID-19 pandemic and a lack of contractor performance further contributed to the delays. Other reasons offered by UNON included changes in client specifications and poor weather conditions.

14. Notwithstanding these explanations, documentation was not readily available to support the reported delays. Evidence gathered during the audit only accounted for less than half of the actual delays. Also, more effective planning and timely management action could have possibly mitigated some of the delays. For example, the six months’ slippage reported to the General Assembly in August 2019 was partly due to delay in performing a procurement evaluation. Other instances indicated delays in client decisions, inaccurate component specifications, and internal modifications owing to incorrect measurements.

(1) UNON should ensure that appropriate documentation is kept to evidence the delays in project implementation that are reported to the General Assembly, so that they can be independently verified and/or corroborated.

UNON accepted recommendation 1 and stated that all delays were reviewed and discussed up to and including the Project Executive and the Project Owner (Director-General), and on an annual basis, any delays were reported to the General Assembly as part of the annual progress report. Moving forward into 2023 UNON will endeavour to ensure the project management team and consultant (architect) team maintain more documentation where feasible to explain any future delays, with the understanding that it is not feasible to track at a micro level beyond site meetings and change requests.

Delayed installation of security systems

15. According to section 3 of the Construction Manual, the Department of Safety and Security (DSS) is responsible for installation, maintenance and operation of security and safety technology in accordance with its Standard Operating Procedures.

16. There were delays in installation of safety and security equipment at the Annex Building. As a result, even though construction was completed on 31 August 2022, the building would likely not be occupied until February 2023. According to UNON, the delays were attributed to challenges in procuring the services of a new contractor for security installations within UNON, following the expiration of the previous contract in September 2021. This had led to a decision to sole source the installation of security equipment for the Annex Building, which included closed-circuit television, access control systems and a fire alarm system.

17. OIOS noted that the request for installation of security equipment was raised by the Project Manager on 25 May 2022, but approval to sole source was not received from the Project Executive until three months later on 17 August 2022, which was just two weeks before the completion of construction

activities. The related purchase order was issued on 27 October 2022. Based on the timeline of three months for delivery and installation as indicated by the contractor, it is likely that the Annex Building may not be ready for occupation until February 2023. This delay could have been avoided if procurement action had been initiated and completed in a timely manner after the expiry of the previous contract in September 2021.

(2) UNON should ensure that safety and security equipment are installed at the Annex Building without further delay.

UNON accepted recommendation 2 and stated that the project management team was able to adapt and propose a suitable alternative arrangement, and it should be highlighted that this delay had no knock-on effect as the Annex Building is designated as swing space, and tenants are yet to move in.

B. Monitoring and oversight

Need to strengthen project oversight

18. In line with section 1.3 of the Construction Manual, in 2017 UNON established a governance structure for the project which included the Project Owner (UNON Director-General) and Project Executive (Director, Division of Administrative Services) who were accountable for ensuring successful completion of the project. The Project Executive appointed a Project Manager who was responsible for day-to-day execution of the project. The governance mechanism also included a Stakeholder Committee whose role was to advise and support the Project Owner and Project Executive to proactively manage the project. According to its terms of reference, the Committee was to be chaired by the Project Executive who reported to the Project Owner. The Committee comprised key stakeholders and clients such as FMTS, DSS, and the Information and Communications Technology Service (ICTS). It was to meet bi-monthly with minutes maintained for reference and record. OIOS noted the following:

(a) Documentation on the functioning of these governance mechanisms was not readily available. While UNON stated that the Project Executive was involved on all aspects of the project, and that the Project Owner was kept apprised of the progress, there were no records to demonstrate this. Further, in document A/75/331, the Secretary-General reported that a Delegated Executive had been appointed by the Project Executive to undertake day-to-day management of the project. But there was no documentary evidence in support of this appointment. Also, the Delegated Executive, who was the Chief, Central Support Services, was already responsible for managing the project right from the start.

(b) The Stakeholder Committee, which included representatives of clients and project management, was meant to assist the Project Owner and Project Executive in proactively managing the project. However, documentary evidence showed that the Committee met only twice since its establishment in 2017. OIOS is of the view that the Stakeholder Committee needs to meet on a regular basis for it to play its designated role by discussing the progress of work, identifying and addressing the reasons for delays, and providing guidance and on all aspects of the project to facilitate its efficient and effective conclusion.

(3) UNON should strengthen project governance by ensuring that: (i) the Stakeholder Committee meets on a regular basis to provide appropriate oversight and support on implementing the project; and (ii) minutes of the Committee's meetings are kept for reference and record.

UNON accepted recommendation 3 and stated that the Stakeholder Committee is only a consultative body and is not the primary governance control mechanism for the project. UNON also stated that

four Stakeholder Committee meetings were held in 2022 (March, April, August and December). These meetings are only scheduled when there is a need to collectively discuss milestones and deliverables. The terms of reference for this Committee will be amended to further clarify that this is a consultative body which is only required to meet quarterly or as needed. Minutes have been taken for the meetings in 2022 and will continue going forward.

OIOS maintains that documentation made available by UNON showed only two Stakeholder Committee meetings held since the Committee’s inception in 2017. Recommendation 3 remains open pending receipt of the minutes of the Committee’s meetings in accordance with its terms of reference.

C. Human resources and contract management

Efforts were underway to strengthen project capacity

19. The staffing resources required for the replacement of blocks A to J project were allocated under Section 29H of the UNON budget. In total, UNON requested for nine posts which were approved by General Assembly resolutions 72/262 and 73/279 as shown in the table below.

Position	Level	Assigned for
Project Manager	P-5	“Early Works” and New Building
Structural Engineer	P-3	“Early Works” and New Building
Clerk of Works	G-7	“Early Works” and New Building
Project Services Engineer	National Professional Officer	“Early Works” and New Building
Space Planner/Coordinator	P-4	Flexible Workplace Strategies
Logistics/Coordination Officer	National Professional Officer	Flexible Workplace Strategies
Procurement Officer	P-3	Shared Services
Administrative Assistant	G-7	Shared Services
Project Coordinator	P-3	Oversight and coordination (based in New York)

20. A subsequent assessment made by UNON in September 2018 identified two positions for information technology (IT) and security that were considered vital for the project, but had not been included in the initial request. To accommodate these two posts, the positions of Project Services Engineer and Administrative Assistant were not used; instead, two consultants were hired to provide the IT and security support. As a result, the team responsible for the “Early Works” and New Building components comprised of only three staff (Project Manager, Structural Engineer and Clerk of Works).

21. In August 2022, the Project Manager and Structural Engineer resigned, leaving the Clerk of Works as the only full-time project team member. Similarly, the contract for the security consultant had expired, and no new hires were expected until 2023. The contract with the IT consultant was due to expire in December 2022. UNON explained that plans were underway to fill the vacancies. In the meantime, FMTS and DSS were providing support on an interim basis. UNON was also awaiting the General Assembly’s approval for the IT and security posts.

Need to explore voluntary and in-kind contributions

22. According to Regulation 3.12 of the United Nations Financial Regulations and Rules, the Secretary-General could accept cash and non-cash voluntary contributions provided that the purposes for which the contributions are made are consistent with the policies, aims and activities of the Organization, and provided that acceptance of these voluntary contributions did not involve additional financial liability.

23. In its resolution 73/279 of 22 December 2018, the General Assembly requested the Secretary-General to remain proactive in seeking voluntary and in-kind contributions from Member States to finance

the project. In response, the Secretary-General's report A/74/343 of August 2019 indicated that UNON would establish a working group for this purpose. The Secretary-General's report A/75/331 of August 2020 stated that the working group had not been established due to the COVID-19 pandemic. At the time of the audit (July 2022), the working group was yet to be established.

24. *UNON stated that it had been incredibly successful in mobilization of voluntary contributions and resources from UNHCR who were about to sign a Memorandum of Understanding for the funding of two additional office blocks, in addition to the four office blocks being funded by the General Assembly for the A-J project New Building component. This represented significant success in securing funding through voluntary contributions, as two additional office buildings was equivalent to a 50% increase in the size of the new build component (which covers only four office buildings). No other Secretariat capital construction project had been this successful regarding voluntary contributions. This must be considered in the context of this audit report.* OIOS notes that paragraph IX 11 (on page 10) of the General Assembly's resolution 73/279 relates to seeking "voluntary and in-kind contributions from Member States", which is different from entering into arrangements with United Nations entities seeking to move into the Gigiri Complex on cost-sharing basis. Furthermore, paragraph 58 of the Secretary-General's report A/75/331 of August 2020 states that the upcoming UNHCR office facilities will be a separate project from the A to J project.

(4) UNON should establish a working group to explore the options for seeking voluntary and in-kind contributions from Member States for the project.

UNON accepted recommendation 4 but stated that setting up of a working group may not be relevant at this final stage of the A-J project. Instead, it may be considered for future construction projects such as the conference upgrade project, which will consider relevant modalities for seeking voluntary and in-kind contributions as may be required.

OIOS notes that in paragraph 60 (d) of report A/74/343, the Secretary-General had committed to the General Assembly that upon the Assembly's approval of the required resources, he will establish the working group. Recommendation 4 therefore remains open pending receipt of evidence that the working group has been established, or alternatively, that the General Assembly has been informed of why the working group was not established or was subsequently deemed unnecessary.

Need to strengthen contract management

25. According to section 13.1.1 of the Procurement Manual, contract management is the responsibility of staff that was assigned to oversee and manage the implementation of the contract. It involved vendor performance monitoring and evaluation, payments, contract closure, record retention, and maintenance of contract files. Section 13.2 of the Procurement Manual states that performance evaluation of contractors is to be done annually for contracts that exceeded \$200,000 or had a duration of two or more years.

26. For the "Early Works" project, UNON had four contractors with a combined contract value of \$10.2 million. OIOS reviewed three of these contracts with a total value of \$8.46 million. These included the contract for provision of architectural consultancy services for the Annex Building and the Publishing Building, as well as the construction contracts for the two buildings. OIOS noted the following:

(a) Contractors' performance was not evaluated consistently. While the construction contract for the Publishing Building had been in operation for more than a year and the building was at an advanced stage of completion, no performance assessment had been documented for the contractor at the time of the audit. The architectural firm's performance was last assessed in May 2021. In instances where performance

evaluations were documented, the metrics used to assess performance had not been reflected in the contracts' statements of works.

(b) Where contractor evaluations were documented, concerns raised by UNON were not always addressed. These included lack of qualified personnel, inactive participation of the lead personnel, and insufficient workforce. In October 2021, UNON took action against one of the contractors by levying liquidated damages amounting to \$31,359 due to delays arising from poor service delivery. The fact that UNON was able to take action in this case demonstrates the importance of documenting performance evaluations in a timely manner.

(c) Two of the three contractors reviewed did not comply with the team constitution stipulated in the respective contracts. According to attendance records and related documents, the contractor for the construction of the Publishing Building only deployed two of the four personnel reflected in the contract, while the architectural firm only deployed three of the 26 staff listed in the contract.

(5) UNON should ensure that all performance evaluations of contractors are documented in a timely manner in accordance with the provisions of the Procurement Manual.

UNON accepted recommendation 5 and stated that all required performance evaluations had been completed by the project management team for this project. This recommendation should therefore be closed unless OIOS can provide specific details to indicate any non-compliance to the performance evaluation procedures currently in place and within the control of the project management team. The current performance evaluation form is generic and used for all contracts. When action is specifically taken through use of performance evaluation forms, and highlighted as a need for action by others, this then goes beyond the responsibility of the project management team. Perhaps low performance by consultants/contractors should be raised as a broader concern outside the context of this audit, as there is limited action the project management team can take to address performance concerns, as these matters need to be handled by appropriate oversight bodies such as procurement and the review board.

OIOS maintains that as explained in paragraph 26 above, performance evaluations were not conducted consistently, as required by Section 13 of the Procurement Manual. Recommendation 5 remains open pending receipt of evidence that performance evaluations have been conducted in all cases relating to the project, in accordance with the provisions of the Procurement Manual.

IV. ACKNOWLEDGEMENT

27. OIOS wishes to express its appreciation to the Management and staff of UNON for the assistance and cooperation extended to the auditors during this assignment.

Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the project for replacement of blocks A to J at the United Nations Office at Nairobi

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	UNON should ensure that appropriate documentation is kept to evidence the delays in project implementation that are reported to the General Assembly, so that they can be independently verified and/or corroborated.	Important	O	Receipt of evidence that documentation is kept to evidence the delays in project implementation.	31 December 2023**
2	UNON should ensure that safety and security equipment are installed at the Annex Building without further delay.	Important	O	Receipt of evidence that safety and security equipment has been installed at the Annex Building.	31 March 2023
3	UNON should strengthen project governance by ensuring that: (i) the Stakeholder Committee meets on a regular basis to provide appropriate oversight and support on implementing the project; and (ii) minutes of the Committee's meetings are kept for reference and record.	Important	O	Receipt of the minutes of the Stakeholder Committee's meetings in accordance with its terms of reference.	31 March 2023
4	UNON should establish a working group to explore the options for seeking voluntary and in-kind contributions from Member States for the project.	Important	O	Receipt of evidence that the working group has been established, or alternatively, that the General Assembly has been informed of why the working group was not established or was subsequently deemed unnecessary.	31 December 2022
5	UNON should ensure that all performance evaluations of contractors are documented in a timely manner in accordance with the provisions of the Procurement Manual.	Important	O	Receipt of evidence that performance evaluations have been conducted in all cases relating to the project, in accordance with the provisions of the Procurement Manual.	31 December 2023**

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 UNON in response to recommendations, except **: date provided by OIOS.

APPENDIX I

Management Response

Management Response

Audit of the project for replacement of blocks A to J at the United Nations Office at Nairobi

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNON should ensure that appropriate documentation is kept to evidence the delays in project implementation that are reported to the General Assembly, so that they can be independently verified and/or corroborated.	Important	Yes	A-J Project Manager	Close based on explanation provided	All delays are reviewed and discussed up to and including the Project Executive and the Project Owner (Director General), and on an annual basis, any delays are reported to the General Assembly as part of the annual progress report of the SG. Each annual progress report includes a project schedule which clearly shows any slippages and explains the same in detail. This is a well establish mechanism which from a best practice perspective is also used by all other capital projects across the Secretariat Globally. UNON does not hold any further documentation or evidence in relation to historic delays or slippages (to end 2022). Moving forward into 2023 UNON will endeavor to ensure the project management team and consultant (architect) team maintain more documentation where feasible to explain any future delays, with the understanding that it is not feasible to track at a micro level beyond site meetings and change requests.

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 the project for replacement of blocks A to J at the United Nations Office at Nairobi

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						It is also important to avoid introduction of additional duplicative systems for the tracking and recording of delays, as the GA has already established a clear procedure that is being used to track schedule and delays for all Secretariat capital construction projects, and the explanation for these delays is provided and scrutinized through review of the annual progress report.
2	UNON should ensure that safety and security equipment are installed at the Annex Building without further delay.	Important	Yes	A-J Project Manager	31-03-2023	<p>As explained, the project management team was not responsible for the failed tender regarding security infrastructure, but showed clear initiative in raising a sole source proposal to UNON Procurement, to ensure the current security vendor could be contracted to install all required safety and security equipment to the Annex, DP and renovated office blocks P/Q. This prevented any impact to the A-J project.</p> <p>The project management team was able to adapt and propose a suitable alternative arrangement, and it should be highlighted that this delay had no knock-on effect as the Annex building is designated as swing space, and tenants are yet to move in. This recommendation should be closed as soon as the safety and security infrastructure is installed.</p>

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Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
3	UNON should strengthen project governance by ensuring that: (i) the Stakeholder Committee meets on a regular basis to provide appropriate oversight and support on implementing the project; and (ii) minutes of the Committee's meetings are kept for reference and record.	Important	Yes	A-J Project Manager	31-03-2023	As explained by the Project Executive during the audit exit conference, the Stakeholder Committee is only a consultative body, and is not the primary governance control mechanism for this project. He explained that he is involved on a daily basis on every aspect of the project, primarily through regular interaction with the Delegated Executive, the Project Manager, the Chief FMSTs and the Chief BFMS, providing real-time information to facilitate decision making as the primary governance mechanism. Meetings are also scheduled regularly with the architectural consultants. In this regard, paragraph 18(a) is inaccurate. In fact, four Stakeholder Committee meetings were held in 2022 (March, April, August and December). These meetings are only scheduled when there is a need to collectively discuss milestones and deliverables (e.g. end of stage 3 design for new build discussed in August meeting). The TOR for this committee will be amended to further clarify that this is a consultative body which is only required to meet quarterly or as needed. Minutes have been taken for the meetings in 2022 and will continue

Management Response

Audit of the project for replacement of blocks A to J at the United Nations Office at Nairobi

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>going forward. The Project Owner is also updated regularly, and provides the introductory statements during the GA committee hearings (e.g. ACABQ) confirming her full understanding and ownership for all aspects of the project, emphasizing the success of the governance mechanisms that are in place.</p> <p>There are also clear internal procedures related to change orders for any construction. There are regular remeasurements and adjustments related to priced items in the Bills of Quantities that do not require review by the stakeholders committee and are effectively managed through the project management team and the professional consultants hired to administer the construction.</p>
4	UNON should establish a working group to explore the options for seeking voluntary and in-kind contributions from Member States for the project.	Important	Yes	Project Executive	31-12-2022	Paragraph 26 and Paragraph 27 implies that UNON has not remained proactive in seeking voluntary and in-kind contributions to finance this project. In fact, UNON has been incredibly successful in mobilization of voluntary contributions and resources from UNHCR who are about to sign an MOU for the funding of two additional office block, in addition to the four office blocks

Management Response

Audit of the project for replacement of blocks A to J at the United Nations Office at Nairobi

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						being funded by the GA for the A-J project new build component. This represents significant success in securing funding through voluntary contributions, as two additional office buildings is equivalent to a 50% increase in the size of the GA funded new build component (which covers only four office buildings). This must be considered in the context of this audit report, and in this regard, although UNON would accept the recommendation, it should be closed as soon as the MOU with UNHCR is signed which is expected by the end 2022. Setting up of a working group would not be relevant at this final stage of the A-J project, but instead may be considered for future construction projects such as the conference upgrade project, which will consider relevant modalities for seeking voluntary and in-kind contributions as may be required.
5	UNON should ensure that all performance evaluations of contractors are documented in a timely manner in accordance with the provisions of the Procurement Manual.	Important	Yes	A-J Project Manager	Close based on explanation provided	UNON has confirmed that all required performance evaluation has been completed by the project management team for this project. This recommendation should therefore be closed unless OIOS can provide specific details to indicate any non-compliance to the performance evaluation procedures currently in place and within the

Management Response

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Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>control of the project management team.</p> <p>Any outstanding actions by the vendor review board in New York cannot be included as part of this recommendation as would be beyond the control of UNON.</p> <p>As indicated by this recommendation, performance evaluations must be completed on regular basis. The current performance evaluation form is generic and used for all contracts. When action is specifically taken through use of performance evaluation forms, and highlighted as a need for action by others, this then goes beyond the responsibility of the project management team.</p> <p>Perhaps low performance by consultants/ contractors should be raised as a broader concern outside the context of this audit, as there is limited action the project management team can take to address performance concerns, as these matters need to be handled by appropriate oversight bodies such as procurement and the review board.</p>