Private Security in High Risk Environments

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Global Perspective

- PSCs play an ever expanding role in protecting both state and non-state entities
- PSCs actively involved in relief, recovery, peacekeeping support, reconstructions efforts, business operations, and military activity
- PSCs typically operate in States where the rule of law has been weakened or undermined by human or natural causes
- Many business organizations include internal divisions that are responsible for security operations
- Clients are often seen as accountable for the actions of their security service providers
- Standard must respect local culture and jurisdictional differences
- Must be country neutral
- Standards must be applicable in all types of operating environments
A four-part series of ANSI/ASIS PSC-series of standards has been published to support accountability for the:

- Montreux Document On Pertinent International Legal Obligations and Good Practices for States Related to Operations of Private Military and Security Companies During Armed Conflict (09/2008);
- International Code of Conduct for Private Security Service Providers (ICoC) (11/2010)
- Guiding Principles on Business and Human Rights; Implementing the UN “Protect, Respect and Remedy” Framework 2011.

ISO/DIS 18788: *Management system for private security operations - Requirements with guidance* being balloted

Standards focus on the conduct of security operations consistent with good business and risk management practices – including risks related to human, tangible, and intangible assets.
Objectives of the Standards

- Auditable criteria for quality of private security service provider services and operations.
- Consistency with human rights, legal obligations and good practices.
- Demonstrate accountability.
- Provide more cost-effective services.
- Provide auditable requirements based on PDCA model for 3rd-party certification of PSCs working for any client.
- Emphasize managing risk and preventing incidents.
- Compatibility with ISO31000 and ISO9001.
- Provide an effective business management tool for PSCs.
• ANSI Technical Committee comprised of more than 200 members from 24 countries.
  ◦ Equal representation from clients, PSCs, and civil society organizations and other interested parties for a balanced committee.
  ◦ Meetings conducted by WebEx to enable worldwide participation.
• PSCs can and must be properly organized, registered, well regulated, rigidly disciplined, and staffed with carefully selected and properly trained operating personnel.
• The PSC standards are based on business and risk management principles.
  ◦ Provides a management system basis for running your business efficiently.
The Standard provides a business and risk management framework for organizations conducting or contracting security operations and related activities and functions while demonstrating:

- Conduct of professional security operations to meet the requirements of clients and other stakeholders;
- Accountability to law and respect for human rights; and
- Consistency with voluntary commitments to which it subscribes.

Consistent with the goal of complying with all applicable laws and respect human rights, clients should use the Standard when retaining private security services.

Organizations should use the Standard to conduct their own due diligence and management of subcontracted services.
Management System for Quality of Private Security Company Operations – Requirements with Guidance

ANSI/ASIS PSC.1-2012 provides auditable requirements for third party certification of private security service providers working for any client.

A management system approach for quality of private security services and the assurance of human rights.

ANSI/ASIS PSC Series - Today

- Already requested in US government contracting (both DoD and DoS) and the United Kingdom (FCO)
- Serving as a basis for contracting in various countries and growing
- ANAB and UKAS have published Accreditation Rules for a Certifying Body to become a Registrar
- In the UK there is one UKAS accredited registrar and two in the process of becoming accredited under UKAS
- Used as the basis for ISO/DIS 18788 Management System for Security Operations
- National versions of the standard are being developed for in-country applications
American National Standard ANSI/ASIS PSC.2-2012

Conformity Assessment and Auditing Management Systems for Quality of Private Security Company Operations

ANSI/ASIS PSC.2-2012 provides requirements for certification bodies providing independent third party certification of private security service providers working for any client.


Provides criteria for auditing and certification process, as well as required auditor competence.
Consider Internal and External Audits

• Buyer Beware! – Make sure your internal and external auditors are competent and knowledgeable of the PSC business, risk management and human rights law.

• As part of certification and ongoing surveillance audits you will need to have both internal audits and external audits conducted.

• Pre-certification – 2 internal audits and 2 external audits

• Post-certification – no less than 1 internal and 1 external surveillance audit annually.
Certification, the ICoC, and the Montreux Document

- Taken together, PSC.1 and PSC.2 meet all performance requirements of the ICoC
  - PSC.1: measurable and auditable criteria for the principles of the ICoC
  - PSC.2: Independent verification, monitoring, and processing allegations of violation of the standard

- Government requirements for conformance with the standard implements ICoC and Montreux Document recommendations as they apply to PSCs
  - Governments remain responsible for the actions of their contractors and for holding PSCs accountable under the law
  - Certification assists, but does not replace government oversight
Maturity Model – Phased Implementation

ANSI/ASIS PSC.3-2012 provides a series of structured steps designed to help an organization:

- Evaluate where they currently are with regard to security, risk, and human rights management
- Set goals for where they want to go
- Benchmark where they are relative to the goals
- Plot a business sensible path to get there
- Achieve a balance between business needs, and time and financial constraints.
- Establish achievable and maintainable goals within resource constraints.

A management systems approach for maritime private security service providers operating at sea

This Standard enables organizations operating at sea to implement the auditable requirements of the ANSI/ASIS PSC.1 and/or the ISO 9001 or ISO 28000 based on the Plan-Do-Check-Act model for third-party certification of PMSCs working for any client.
Management System Standard

Required Elements:
- PDCA – Plan, Do, Check, Act
- Continual Improvement
- Management Commitment
- Supply Chain Mapping
- Risk Assessment
- Operations Control
- Document Control
- Internal Audit
- Management Review
Know Your Organization

5.2 Context of the Organization
5.2.1 Internal Context
5.2.2 External Context
5.2.3 Supply Chain and Subcontractor Node Analysis

5.3 Needs and Requirements
5.4 Defining Risk Criteria
5.5 Scope of the Management System
The Importance of a PSC’s Supply Chain

• Understanding and controlling supply chain and outsourcing risks is essential:
  ◦ Clause 5.2.3 – Supply chain and Subcontractor Node Analysis
  ◦ Clause 7.1 - Internal and External Risk Communication and Consultation
  ◦ Clause 9.2.3 – Selection, Background Screening and Vetting of Subcontractors

• It is important to understand that you can outsource tasks, but you can’t outsource accountability within the standard.

• Business and risk management good practice!
Policy and Commitment

6. Leadership
6.1 General
6.2 Management Commitment
6.3 Statement of Conformance – Commitment to Protect Human Rights
6.4 Policy
6.5 Organizational Roles, Responsibilities and Authorities
Planning

7.1 Legal and Other Requirements
7.2 Risk Assessment
7.2.1 Internal and External Risk
    Communication and Consultation
7.3 Objectives and Plans to Achieve Them
7.4 Action to Address Issues and Concerns
ISO 31000:2009
Risk Management

The External Context
The Internal Context
The Risk Management
Develop Criteria and Define the Structure

What Can Happen, When, Where, How & Why
Asset identification, Valuation and Characterization
Threat/Opportunity, Vulnerability/Capability, & Criticality/Impact Analysis
Human Rights Risk Analysis

Identify Existing Controls
Determine Likelihood
Determine Consequences
Determine Level of Risk

Compare the Criteria – Set the Priorities
Consider Tolerance and Acceptability

Identify and Assess Options
Prepare and Implement Treatment Options
Analyze & Evaluate Residual Risk

Establishing the Context
Risk Assessment
Risk Identification
Risk Analysis
Risk Evaluation

Treat Risk

Monitor and Review

Communications & Consultation
The risk management covers several things:

- Tactical risks related to the mission and operations;
- Risks related to the reputation of the organization and the client;
- Political, economic, and social implications of the organization’s activities;
- Threats and consequences to persons working on behalf and the organization;
- Threats and consequences to local communities and other stakeholders and the potential impact of operations on their human rights;
- Risks related to business relationships, such as the use of subcontractors, outsource partners, and interactions with other PSCs;
- The interrelationships between tactical and operational risks and the need to respect human life and rights.
Implementation and Operation
8. Structural Requirements
8.1 Organizational Structure
8.2 Insurance
8.3 Outsourcing and Subcontracting
8.4 Documented Information
8.4.1 General
8.4.2 Records
8.4.3 Control of Documented Information
Implementation and Operation

9.1 Operational Control
9.1.1 General
9.1.2 Establishing Norms of Behavior and Codes of Ethical Conduct

9.2 Resources, Roles, Responsibility, and Authority
9.2.1.1 Uniforms and Markings
9.2.2 Selection, Background Screening and Vetting of Personnel
9.2.3 Selection, Background Screening and Vetting of Subcontractors
9.2.4 Financial and Administrative Procedures
9.2.5 Procurement and Management of Weapons, Hazardous Materials, and Munitions
Implementation and Operation

9.3 Competence, Training and Awareness
9.4 Communication
9.4.1 Operational Communications
9.4.2 Risk Communications
9.4.3 Communicating Complaint and Grievance Procedures
9.4.4 Whistleblower Policy
9.5 Prevention and Management of Undesirable or Disruptive Events
9.5.1 Respect for Human Rights
9.5.2 Rules for Use of Force and Use of Force Training
9.5.3 Occupational Health and Safety
9.5.4 Performance of Security Functions
9.5.5 Incident Management
9.5.6 Incident Monitoring, Reporting and Investigations
9.5.7 Internal and External Complaint and Grievance Procedures
Checking and Corrective Action: Performance Evaluation

Checking & Corrective Action
10.1 Monitoring and Measurement
10.2 Evaluation of Compliance
10.3 Exercises and Testing
10.4 Nonconformities, Corrective and Preventive Action
10.5 Internal Audit
Management Review

10.6 Management Review
10.6.1 General
10.6.2 Review Input
10.6.3 Review Output
11. Improvement
11.1 Change Management
11.2 Opportunities for Improvement
11.3 Continual Improvement

Continual Improvement

Policy
- Management Commitment
- Commitment to Protection of Human Rights
- Commitment to Continuous Improvement
- Commitment of Resources

Planning
- Risk Assessment
- Legal and Other Requirements
- Objectives and Targets
- Strategic Programs
- Risk Management Strategies

Implementation and Operation
- Structure and Responsibility
- Training, Awareness, Competence
- Communication
- Documentation
- Document Control
- Operational Control
- Incident Prevention, Response, Reporting & Remediation

Checking & Corrective Action
- Monitoring and Measurement
- Evaluation of compliance and system performance
- Nonconformity, Corrective and Preventive Action Records
- Internal Audits

Management Review - Adequacy and Effectiveness - Need for Changes - Opportunities for Improvement
Moving to An ISO International Standard

- Special Project Committee ISO/PC284 approved by ISO Technical Management Board for developing Standard.
  - 30 countries participating
  - Initial meeting conducted in Montreux, December 2013
  - Broad-based consensus process.
  - Participation of spectrum of stakeholders.
  - Output – ISO International Standard
- Next step in ISO – auditor competence requirements
Implications for Early Adopters

• Federal Contracting – DoD and DoS both requesting certification as part of new contracts
  ◦ Shifts contracting away from ‘Lowest Price Technically Sufficient’
  ◦ Limits the playing field
• Commercial Contracting – The ISO moniker carries weight with domestic and international companies operating internationally
• A PSC.1 certification meets ICoC requirements
• Differentiator for companies – demonstrate that you can provide a quality service, comply with jurisdictional requirements, minimize client liability and respect human rights
Implications for Early Adopters

- Potential scope expansion as the ISO is developed
  - May incorporate more domestic requirements

- Limiting of liability – Quoting Dr. Ian Ralby –
  - While being accredited under the PSC Standards itself will not be a per se defense to liability, the management system required by the PSC Standards and the processes and policies arising out of that management system can be.

- Decrease/smaller increase of insurance premiums – yet to be determined

- Identification, assessment and treatment of your risks - minimizes the threats and vulnerabilities to your organization and clients

- Implementation of Best Practices typically lead to cost reductions and limitation of liability

- Better business and risk management in all operations
The PSC standards are based on business and risk management principles.

- Provides a management system basis for running your business efficiently.
- Includes a risk management system to minimize risk to the company and its clients.
- Will make you a better run business.
- Serves as a differentiator.

All references to “Montreux”, “ICoC”, “International Humanitarian Law”, and “Human Rights Code” are covered by domestic laws in all industrialized countries.
Thank You – Questions?

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