



INTERNAL AUDIT DIVISION

OFFICE OF INTERNAL OVERSIGHT SERVICES

RISK ASSESSMENT

**United Nations Office in Vienna
(UNOV)**

17 October 2007

Assignment No. AE2007/361/0 (UNOV)

United Nations  **Nations Unies**
INTEROFFICE MEMORANDUM MEMORANDUM INTERIEUR
INTERNAL AUDIT DIVISION · DIVISION DE L'AUDIT INTERNE
OIOS · BSCI

TO: Mr. Antonio Maria Costa, Director General
A: United Nations Office in Vienna

DATE: 17 October 2007

REFERENCE: AUD-File no. (07- **00639**)

FROM: Dagfinn Knutsen, Director
DE: Internal Audit Division, OIOS



SUBJECT: **Assignment No. AE2007/361/0 - UNOV Risk Assessment Update**

OBJET:

1. I am pleased to present OIOS' risk assessment of the United Nations Office in Vienna which was carried out from May to August 2007 for your information. While we do not require a formal response to this report, you are welcome to discuss any of the issues raised further.

2. OIOS encourages the United Nations Office in Vienna to use the results of this risk assessment to put in place appropriate risk mitigation measures. OIOS will update the risk assessment periodically, based on subsequent audits or additional information obtained.

3. I take this opportunity to thank the management and staff involved in the risk assessment for the assistance and cooperation provided to the project team in connection with this assignment.

cc: Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Mr. Jonathan Childerley, Chief, Oversight Support Unit, Department of Management
Mr. Byung-Kun Min, Programme Officer, OIOS
Mr. Franz Baumann, Deputy Director General, UNOV
Mr. Anders Hjerstrand, Chief, Geneva Audit Service, OIOS

INTERNAL AUDIT DIVISION

FUNCTION

“The Office shall, in accordance with the relevant provisions of the Financial Regulations and Rules of the United Nations examine, review and appraise the use of financial resources of the United Nations in order to guarantee the implementation of programmes and legislative mandates, ascertain compliance of programme managers with the financial and administrative regulations and rules, as well as with the approved recommendations of external oversight bodies, undertake management audits, reviews and surveys to improve the structure of the Organization and its responsiveness to the requirements of programmes and legislative mandates, and monitor the effectiveness of the systems of internal control of the Organization” (General Assembly Resolution 48/218 B).

CONTACT INFORMATION

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PARTICIPANTS

The OIOS risk assessment team conducted workshops and interviews with the following staff members of UNOV to gain an understanding of existing organizational relationships, risks, controls and process issues.

Name	Functional Title
Strategic Management and Governance Programme and Project Management	<p><i>Mr. Franz Baumann</i>, Deputy Director General, UNOV</p> <p><i>Mr. Bo Mathiesen</i>, Chief of Staff, Office of the Executive Director, UNOV/UNODC</p> <p><i>Mr. Sergio Camacho-Lara</i>, Director, Officer for Outer Space Affairs (OOSA)</p> <p><i>Ms. Nasra Hassan</i>, Director UN Information Service, UNOV</p> <p><i>Mr. Niklas Hedman</i>, Chief, Committee Services and Research Section, OOSA</p> <p><i>Ms. Alice Lee</i>, Chief, Space Applications Section, OOSA</p> <p><i>Professor Hans Haubold</i>, Consultant, OOSA</p> <p><i>Mr. Imre Karbuczky</i>, Chief, Conference Management Section (CMS), UNOV</p>
Financial Management	<p><i>Mr. Chris Kirkcaldy</i>, Chief, Financial Resources Management Services</p> <p><i>Mr. Kenneth Ericsson</i>, outgoing, Chief Financial Resources Management Services</p> <p><i>Ms. Jessica Turner</i>, Chief Accounts Section, FRMS, DM, UNODC/UNOV</p> <p><i>Ms. Maria Rosario Paguio</i>, Financial Management Officer, FRMS, DM, UNODC/UNOV</p>
Human Resources Management	<p><i>Ms. Khurshid Bhimani</i>, Chief, Human Resources Management Services, DM, UNODC/UNOV</p> <p><i>Ms. Margrete Sobrale-Kiefl</i>, Chief, Staff Administration Unit, HRMS, UNODC/UNOV</p>
Information Technology	<p><i>Mr. Philip Kruss</i>, Chief, Information Technology Services, DM, UNODC/UNOV</p>
Security and Safety	<p><i>Mr. Nauludole Mataitini</i>, Chief, Security and Safety Section, DM, UNOV/UNODC</p> <p><i>Mr. Rahimi Sassan</i>, Asst. Chief,</p>

Name	Functional Title
	Security and Safety Section, DM, UNOV/UNODC <i>Mr. Christopher Ankersen</i> , Deputy Chief, Security and Safety Section, DM, UNOV/UNODC
Procurement and Contracts Management Logistic Management Property Management Conference and Documents Management	<i>Mr. Franz Baumann</i> , Deputy Director General, UNOV <i>Mr. Bo Mathiesen</i> , Chief of Staff, Office of the Executive Director <i>Mr. Romain Keiffer</i> , Chief, General Support Section, DM, UNOV/UNODC
Conference and Documents Management	<i>Mr. Imre Karbuczky</i> , Chief, Conference Management Section, UNOV <i>Ms. Melanie Suzara</i> , Chief, Planning, Coordination and Meetings Section, CMS <i>Mr. Romain Keiffer</i> , Chief, General Support Section, DM, UNOV/UNODC

SUMMARY OF RISK RATINGS

The risk assessment identified the following areas as Higher, Moderate and Lower Risk. A summary of the identified risks is shown below. Full details of the identified risks are listed in the Risk Register.

Focus Area	Overall Risk
i. Strategic Management and Governance ii. Financial Management iii. Human Resources Management iv. Programme and Project Management	Higher Risk
i. Procurement and Contracts Administration ii. Property and Facilities Management iii. Conference and Documents Management iv. IT Management v. Security and Safety vi. Logistics Management	Moderate Risk
	Lower Risk

RISK REGISTER

Risk Assessment of : UNOV

1	Focus Area:	Strategic Management and Governance	Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Likelihood	Impact	Overall Risk
I	<p>Strategic Planning and Monitoring</p> <p>B(i) The nature and extent of reporting and accountability lines between the UNOV and the attached agencies: Office of Outer Space Applications (OOSA) and UN Information Service (UNIS) are not clear such that these may be subject to misinterpretation. Moreover, programme delivery by these two agencies may or may not be adequately monitored by the UNOV.</p> <p>B(ii) The nature and extent of reporting and accountability between the UNOV and the newly created agency, UN Register of Damages (UNROD) are not clear and again may be subject to misinterpretation resulting in the possible inadequate or inappropriate monitoring of UNROD activities.</p>	<p>ST/SGB/2004/05 indicates that the UNIS and OOSA are accountable to the Director General of the UNOV. The Deputy Director General noted some ambiguity as far as UNIS is concerned since it is also accountable to the USG for Communications and Public Information. A way of monitoring these agencies, however, would be through the Executive Committee where both agency heads are members.</p> <p>Both UNIS and OOSA agency heads interpret accountability as related to the administrative support rendered by UNOV. In the case of UNIS, programme direction is given by the Department of Public Information and the OOSA by the UN Committee on Peaceful Uses of Outer Space and from the 4th Committee as well as the Department of Political Affairs.</p> <p>UNOV was identified as the site of the agency and as providing administrative support similar to UNROD which was established only on November 2006.</p>	Possible Possible	High High	Higher Risk Higher Risk

Risk Assessment of : UNOV

2	Focus Area:	Financial Management	Possible	High	Higher Risk
	Interview/Review Summary (Description of risk)	OIOS Assessment	Likelihood	Impact	Overall Risk
No					
I	<p>Treasury arrangements</p> <p>D(i) Disbursements may be based on incorrect data resulting in loss of funds.</p>	<p>Financial</p> <p>Disbursements are automated and are approved by two bank signatories . There are monthly checks to ensure the correctness of the automation system by the treasurer.</p>	<p>Remote</p> <p>High</p>	<p>High</p> <p>High</p>	<p>Moderate Risk</p> <p>Moderate Risk</p>
	F(i) Bank signatories, if they lack integrity can abuse their authority and misappropriate funds.	<p>Human Resources</p> <p>Only qualified officials are selected as bank signatories: contractual policy (permanent contracts), four eyes principle (two pairs of eyes review and approve transactions).</p>	<p>Remote</p>	<p>High</p>	<p>Moderate Risk</p>
	G(i) The electronic banking system for bank related transactions may collapse resulting in loss of data.	<p>Information Resources</p> <p>The banking systems are backed up and information is saved on CDs on a monthly basis.</p>	<p>Remote</p>	<p>High</p>	<p>Moderate Risk</p>
	E(i) Investments placed with banks might not be paid back to organization.	<p>Operational</p> <p>Funds are placed only with banks with A ratings. The Treasurer monitors bank placements daily.</p>	<p>Remote</p>	<p>High</p>	<p>Moderate Risk</p>
II					
	<p>Budgetary arrangements</p> <p>F(i) Due to shortage of staff support, the FRMS may not be able to cope with the increased volume of data entry and fund monitoring such that financial statements may be prepared late or incomplete.</p>	<p>Human Resources</p> <p>The Accounts Unit of the UNODC accounts and prepares the following financial statements:</p> <ul style="list-style-type: none"> -CPCJ Funds -Consolidated Funds of UNICRI, CPCJ and UNDCP funds -OOSA -Jointly financed activities -Programme Support Costs -Visitors Service -VIC Garage Operations -UNOSEK 	<p>Possible</p> <p>Possible</p>	<p>High</p> <p>High</p>	<p>Higher Risk</p> <p>Higher Risk</p>

2	Focus Area:	Financial Management		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
	<p>D(i) Programme funds budgeted for attached agencies may be reduced because of unauthorized realignments of such funds to administrative and project support expenses.</p> <p>D(ii) Poor planning and inaccurate projections may lead to over or under-expenditure by biennium-end, which may negatively impact on fund availability for future bienniums/periods.</p> <p>D(iii) Lack of awareness and budgetary/accounting knowledge may lead programme managers to certify documents against improper account codes</p> <p>D(iv) The General Purpose Funds position is very sensitive to the risk of even small deviations from budget which may lead to problems in financing infrastructure costs and core posts.</p>	<p>According to the Accounts Section Chief, the Budget Implementation Monitoring system is in place for monitoring actual expenditures, forecasts and unforeseen expenditures. Training of staff in substantive departments on budget monitoring and implementation is being done.</p> <p>There is an Administrative circular (in the form of electronic finance tips) on the responsibilities of the certifying officer and the purpose of the different funds and object of expenditure codes</p> <p>There is need to systematize General Purpose Funds (GPF) reporting and control in ProFi. At present, obtaining and analysing relevant data sources is still difficult and there is no audit trail for forecasts made. Management recognizes the need for: regular update of the current and projected general purpose fund position; systematic evaluation of costs and different funding options and introduction of suitable reports in ProFi.</p>	Financial	Possible	High	Higher Risk

2	Focus Area:	Financial Management		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
III	<p>Payment of vendor invoices</p> <p>D(i) Double payments may be made due to duplicate submissions of claims and invoices.</p> <p>D(ii) A travel claim may be overpaid based on erroneous rates, calculations or allotments. Moreover, allotments may be posted to the wrong ledgers.</p> <p>D(iii) Payments may be processed beyond the established three days to one week turnaround time and a vendor's invoice may be settled beyond the agreed upon 30 days upon receipt.</p> <p>D(iv) Payments may be returned by banks in view of inaccurate banking information.</p>	<p>Payments are made only on certified original documents. If copies are accepted, appropriate clarifications is recorded. Moreover, the IMIS is checked as to travel status, in the case of travel claims, and as to receipt, inspection and payment status, in the case of invoices. In the unlikely event of a double payment, the payee is advised and a recovery action is initiated in IMIS.</p> <p>Travel authorization showing dates of travel will allow the system (IMIS) to calculate the DSA entitlements accurately. In case of overpayment, the payee is advised and a recovery action is initiated.</p> <p>Follow-up action is taken to expedite certification and inspection of documents. This includes automatic reminders for inspection and certification initiated by the Payables Register.</p> <p>Confirmation of banking information is requested from the payees and the banking details are entered into IMIS with the help of the Procurement Unit and Treasury when necessary.</p>	Financial	Remote	High	Moderate Risk

2	Focus Area:	Financial Management		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
IV	<p>Payroll</p> <p>D(i)The staff member may be paid an incorrect amount or the wrong type of entitlement due to incorrect data/instructions given to Payroll Unit. (e.g. from HRMS) and the approval of a wrong entitlement to a Staff member (PA, Ed.Grant etc).</p>	<p>Input is checked by a Certifying Officer in HRMS. Payroll also checks the accuracy of entitlements before approving payment. Payroll Actions and other request for Payments are thoroughly reviewed by Payroll staff. Furthermore, Information Circulars have been issued, encouraging staff to submit their EG claims after 2/3 of the schoolastic year in order to spread the workload over a period of time instead of an annual peak in July and August.</p>	Financial	Remote	High	Moderate Risk
	<p>G(i)Failure of IMIS Servers to produce timely and accurate payroll reports may result in deadlines not being met and staff members not being paid on time.</p>	<p>There are backup Systems. Should the system go down, staff will be advanced equivalent amount of previous month payroll.</p>	Information Resources	Remote	High	Moderate Risk

2	Focus Area:	Financial Management	Risk Category	Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
V	<p>Accounting and financial reporting</p> <p>D(xii) Collections from revenue producing activities (guided tours and VIC garage operations, such as parking stickers, parking fees and fines; interest income and organizations shares) may not be properly accounted for and reported in the financial statements because of lack of staff specifically assigned to handle such function.</p> <p>D(xiii) Income from jointly financed activities (allocations from other UNA funds, contributions from participating agencies and other miscellaneous income for two programmes: security and safety and conference and administrative services) may not be properly accounted for and recorded in the financial statements.</p>	<p>The jointly-financed activities are now accounted strictly based on OPPBA's guidelines that is on a no gains and no loss basis to the United Nations. However : UNIDO still refuses to be acknowledge its share of gains/losses and miscellaneous income. As such its share is still included in the fund balances of the Joint Fund activities and CFS funds.</p> <p>The VBOs (Vienna based organizations) have been invoiced for all receivables, and each VBO uses a different approach to pay : UNOV and CTBTO pay in advance for their share of allotment in CFS Fund for H-MOSS projects; while UNIDO and IAEA pay only their share of obligations and disbursements of the quarter.</p> <p>The Accounting Unit of the UNODC accounts and reports the financial activities of UNOV. Certain tasks related to both UNODC and UNOV such as applying deposits, monitoring accounts receivable, processing IOVs are done by the same staff while distinct groups prepare the financial statements for UNOV and UNODC.</p>	Financial	Possible	High	Higher Risk
						Higher Risk

2	Focus Area:	Financial Management		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
	<p>D(xiv) UN financial rules and regulations on project support costs and how these should be accounted exist but these may not be properly complied with.</p> <p>D(xv) Insufficient funding to close the ZNA accounts may happen if projected new allotments are not realized.</p>	<p>The PSC Expenditure recorded for CPCJF and UNICRI is inflated, as well as the PSC Income recorded for OVA. UNICRI is questioning why it has to pay PSC on operating advances provided by executing agencies and why a 5.5% is used to calculate the PSC while UNICRI and UNODC agreed on a lumpsum PSC to be paid once a year. The entries to UNICRI's FAA were reversed in 2006.</p> <p>Without having received a financial authorization and or allotment to ensure funding for UNOSEK (UN Office of Special Envoy for Kosovo) which is a self-financing service and uses ZNA; no expenditures are incurred for UNOSEK.</p>	Financial	Possible	High	Higher Risk

Risk Assessment of : UNOV

3	Focus Area:	Human Resource Management	Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Likeli- hood	Impact	Overall Risk
I	Entitlements and allowances		Remote	High	Moderate Risk
	<p>F(i) Errors in the interpretation of UNJSPF staff pension rules pertaining to staff benefits may lead to financial loss to staff members.</p> <p>F(ii) Errors in the interpretation of benefits which can be availed of from Health and Life Insurance policies may lead to financial loss to staff members and their families and compromise the credibility of the organization.</p> <p>F(iii) Erroneous information to staff concerning their entitlements and allowances may lead to financial loss for both the staff and organization and/or loss of credibility to the service.</p> <p>F(iv) Personnel related administrative decisions may lead to appeals, which have financial implications for the organization and/or loss of credibility.</p> <p>F(v) Personnel issues may be decided based on wrong interpretation of rules.</p>	<p>The HRMS is careful in its interpreting guidelines related to entitlements and allowances because it is conscious of the possible effects of any HR staff interpreting HR related rules and regulations inaccurately--particularly at the Headquarters. In case certain provisions are unclear, it benchmarks with other organizations or seeks clarification from UN HQ.</p>	<p>Remote</p>	<p>High</p>	<p>Moderate Risk</p>

3	Focus Area:	Human Resource Management		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
II	Recruitment activities in UNOV		Human Resources	Possible	High	Higher Risk
	<p>F(i) The entry medical examinations may not have captured pre-existing chronic conditions of selected candidates.</p> <p>F(ii) The best qualified candidate may not have been selected because reference checks are not conducted to verify applicants' representations.</p> <p>F(iii) There may be allegations that the best qualified candidate was not selected such that there would be appeal cases for non-selection for a post.</p> <p>F(iv) There may be delays in the recruitment process caused by external factors to HRMS (pending medical results, CR body endorsements, availability of candidate to report for duty)</p> <p>F(v) Time critical information (PCO announcement of selected candidate prior to DH selection) and the selection process itself (classified or sensitive information, medical condition), may be disseminated prematurely to unauthorized persons who will use such information to sow discontent or intrigue among staff.</p> <p>F(vi) HR needs of attached agencies may not be properly attended to because concentration is on HR needs of UNODC.</p>	<p>HR ensures that complete medical examination is made with classification "fit for duty" before issuing a letter of appointment.</p> <p>Reference checks are carried out for all staff being recruited to the organization, including consultants.</p> <p>HRMS can only ensure that the process was fair and transparent. However, responsibility for determining a candidate's suitability for the post, rests with the programme managers.</p> <p>In case of appeals, HRMS' role is to draft the respondent's reply on behalf of the Administration. HRMS can only sensitize and advise Programme Managers to abide by provisions of ST/AI/2002/04 and brief managers on their roles and responsibilities in the process.</p> <p>Interviews with attached agencies revealed HR concerns which apparently have not been attended to such as lack of staff for certain grades, lack of trainings, among others.</p> <p>While control mechanisms are considered adequate, the impact of the risks is high as these will result in losses financially and reputation-wise.</p>	Human Resources	Possible	High	Higher Risk

3	Focus Area:	Human Resource Management		Possible	High	Higher Risk
No III	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
	<p>Training D(i) Delay in the receipt of training funds impacts on the programme delivery as Staff Development Unit may not be able to pursue training plans until the funding arrives.</p>	<p>The vast majority of the training budget of SDU is financed through the regular budget of OHRM New York. The financial means for the centrally run programmes are received via OBMOs for each programme, the means for upgrading of substantive and technical skills are received as an allotment to their local accounts. The OBMOs and the allotments usually arrive with a delay of several weeks or months.</p>	Financial	Possible	High	Higher Risk
	<p>E(i) Training activities are planned and financial commitments are made with trainers based on a preliminary list of participants. Last minute cancellations may lead to a reduced number of participants or eventual cancellation of courses.</p>	<p>HRMS follows-up to ensure that participants attend courses for which they have registered. A waiting list is established to allow SDU to fill gaps of last minute withdrawals. Additionally, every enrolled participant who cancels at the last minute must provide written justification from the supervisor.</p>	Operational	Possible	High	Higher Risk
	<p>F(i) Training needs of staff under the conference management services and agencies under the UNOV may have been overlooked in favor of UNODC concerns.</p>	<p>UN attached agencies contend that their training needs are not being met by trainings identified by the HRMS which cater more to UNODC needs.</p> <p>Conference management services cited the lack of appropriate training for its staff as one of its quality improvement constraints.</p>	Human Resources	Possible	High	Higher Risk

3	Focus Area:	Human Resource Management		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
IV	<p>Performance Appraisal system</p> <p>F(i) HRMS may not be able to capture possible rebuttals and noncompliance with performance evaluation management process early enough to be able to intervene timely and effectively because it is not allowed access to the e-PAS of staff.</p>	<p>HRMS receives the lists of all pending and incomplete cases with an average delay of six months from OHRM and is only reacting to issues instead of proactively capturing difficulties and taking action. No other control mechanisms are available.</p> <p>HRMS does not have independent access to the ePAS system and its reporting facilities. HR practitioners are not able to address directly and efficiently technical difficulties as well as access various reports necessary for effective monitoring.</p>	Human Resources	Possible	High	Higher Risk

Risk Assessment of : UNOV

4	Focus Area:	Procurement and Contract Administration		Possible	Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
I	<p>Procurement process</p> <p>E(i) Bad inventory control system may lead to wastage by way of over-ordering, losing items and damaged inventory.</p> <p>E(ii) Delays in procurement activities may adversely affect programme delivery schedules, usage of funds, quality of services and equipment and vendor relations.</p> <p>E(iii) The financial and technical aspects of the offers may not be properly evaluated so that the contractors selected are not those which can offer the best services or equipment at the prices specified.</p>	<p>The vendor registration improvement activities is in progress; procurement system version 1.0 is in place; procurement plan has been completed by end of 2006 .</p> <p>A focused audit on the Bid Process indicated the lack of transparency in selection and the lack of a Tender Opening Committee.</p>	Operational	Possible	Medium	Moderate Risk

4	Focus Area:	Procurement and Contract Administration	Possible	Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Likelihood	Impact	Overall Risk
	<p>C(i) Procurement activities may not have been undertaken on a competitive and transparent basis in compliance with UN Procurement regulations in the Procurement Manual.</p> <p>C(ii) Risk from procurement fraud and irregularities may arise as a result of poor controls.</p>	<p>UNOV's Commercial Operations Unit is responsible for contracting with service providers and vendors the needs of UNOV, UNODC, OOSA, UNSCEAR and UNCITRAL.</p> <p>Procurement controls have not been audited in a comprehensive manner. A focused audit on the Bid Process indicated the lack of transparency in selection and the lack of a Tender Opening Committee.</p> <p>Segregation of duties in procurement, and supervisory and Committee on Contracts reviews contribute to the prevention of fraud and irregularities. UNOV's Commercial Operations Unit is responsible for contracting with service providers and vendors the needs of UNOV, UNODC, OOSA, UNSCEAR and UNCITRAL.</p> <p>However, procurement controls have not been audited by OIOS in a comprehensive manner. A focused audit on the Bid Process indicated the lack of transparency in selection and the lack of a Tender Opening Committee. External audit by BOA stated general compliance with the UN Procurement Manual and recommended improved vendors evaluation and advertised invitations to bid.</p>	Possible	Medium	Moderate Risk

Risk Assessment of : UNOV

5	Focus Area:	Logistics Management		Possible	Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
I	<p>Travel services</p> <p>D(i) Scarce organization funds may be spent for travel activities which are unnecessary.</p> <p>D(ii) A travel claim may be overpaid based on erroneous rates or calculations or is more than the obligation. Moreover, allotments may be charged or posted to the ledgers.</p> <p>E(i) Booking beyond entitlements, extra stopovers or missing the least cost routing may cause overspending.</p> <p>E(ii) Official shipments and shipments of staff members' personal effects may be lost, misrouted or damaged in shipment.</p>	<p>Payments are made against certified documents justifying the travels to be made and in accordance with the obligations.</p> <p>After the examiner calculates and inputs the amounts and prepares the voucher, the approving officer verifies the entitlements and recalculates to avoid over/under payments.</p> <p>Booking instructions are supervised by the Travel office with least cost routing mandatory and rates negotiated with airlines</p> <p>Ensuring that the IMIS approval sequence and that dealings are made only with established shipping companies minimize the risks of shipment losses and overspending.</p>	<p>Operational</p> <p>Financial</p> <p>Operational</p>	<p>Possible</p> <p>Possible</p> <p>Possible</p>	<p>Medium</p> <p>Medium</p> <p>Medium</p>	<p>Moderate Risk</p> <p>Moderate Risk</p> <p>Moderate Risk</p>

5	Focus Area:	Logistics Management	Risk Category	Possible	Medium	Moderate Risk
No II	Interview/Review Summary (Description of risk)	OIOS Assessment	Operational	Likelihood	Impact	Overall Risk
	<p>UNLP E(i) Unauthorized use of UNLPs particularly those which should have been surrendered to the UNODC/UNOV may occur because of the failure to control issuance and confiscation of expired UNLPs.</p>	<p>There are a number of ways one might use to subvert the system but for each there are countermeasures:</p> <ul style="list-style-type: none"> - a LP is declared lost of stolen: such occurrences are reported to Interpol for distribution to the immigration authorities of its member nations. Even a bogus extension signature will not remove the LP from the hot-list. - a LP is not returned to UNOV at the end of a contract or at retirement: Funds are retained from final payments until the document is returned or the document is declared stolen or lost and the above procedure applies. - a LP is extended by an unauthorised person while the holder of the LP is still employed by the United Nations: The violation is technical, because the holder is still entitled to the LP. However, a signature does not end the process because LPs need visas to enable the holder to enter specific countries. It may be noted though that not all countries need visas to enter if one is a UNLP holder. 	Operational	Remote	High	Moderate Risk

Risk Assessment of: UNOV

6	Focus Area:	Information Technology Management		Remote	High	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
I	<p>Business continuity and disaster recovery</p> <p>E(i) The electrical power supply throughout VIC may not be correctly documented or may have complex interdependencies leading to power loss which can damage equipment.</p> <p>E(ii) Since the entire V.I.C. site has only one single entry-point for power, water and telecommunication lines situated on the side facing Wagramerstrasse, road construction may sever part or all of the connections leading into the VIC</p> <p>E(iii) An external site may not have been identified and configured as a stand-by site so that in the event of a major disaster, ITS may not be able to recover all of its data to an external site, e.g. if (parts of) the VIC.</p>	<p>UPS and alternative power sources (diesel generators) and redundant computer centers (CCA and CCB) are available. However, there is residual risk in that the UPS and diesel generators may not provide power long enough to cover the outage.</p> <p>A four-hour power failure caused by this crisis is not covered in the crisis management plan. The CMP lacks full funding for proper and complete implementation of a plan in case the UPS, which has a maximum running time of one hour and the diesel generators run out.</p> <p>A crisis management plan exists.</p>	Operational	Remote Remote	High High	Moderate Risk Moderate Risk

6	Focus Area:	Information Technology Management		Remote	High	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
	<p>G(i) Mail, file or other critical service may be unavailable or experiencing problems such that people are unable to communicate, use networked files or launch applications (which may partially reside on network drives)</p> <p>G(ii) Improper labelling and/or incorrect logging of current server status (e.g. Physical location) in ITS servers database may cause additional delays during an outage or even cause the incorrect server, routers, cable or storage unit to be physically manipulated.</p> <p>G(iii) A failure or damage to the hardware emanating from technology failure or natural disasters may cause a total loss of files in the Storage Area Network.</p> <p>G(iv) In case of a server crash, all web services and applications for UNODC and other UN organizations would stop and the websites would be unavailable.</p>	<p>While the likelihood is almost certain and impact high, the monitoring system in place reduces the time and frequency of the outages to an absolute minimum at most. General availability of critical services is now over 99.5%.</p> <p>Prolonged down-time, inability to recover system(s) in a meaningful time. ---- team leaders need to conduct drills and ensure that documentation is kept up to date.</p> <p>Need to enforce change management</p> <p>Emergencies may happen at any time, for numerous reasons. However the steps to recover systems and entire operational structures (multiple servers and/or services) are typically standard procedures, military-style drills.</p> <p>ITS/EAU/WDT runs web services and applications for a number of organizations. In particular UNODC and the Information for Member States website, but also for UNOV, INCB, IMOLIN, UNIS, OOSA, UNCITRAL, UNSCEAR, UNOSEK, etc.</p>	Information Resources	Remote	High	Moderate Risk

6	Focus Area:	Information Technology Management	Risk Category	Remote	High	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
II	<p>ICT Technical Support</p> <p>F(i) ICT staff's technical skills may not be continuously upgraded because of the lack of training funds resulting in non-upgrade of IT systems, decreased productivity due to low morale and eventually resignations.</p> <p>F(ii) The most qualified staff for highly technical posts may not be recruited because of the uncertain contract terms and low salary grades offered (a database administrator for Sybase and Oracle is graded G6 by HRMS but market rate is equivalent to P3 to P5).</p> <p>F(iii) Hiring delays may result in tight deadlines not being met, the non-pursuance of new projects and reduction in capacity to maintain productive systems--all due to the non-availability of staff resources when required.</p>	<p>ITS management notes that "this risk is being addressed obliquely, whenever feasible, by redeployment of funds for training purposes within the scope of financial regulations and rules, e.g., 022 (Other expenditures) where Certifying Officers have some flexibility to meet needs and requirements."</p> <p>ITS notes that "This risk is exacerbated by the Organization's rigid recruitment policies making it sometimes more challenging to get the right person at the right time particularly for special projects."</p>	Human Resources	Remote	High	Moderate Risk

6	Focus Area:	Information Technology Management		Remote	High	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
	<p>G(i) The procurement system may require almost identical data to be entered in up to three different systems thereby increasing the potential for confusion and inaccuracy.</p> <p>G(ii) The UN exchange rate is not available in FOML by first day of each month such that payment requests generated during the first few days of the month may reflect wrong exchange rates resulting in numerous exchange rate adjustment entries.</p> <p>G(iii) Delays in message delivery by the Lotus-based email system may result in delays in implementing projected tasks.</p> <p>G(iv) Some patches and new reviews of software applied by the Helpdesk may negatively affect the workstation of a particular user (developer) leading to loss in productivity during the end-phase of a project.</p>	<p>The importance of the workflow applications cited (PROFI, SPF) and the concern raised by the FRMS Chief on the two dissimilar financial management systems, the two financial closures, two sets of financial statements his Service Unit has to contend with point to the gravity of this issue. Technically, the multiple systems in question should be linked together to restrict and minimize duplication of data ensuring a single point of data entry.</p> <p>Common table pulls the information from IMIS although there is need to pull information directly from UN Treasury website and update these before the end of each month.</p> <p>ITC management notes that email delays of more than 10 minutes pertain to large mails (10 mb or more) which need time to transfer than small sized mails. Mails which cannot be delivered immediately are queued and sent to the recipient as soon as possible.</p>	Information Resources	Remote	High	Moderate Risk
	<p>E(i) Workplans and staff responsible for some servers or services may not have been properly delineated for specific IT areas such that problems may not be immediately checked and corrected.</p> <p>E(ii) Users may not be properly trained or oriented of new applications or updates so that the HelpDesk may be overloaded with calls for assistance regarding an already established problem.</p>	<p>There are dialogues between users, developers and management. There is still need for training/education so that they can understand the language and requirements of the other party.</p> <p>The ITS Chief noted that teams are doing more varied work and projects. However, the team's workload cannot be foreseen easily as ITS receives requests and orders from different sources without clear focal persons.</p>	Operational	Possible	Medium	Moderate Risk

6	Focus Area:	Information Technology Management		Remote	High	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
III	<p>Management of ICT Infrastructure</p> <p>E(i) Lack of space for IT staff may affect staff efficiency.</p> <p>G(i) Documentation of source code, modules and maintenance procedures may not be maintained by ITS leading to temporary downtime of development or to a lower service level if the responsible staff member is absent.</p> <p>G(ii) G(xiv) A major power surge may damage equipment.</p>	<p>Unless more office space is provided to ITS staff, the risk cannot be addressed.</p> <p>Manuals, plans and documentations are collected in various locations. Most of them are kept up to date but are not located in central location.</p> <p>Construction, reonovations or refurbishments going on often result in power surges. Surge control protectors are located in specific building/floor sites.</p>	Operational	Remote	High	Moderate Risk
IV	<p>IT Security</p> <p>G(i)The organization's IT information system may not be secured such that unauthorized access goes undetected.</p> <p>G(ii)A trojan virus may lead to leak of sensitive data, such as web server passwords and user names.</p> <p>G(iii)UNODC/UNOV hosts services published in the internet which are also connected to internal services (interdependencies). One system may affect another in unpredictable ways such as external attack on UNODC/UNOV services or denial of service.</p>	<p>The BOA in its Financial Report and audited financial statements for the biennium ended 31 December 2005 last May 2006 noted the need to address emerging ICT risks and new forms of fraud due to electronic misconduct. The ITS management contend that existing security policies are adequate and that the BOA report does not apply very well to actual concerns .</p> <p>Web server passwords are not stored in servers. but in encrypted format in Lotus Notes and the LDAP directory. Therefore, the likelihood of a Trojan to extact and decrypt the web password is theoretical.</p> <p>There are firewall, password policies, restrictive access rights on all services.</p>	Information Resources	Possible	Medium	Moderate Risk
				Remote	High	Moderate Risk

6	Focus Area:	Information Technology Management		Remote	High	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
	<p>E(i) The lack of clear cut instructions and training on actions necessary to deal with threats (bombs / terror etc.) received at the UN Switchboard may cause serious damage to persons and buildings</p> <p>E(ii) Papers possibly containing password or other sensitive information, left lying around may pose a security risk in the hands of people with ill intent towards the UN.</p>	<p>The Crisis Management Plan maintained by the UNSSS should anticipate this risk.</p> <p>Clean-desk policy(meaning staff should clear their desks and should not leave before storing confidential documents and records in a secure place.) will prevent attempts to penetrate the system outsiders or a disgruntled staff-member .</p>	Operational	Remote	High	Moderate Risk
V	<p>Software development</p> <p>G(i) New IT systems launched to replace old systems or to update changes in real workflow of the organisation may not present any significant real-world improvement over the old system.</p> <p>F(i) The organization may be unable to properly maintain productive services because of the lack of dedicated support staff or developers.</p>	<p>The ITS recognizes the need for direct communication between developers and end-users to ensure effective IT systems.</p> <p>The ITS recognizes the need for having staff with the required qualifications, but also notes the difficulty in having additional manpower due to delays in recruitment, very low posts offered among others.</p> <p>The ITS notes that this risk can only be addressed if UNHQ recognizes UNODC/UNOV's right to determine their own IT needs.</p> <p>The ITS contends that this is a procurement and funding issue which affects their work. An action done to mitigate this is the modification of the software license verification until license can be purchased.</p>	Information Resources	Remote	High	Moderate Risk
	<p>E(i) UNODC/UNOV may not be able to purchase hardware and software requirements because of UNHQ's tendency to dictate the organizations' requirements without determining real needs.</p> <p>E(ii) New software licenses may not be acquired on time such that softwares cannot be used immediately thereby affecting staff productive time.</p>		Human Resources	Remote	High	Moderate Risk
			Operational	Remote	High	Moderate Risk

6	Focus Area:	Information Technology Management		Remote	High	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
	D(i) The timeliness and completeness of data on drug enforcement and monitoring may not be ensured because the National Drug Control System for the International Narcotics Control Board cannot be fully developed due to lack of funds.	The National Drug Control system lacks funds so that systems developers and other staff needed cannot be hired.	Financial	Remote	High	Moderate Risk
VI	Communication services D(i) Incorrect cost sharing and calculations by ITS particularly of telephone billings may result in disputes among UN agencies based at the VIC.	The Team leader for ITS Communications checks flow of data daily and calculates costs of own data (CDRs) to match bills received by Finance Offices)	Financial	Possible	Medium	Moderate Risk
	G(i) Communications servers for BlackBerry, OneBridge and TopCall Server may be down leading to inability of officials equipped with these equipments to communicate decisions or instructions on time. G(ii) Missing or wrong information/telephone numbers for an audio conference may result in waste of time and loss of credibility on VIC conference management and ITS services. G(iii) Many parts of the UNOV (inside the building) have no cellphone reception such that in the event of an emergency, staff assigned in these locations may not be immediately informed of danger inside the building.	Notification is done via SMS or email from the Big Brother monitor or via calls by users. If the communication server experiences serious hardware problems which cannot be fixed by a server restart, the impact may be heavy. Communication is maintained by ensure that the requesting unit is contacted. There is need to install signal repeaters inside the building.	Information Resources	Possible	Medium	Moderate Risk

Risk Assessment of : UNOV

7	Focus Area:	Programme and Project Management	Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Likelihood	Impact	Overall Risk
I	<p>Outerspace affairs B(i)The nature and accountability of the Office of Outer Space Affairs (OOSA) to the UNOV is unclear and may result in misinterpretations as far as supervision and coordination are concerned.</p>	<p>The OOSA Director clarifies that his agency is hierarchically and administratively under UNOV but programme-wise receives guidance and direction from the UN Committee on Peaceful Uses of Outerspace and from the 4th Committee as well as the Department of Political Affairs. Budget-wise too it is independent from the UNOV although all its support services are obtained from UNOV.</p> <p>Accountability wise, its annual workplan is included in the compact of the DG to the Secretary General and the Office is committed to achieve the goals and objectives contained in the workplan. It may be noted though that the OIOS-MECD in its year 2006 inspection report found OOSA operations as well managed.</p>	Possible	High	Higher Risk

7	Focus Area:	Programme and Project Management		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
	<p>F(i)The Office may not have the required training and staff component needed for it to operate effectively.</p> <p>F(ii)Staff development may be hampered because of the lack of any career path leading to low morale and high staff turnover.</p>	<p>More independence is sought by the OOSA in terms of staff selection and staff development from the HRMS of UNODC/UNOV. It noted that the training modules offered are more suited towards UNODC concerns.</p> <p>Staffing levels do not allow for promotions within a section. For instance, the sections do not have P3 posts. For a P2 to be promoted, he has to leave the section after two years of service and P4s have to be recruited externally since there is no internal feed from the P3 level. The two Moreover, sections of the Office have the same number of staff but have different levels of seniority in posts. The Committee Services and Research Section is not ranked equally with the Space Applications Section.</p> <p>The Chief of the CSRS noted the need for discussions on long-term planning to include overall staffing policy of the Office.</p>	Human Resources	Possible	High	Higher Risk
	<p>A(i) The Office, particularly the Space Applications Section, may not be able to evaluate the effectiveness of its projects because of the lack of performance indicators which are truly reflective of the desired outcomes and impact.</p>	<p>The Section Chief of Space Applications noted that while it is easy to measure the success of a project quantitatively, attention has to be given to measures evaluating the quality of results of a project and sustainability for future operations.</p>	Strategy	Possible	High	Higher Risk

7	Focus Area:	Programme and Project Management	Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Likelihood	Impact	Overall Risk
II	<p>Information services</p> <p>B(i) The nature and accountability of the UNIS may need to be clarified as the interpretation of the limits of supervision and coordination are in conflict.</p>	<p>The UNIS Director clarified that the her office is not substantively and directly under the UNOV but under the Department of Public Information.</p> <p>While it is true that UNIS handles some public information activities for UNOV, it is as a client agency and not as part of its operational functions. She also noted that her office's budget is part of the DPI budget not UNOV's.</p> <p>Audits of her office are done as part of an overall DPI audit and not of UNOV's. A risk assessment of DPI activities was done by the UN External Auditors in September to October 2006.</p>	Possible	High	Higher Risk
III	<p>VIC Garage Operations</p> <p>D(i) Income by way of monthly parking stickers, daily parking fees, fines, interest income and organization shares may not be properly accounted for by the General Services Section of the UNOV.</p> <p>D(ii) The use of collections may not be properly controlled such that these are used for questionable purposes.</p>	<p>The general administration of the VIC Garage Operations which had a reported total income of \$281,000 in year 2006 was transferred to the GSS, UNOV in 1994. While the amount involved may not be material, there may be need to check on the adequacy of controls over collections received.</p> <p>Expenditures related to salaries, operating expenses and supplies and materials exceeded collections received, in 2006 compared with net incomes reported in 2004 and 2005.</p> <p>The Board of Auditors performs financial audits of the UNODC/UNOV.</p>	Possible	Low	Lower Risk

7	Focus Area:	Programme and Project Management		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
	E(i) Operations may not be carried out efficiently, economically and effectively.	No performance evaluation was focused in this area in the past possibly because the operations are small in terms of financial magnitude.	Operational	Possible	Low	Lower Risk
IV	<p>Services to Visitors at UNOV</p> <p>D(i) Income by way of revenue producing activities and services rendered to UNOV visitors may not be properly accounted for.</p> <p>D(ii) Expenditures may not be properly controlled and may not be related to the intent of the fund.</p>	<p>While reported income of \$125,800 may not be material, there is need to evaluate adequacy of controls over these activities more so because reported expenditures were more than total income by \$149,601. Temporary assistance charges represented 60% of total charges.</p> <p>The BOA performs financial audits of the UNOV/UNODC which may cover these activities.</p>	Financial	Possible	Medium Low	Moderate Risk Lower Risk
	E(i) Operations may not be carried out efficiently, economically and effectively.	No performance evaluation was focused in this area in the past possibly because the operations are small in terms of financial magnitude.	Operational	Possible	Low	Lower Risk
V	<p>Jointly financed activities</p> <p>D(i) Income by way of allocations from other funds, contributions from participating agencies and miscellaneous income may not have been properly accounted for.</p> <p>D(ii) Expenditures may not be properly controlled and may not be related to the intent of the fund.</p>	<p>Reported income for safety and security services totalled \$1.5 million while reported expenditures totalled \$9.8 million. In the case of conference and administrative services reported income totalled \$26.6 million while reported expenditures totalled \$25.3 million.</p> <p>At least 95% of expenditure costs pertained to staff and other personnel costs.</p> <p>The BOA performs financial audits of the UNOV/UNODC which may cover these activities.</p>	Financial	Possible	High High	Higher Risk Higher Risk

7	Focus Area:	Programme and Project Management		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk) E(i) Operations may not be carried out efficiently, economically and effectively.	OIOS Assessment No performance evaluation was focused in this area in the past.	Risk Category Operational	Likelihood Possible	Impact High	Overall Risk Higher Risk

Risk Assessment of : UNOV

8	Focus Area:	Conference and Documents Management		Remote	High	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
I	<p>Records Management</p> <p>E(i) Records -be these paper or electronic- may not be properly managed and archived because of the lack of an established records management and archiving system.</p> <p>E(ii) Inaccurate registration may route documents to the wrong destinations; incompetent operation leading to lost documents which may result in missed deadlines, bad projection of UN with member nations and funding agencies, among others.</p>	<p>A centralized archiving system is not in place.</p> <p>The GSS Chief focused his concerns on the volume of paper files stored in the divisions and the need to introduce electronic files as was done with the Registry team. He noted that his section handles the records for UNODC and the Office of the Executive Director/Director General. The other sections, notably, FRMS, HRMS and Conference Management Services manage their own documents and records.</p> <p>Electronic and rapid documentation routing. No negative observations have been recorded in the course of field audits done.</p>	Operational	Possible	Medium	Moderate Risk

8	Focus Area:	Conference and Documents Management	Remote	High	Moderate Risk
	Interview/Review Summary (Description of risk)	OIOS Assessment	Likelihood	Impact	Overall Risk
No			Possible	Medium	Moderate Risk
II	Mailing operations E(i) Wrong franking, misrouted pouches, lost mail, late delivery, unauthorized shipments may interfere with operations and lead to higher costs. E(ii) Misrouted/lost pouches/lost mail/late delivery: sending important materials to the wrong destinations, losing pouches in transit may impede program delivery and lead to missed deadlines. E(iii) Unauthorized shipments or illegal materials may be included in the diplomatic pouches and be billed to the United Nations	No audits focused in this area have been done in the past.	Possible	Medium	Moderate Risk

8	Focus Area:	Conference and Documents Management	Remote	High	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Likelihood	Impact	Overall Risk
III	Conference management services	Operational	Remote	High	Moderate Risk
	<p>E(i) Conference documents may not be produced in a cost effective and timely manner.</p> <p>E(ii) Projects may not be published on time by local publication boards.</p>	<p>Deadline are agreed in advance with meeting related documents required to be submitted 10 weeks in advance. Application softwares are used to speed up activities.</p> <p>Parallel processing and shifting work and overtime by translators, editors, text-processing and referencing staff allows more rational coverage of meetings and timely delivery of documents.</p> <p>Publications are forecast by consulting officers using the iDCPMS system. The forecast list is circulated and used to plan production workloads. Forecast includes project material and regularly published products. The CMS/PRES/EPU meets with clients from all organizations to define published products and production requirements at the "manuscript" stage for published projects not included in the forecast list. Other projects not forecasted or defined by CMS/PRES/EPU are outsourced if there is no capacity in-house.</p>			

8	Focus Area:	Conference and Documents Management		Remote	High	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
	<p>A(i)A planned restructuring of the documentation processing in CMS may disrupt the efficiency of the services rendered.</p>	<p>A medium term planned restructuring lasting five to 10 years is being introduced in response to two developments: progressive introduction of IT tools and increased use of external/contractual arrangements. The aim of the restructuring is to create high-class core capacities in language services (particularly in English) in strategic partnership with the IT to assure quality, timeliness and increased productivity. Two alternative structures are envisaged and the OIOS' management-consultants' advice has been sought as to the risks and potential benefits are.</p>	Strategy	Remote	High	Moderate Risk

8	Focus Area:	Conference and Documents Management		Remote	High	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
	<p>F(i) Quality language staff may not be hired on time such that the continuity of services will suffer.</p> <p>F(ii) The number of qualified candidates who passed the language examinations for language posts may not be sufficient to ensure that rostered candidates are enough.</p> <p>F(iii) Announcements for vacancies and for selection of candidates may not be done in an efficient and timely manner by the HRMS.</p> <p>F(iv) Suitable language professionals may not have been identified for inclusion on rosters for contractual work. Suitable contractuals who can be expected to deliver work within deadlines may not be obtained on time.</p> <p>F(v) Suitable staff and freelance salary scales may not be attractive enough to attract the most qualified candidates and to ensure high quality work.</p> <p>F(vi) The lack in training of existing staff and disparities in ranks and posts of translators/interpreters and even section heads may seriously affect staff morale leading to inefficiency and low quality conference outputs.</p>	<p>UN language examinations are scheduled and held for language posts (interpreters, translators, editors, proofreaders, verbatim reporters, etc.) and rosters are kept up to date.</p> <p>Internships, outreach programs and contacts with translation and interpretation schools (university courses) and professional associations such as the AITC (for freelance conference translators) and AIIC (for freelance conference interpreters) ensure that interest in a UN career is maintained among language professionals. Various contractual arrangements are in place (offsite, contractual work based on word count) with adequate remuneration to ensure ample supply of contractual and temporary staff.</p> <p>Certain problems were cited by the CMS as externally caused:</p> <p>lack of staff training, disparity in ranks where a D1 heads one unit in New York and a G7 heads the same unit in UNOV; the lack of P5 translators in UNOV unlike in UNHQ giving the impression that translations in Vienna are not of the same quality as New York's.</p>	Human Resources	Remote	High	Moderate Risk
	<p>G(i) Application softwares in use may unexpectedly malfunction. These include electronic referencing, editing software, editorial outreach programme, computer-aided translation tools</p>	<p>IT staff are assigned to CMS to provide troubleshooting and contribute to overall efficiency of processing through development of customized programs.</p>	Information Resources	Remote	High	Moderate Risk

Risk Assessment of : UNOV

9	Focus Area:	Property and Facilites Management	Possible	Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Likeli-hood	Impact	Overall Risk
I	<p>Property management</p> <p>E(i)Non-expendable property may not be properly accounted for in terms of quantity and physical condition because of management's continous refusal to conduct a physical inventory of their assets.</p> <p>E(ii)Physical and recording functions related to property are not segregated such that questionnable transactions cannot be counterchecked.</p>	<p>The OIOS audit (AE2006/321/01) found controls over non-expendable property at the Headquarters as adequate. The BOA and the OIOS both reported on the failure of management to conduct physical inventories (at least on a test check basis) of existing items to check on their whereabouts, physical condition and utilization. Management contends that there is no value-added to conducting physical checks since staff are held accountable and liable for losses.</p> <p>The OIOS audit found that property management functions were handled interchangeably by only two persons. The audit recommended for the designation of an appropriate number of property custodians for specific types of items.</p>	Possible	Medium	Moderate Risk

Risk Assessment of : UNOV

10	Focus Area:	Safety and Security	Remote	High	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Likelihood	Impact	Overall Risk
I	<p>Vulnerability of the VIC</p> <p>E(i) A vehicle borne improvised explosive devise (VBIED) may go off at a vehicular gate or within the VIC because of non-installation of crash barriers and bollards.</p> <p>E(ii) Terrorists or thieves may gain access over the perimeter fence without being observed during working hours and may take over part of the VIC.</p> <p>E(iii) A VBIED may get into the VIC and may go off at targeted area(s) within the premises.</p> <p>E(iv) Anti-UN demonstrators in large numbers or terrorist may get past the SSS Officers at any of the gates giving them access to the buildings.</p> <p>E(v) Heavy vehicles which use the stretch of the road outside of the VIC may carry VBIED which may cause considerable structural damage to the buildings facing the road.</p> <p>E(vi) With staff and delivery vehicles arriving at the same time, a VBIED may be inside delivery vehicles which may go off causing fatalities and injuries.</p> <p>E(vii) Given the overall threat against the UN, the executive heads may be attractive targets of assassination attempts.</p>	<p>H-MOSS is an ongoing project managed jointly by the VBOs under the Security Advisory Group (SAG) and the Consultative Committee on Common Services (CCCS). Its implementation is taking time because of the need to coordinate with all the VIC based organizations.</p> <p>It is considered urgent to fast-track the reinforcement of gates and installation of delta barriers and bollards and introduce new security enhancement measures to improve the current CCTV and perimeter fence alarm systems.</p> <p>SSS Officers continue to carry out vehicle screening and searches as per UNSSS SOPs. Counter surveillance Teams in civilian clothes are deployed around the VIC as and when necessary as part of proactive measures at mitigating the risk. All UNSSS personnel have undergone security awareness training.</p> <p>The VIC is able to remotely close/lock access to the 153 -3 levels access points and the 30 plus other OE level from the Plaza and P-1. Current lockdown mechanism and procedures are in place but wear and tear means that systems have to be replaced.</p>	Remote	High	Moderate Risk

10	Focus Area:	Safety and Security	Remote	High	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Likelihood	Impact	Overall Risk
	<p>E(ix)The VIC is a huge complex and fire is always a possibility.</p> <p>E(x)A catastrophic event would impact on all VBO operations in the VIC. A worst case security scenario whether natural or planned may have a disastrous impact on the VIC and its occupants.</p> <p>E(xi)The Commissary which is accessible to outsiders may prove an easy access to terrorists or thieves and has been recommended to be relocated .</p> <p>E(xii) Lost or stolen UNID cards may be used to gain illegal entry into the VIC.</p>	<p>To prevent big trucks and lorries from using the stretch of the strasse as VBIED against the VIC the UN has requested that this stretch be closed. The HC has stated that they will only agree to building height restrictions.</p> <p>All delivery trucks are now directed to enter through Gate 5 only; being the gate furthest away from any of the VIC buildings and towers. All VBOs need to agree to delivery times outside of the staff rush hours. The Austrian government has agreed in principle to providing a future location for the Commissary.</p> <p>Personal Security Assessments are conducted bi-annually for the Executive heads in close coordination with DSS and the Host Country.</p> <p>SSS Fire Officers are highly trained and know every nook and cranny of the building.</p> <p>Evacuation exercises have been conducted and is being planned for later in the year to make staff aware of the evacuation plans in place.</p> <p>SSS Officers check and make sure that UNID cards match the person(s) wearing the cards. A new system is currently being piloted by ITS in conjunction with the global access control system.</p>	Remote	High	Moderate Risk

10	Focus Area:	Safety and Security		Remote	High	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
II	Security administration		Operational	Remote	High	Moderate Risk
	<p>E(i) Security officers may not be fit to ensure the security and safety of the VIC as they may be drug dependents.</p> <p>E(ii) Security equipment required may not be procured on a timely basis because the Building Management Services which needs to evaluate building related projects is under UNIDO and not under UNOV.</p>	<p>The previous OIOS audit on Security recommended the periodic drug testing of security officers. This recommendation has been accepted but the testing is still on the drawing board because the GSS wanted the SSS to take part in the selection of the drug testing contractor. This request was turned-down for ethical reasons.</p> <p>The SSS noted that nearly all H-MOSS works require interaction and involvement of the BMS. BMS can slow down or drag its feet when it does not agree with certain projects. For instance the new VIC video monitoring equipment has not been purchased because of delays by the BMS in evaluating the need to procure such equipment.</p>				

10	Focus Area:	Safety and Security	Remote	High	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Likelihood	Impact	Overall Risk
III	Pandemic planning		Remote	High	Moderate Risk
	<p>F(i) Staff members may face risk to their lives and health in case UNOV fails to take measures to protect them from avian flu pandemic.</p>	<p>OIOS audit showed that UNOV's contingency plans provide reasonable assurance that the UNOV has taken appropriate measures in accordance with the Guidelines issued on 17 March 2006. Deviations from the Guidelines if necessary were adequately explained. Oversight of the planning and preparedness process was adequate.</p> <p>The medical plan identifies vulnerable groups that might require particular services, attention or additional assistance during a pandemic. Training of VIC based staff to provide support to other employees during a crisis was planned to be conducted by UNHQ in July 2006.</p>	<p>Human Resources</p>	<p>High</p>	<p>Moderate Risk</p>
	<p>A(i)UNOV may not ensure continuity of operations during an avian flu pandemic in case it fails to adequately plan for it</p>	<p>The draft CMP provided for continuity of operations for VIC based organizations and included contingencies for different scenarios, and procurement and storage of supplies.</p>	<p>Strategy</p>	<p>High</p>	<p>Moderate Risk</p>

Focus Areas

Focus areas are the key standard processes that are typically found in United Nations operations. These are categories established by the risk assessment framework to facilitate understanding and communicating common processes or functions within the Organization (common language). They are based on a categorization of objectives, using a hierarchy that begins with high-level objectives and then cascades down to objectives relevant to organizational units, functions, or business processes. The IAD risk assessment framework has identified eleven focus areas as follows:

- 1 Strategic Management and Governance
- 2 Financial Management
- 3 Human Resources Management
- 4 Procurement and Contract Administration
- 5 Logistics Management
- 6 Information Technology Management
- 7 Programme and Project Management
- 8 Conference and Documents Management
- 9 Property and Facilities Management
- 10 Safety and Security
- 11 Other areas (for areas not included in 1 to 10)

Each focus area may be broken down into sub-focus areas. Examples of sub-focus areas are listed below.

No.	Focus Areas	Examples of Sub Focus areas relating to principal focus
1	Strategic Management and Governance	Strategic planning and monitoring, Mandate and mission, Organizational structure and functions, Start up planning, Liquidation planning, Risk management, Policies and procedures, Governing/Legislative bodies, High level committees, Top level offices.
2	Financial Management	Accounting and financial reporting, Results-based Budgeting, Cash management, Treasury, Contributions, Fund raising, Payroll
3	Human Resources Management	Recruitment, Training, Conduct and discipline, Entitlements and allowances, Performance appraisal system and Medical Services, Use of short term staff (consultants, gratis personnel etc
4	Procurement and Contract Administration	Procurement planning, Procurement process, Local contracts committee, Administration of major contracts such as for fuel, rations, airfield services, medical supplies etc.
5	Logistics Management	Travel services, Transport operations, Air operations, Movement control, Fleet Management and Maintenance
6	Information Technology Management	Management of ICT infrastructure, software development, Communications services, ICT operations, Business continuity and disaster recovery, IT Security
7	Programme and Project Management	Management of programmes such as Rule of Law, Human Rights, Child Protection, Public Information, Disarmament , Demobilization and Reintegration, Mine action, Protection of Civilians, Military and Civilian Police operations, and Logistics; Management of projects such as technical cooperation and quick impact projects
8	Conference and Documents Management	Records management, Publications, Editorial services, Conference management, Translation and interpretation services, Web sites
9	Property and Facilities Management	Management of office premises and facilities, Contingent-owned equipment, Expendable and non-expendable property, Building Services, Inventory management, Local Property Service Board
10	Safety and Security	Security of UN staff and installations, Contingency planning, Evacuation procedures and drills, Occupational safety
11	Other areas	This is for illustration purposes only and is not a comprehensive audit and is included for any other focus areas not specified in 1-10. This may include general office administration, executive offices and common services etc.

Risk Categories

Risk categories are common concerns or events, grouped together by the type of risk that will result.

The seven (7) risks used in OIOS Risk Assessment methodology is as follows:

- A. Strategy
- B. Governance
- C. Compliance
- D. Financial
- E. Operational
- F. Human Resources
- G. Information Resources

No.	Risk Category	Description
A	Strategy	Impact on mandate, operations or reputation arising from inadequate strategic planning, adverse business decisions, improper implementation of decisions, a lack of responsiveness to changes to the external environment, or exposure to economic or other considerations that affect the Organization's mandates and objectives.
B	Governance	Impact on mandate, operations or reputation as a result of failure to establish appropriate processes and structures to inform, direct, manage and monitor the activities of the Organization toward the achievement of its objectives. Includes attributes such as leadership, tone at the top, and promotion of an ethical culture in the Organization.
C	Compliance	Impact on mandate, operations or reputation from violations or non-conformance with, or inability to comply with laws, rules, regulations, prescribed practices, policies and procedures, or ethical standards.
D	Financial	Impact on mandate, operations or reputation resulting from: failure to obtain sufficient funding, funds being inappropriately used, financial performance being not managed according to expectations, or financial results being inappropriately reported or disclosed.
E	Operational	Impact on mandate, operations or reputation resulting from inadequate, inefficient or failed internal processes that do not allow operations to be carried out economically, efficiently or effectively.
F	Human Resources	Impact on mandate, operations or reputation resulting from a failure to develop and implement appropriate human resources policies, procedures and practices to meet the Organization's needs.
G	Information Resources	Impact on mandate, operations or reputation resulting from failure to establish appropriate information and communication systems and infrastructure so as to efficiently and effectively.

Risk Assessment Ratings

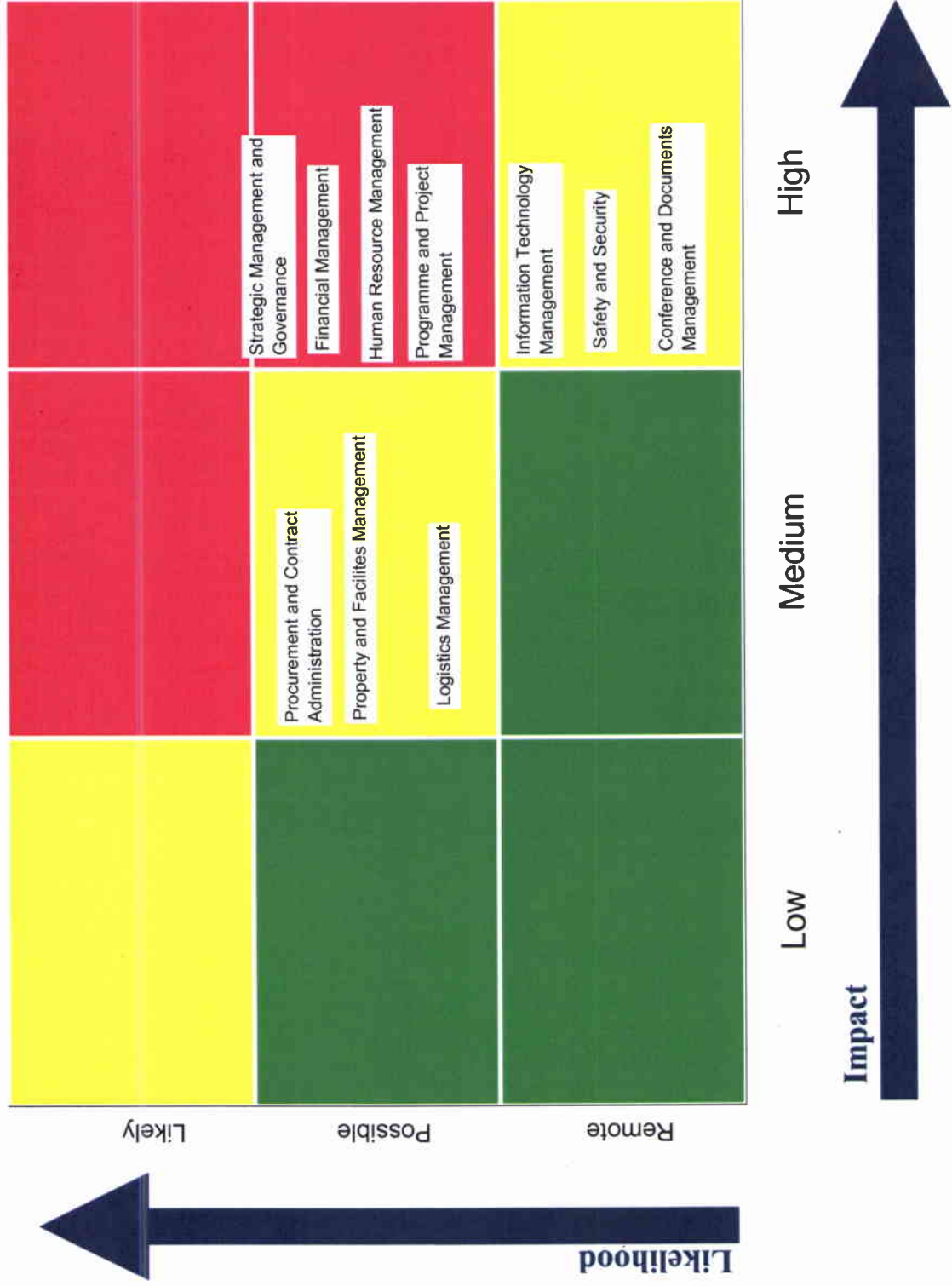
The OIOS Risk Assessment Framework evaluates the likelihood of the risk occurring and the impact it will have if it occurs. Based on the assessment of the two factors an overall risk rating is derived indicating whether the risk of a focus area is High, Moderate or Low. The ratings used is show below:

Risk Likelihood	
Likely	Conditions within our environment indicate that an event is expected to occur in most circumstances
Possible	Conditions within our environment indicate that an event will probably occur in many circumstances
Remote	Conditions within our environment indicate that an event may occur at some time

Risk Impact	
High	Serious impact on operation, reputation, or funding status
Medium	Significant impact on operations, reputation, or funding status
Low	Less significant impact on operations, reputation, or funding status

Overall Risk Combinations Impact and Likelihood	
Higher Risk	The identified issue represents the following likelihood and impact combinations: <ul style="list-style-type: none"> • Likely and high • Likely and medium • Possible and high
Moderate Risk	The identified issue represents the following likelihood and impact combinations <ul style="list-style-type: none"> • Likely and low • Possible and medium • Remote and high
Lower Risk	The identified issue represents the following likelihood and impact combinations <ul style="list-style-type: none"> • Possible and low • Remote and low • Remote and medium

RISK SUMMARY PROFILE (Focus Area)



RISK SUMMARY PROFILE (Sub Focus Area)

