

Office of Internal Oversight Services

## **INTERNAL AUDIT DIVISION**

# **RISK ASSESSMENT**

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## **United Nations Human Settlements Programme (UN-HABITAT)**

**5 May 2008**

**Assignment No. AA2007/250/02**

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United Nations  Nations Unies

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

INTERNAL AUDIT DIVISION - DIVISION DE L'AUDIT INTERNE

OFFICE OF INTERNAL OVERSIGHT SERVICES - BUREAU DES SERVICES DE CONTRÔLE INTERNE

TO: Ms. Anna Tibaijuka, Executive Director  
A: United Nations Human Settlements Programme

DATE: 5 May 2008

REFERENCE: IAD: 08-01302

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



SUBJECT: **Assignment No. AA2007/250/02 - UN-HABITAT Risk Assessment**  
OBJET:

1. I am pleased to present OIOS' risk assessment of the United Nations Human Settlements Programme (UN-HABITAT), which was carried out with the assistance of the consulting services of Deloitte from December 2007 to January 2008, 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 UN-HABITAT 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  
Ms. Maria Gomez Troncoso, Officer-in-Charge, Joint Inspection Unit Secretariat  
Mr. Jonathan Childerley, Chief, Oversight Support Unit, Department of Management  
Mr. Byung-Kun Min, Programme Officer, OIOS  
Mr. Antoine King, Director, Programme Support Division, UN-HABITAT

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## INTERNAL AUDIT DIVISION

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### 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).*

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### CONTACT INFORMATION

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## PARTICIPANTS

The OIOS risk assessment team conducted workshops and interviews with the following staff members of United Nations Human Settlements Programme (UN-HABITAT), to gain an understanding of existing organizational relationships, risks, controls and process issues.

**Table 1: List of participants**

Focus Area	Name and Functional Title
Strategic Management and Governance	<p>Ms. Anna Tibaijuka, Executive Director (Under Secretary General)</p> <p>Ms. Inga Bjork-Klevby, Deputy Executive Director</p> <p>Mr. Paul Taylor, Chief, Office of the Executive Director</p> <p>Mr. Nicholas You, Senior Advisor, Policy &amp; Strategic Planning</p> <p>Mr. Martin Barugahare, Chief, Monitoring &amp; Evaluation Unit</p> <p>Mr. Antoine King, Director, Programme Support Division</p> <p>Mr. Thomas Kjaergaard, Special Advisor to the Deputy Executive Director</p> <p>Mr. Rolf Wichmann, Chief, External Relations and Inter-Governmental Affairs</p> <p>Mr. Mohamed El Sioufi, Chief, Shelter &amp; Sustainable Human Settlement Development Division, Shelter Branch</p> <p>Mr. Badiane Alioune, Chief, Regional &amp; Technical Cooperation Division/Regional Office for Africa &amp; the Arab States</p> <p>Mr. Daniel Adom, Chief, Technical Advisor</p> <p>Mr. Lars Reutersward, Director, Shelter &amp; Sustainable Human Settlement Development Division</p> <p>Mr. Oyebanji Oyelaran-Oyeyinka, Director, Monitoring &amp; Researching Division</p> <p>Mr. Subramonia Ananthakrishnan, Chief, Partners &amp; Youth Section</p> <p>Ms. Kiwala Lucia, Chief, Gender Mainstreaming Unit</p> <p>Mr. Nefise Bazoglu, Chief, Monitoring Systems Branch</p> <p>Ms. Naison Mutizwa-Mangiza, Chief, Policy Analysis, Synthesis &amp; Dialogue</p>

Focus Area	Name and Functional Title
	Branch Mr. Toshiyasu Noda, Director, Regional Office for Asia & Pacific Mr. Daniel Biau , Director, Regional and Technical Cooperation Division Mr. Mohamed Halfani, Chief & Officer in Charge, Urban Development Ms. Felista Ondari, Acting Chief, Management Support Programme Mr. Rai Markandey, Human Settlements Officer
Financial Management	Ms Angela Mwai, Project Finance Advisor Mr. Brian Williams, Human Settlements Officer Ms. Dorothy Mutizwa Mangiza, Human Settlements Officer
Human Resources Management	Mr. Rafael Tuts, Chief, Training & Capacity Building Branch Mr. Lars Ludvigsen, Human Resources Liaison Officer Mr. Gulelat Kebede, Training Officer
Procurement and Contract	Mr. Fuuad Alkizim, Programme Management Officer Ms. Bonnie B Sandra, Legal Officer Mr. Frigyik Sandor, Programme Management Officer
Logistics Management	Ms. Sugumi Tanaka, Programme Officer
Property and Facilities Management	
Information Technology Management	Ms. Jane Nyakairu, Chief, Information Services Section Mr. Nicholas Odhiambo, Acting IT Officer Ms. Hellen Nyabera , Acting Information Management Officer Ms. Mariam Yunusa, Coordinator, World Urban Forum
Programme and Project Management	Mr. Bert Diphorn, Acting Director, Human Settlement Financing Division Ms. Dorothee Von Brontano, Coordinator, Iraq Programme Unit Mr. Ahmed Sharif, Climate Change Specialist Ms Tatiana Roskosnaya, Inter- regional Officer Mr. Eric Verschuur, Programme Management Officer Ms. Rosemary Kiragu, Programme Management Officer

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Focus Area	Name and Functional Title
	<p>Ms. Ruiwei Zhao, Associate Programme Management Officer</p> <p>Mr. Abdalla Abbas, Programme Coordinator, Office of Executive Director, Geneva</p> <p>Ms. Christine Auclair, Human Settlements Officer</p> <p>Ms. Gulen Muftuoglu, Associate Programme Management Officer</p> <p>Mr. Karl Guenter, Human Settlements Officer</p>
<p>Conference and Documents Management</p>	<p>Ms. Jacqueline Macha, Programme Management Officer</p> <p>Mr. Marcellus Chegge, Programme Management Officer</p>
<p>Safety and Security</p>	<p>Ms. Rumana Naquib, Associate Programme Officer</p> <p>Ms. Shova Khatry, Programme Management Officer</p>

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## 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 attached risk register.

The overall risks have been rated as "higher risk", "moderate risk", or "lower risk" based on OIOS' assessment of the likelihood and impact of the occurrence of events or actions that might adversely affect the Organization's ability to successfully achieve its objectives and execute its strategies, after taking into account the representations made by programme managers concerning actions they have taken to prevent or mitigate the identified risks.

**Table 2: Summary of identified risks**

<b>Focus Area</b>	<b>Overall Risk</b>
i. Strategic Management and Governance ii. Financial Management iii. Conference and Documents Management iv. Human Resources Management v. Programme and Project Management	<b>Higher Risk</b>
i. Procurement and Contract Administration ii. Logistics Management iii. Information Technology Management iv. Safety and Security	<b>Moderate Risk</b>
i. Property and Facilities Management	<b>Lower Risk</b>

## Risk Assessment of : UN-HABITAT

1	Focus Area:	Strategic Management and Governance	Likely	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Likelihood	Impact	Overall Risk
I	<p><b>Governing/ legislative bodies</b></p> <p>A (i) The political nature and composition of the Committee of Permanent Representatives (CPR) may result in emphasis being placed on political rather than the best business solutions for achieving the mandate.</p> <p>A (ii) CPR / Governing Council (GC) may lack access to proper, adequate or correct information/ data which could impair decision making and lead to formulation of inappropriate policies.</p> <p>A(iii) Programme Support Division (PSD) and GC Secretariat may lack appropriate resources to identify, collect and transmit complete, accurate and timely information to CPR and GC.</p> <p>A (iv) CPR/GC and UN-HABITAT lack agreement on risk appetite resulting in UN-HABITAT proposing high risk / high return activities which the CPR/GC is hesitant to approve (E.g. human settlement financing programs such as Loan programmes for slum dwellers). Failure to agree may result in loss of opportunities and /or reduce the impact of UN-HABITAT activities.</p>	<p>Through working groups and formal quarterly meetings, UN-HABITAT is able to inform CPR.</p>	<p>Likely</p> <p>Likely</p>	<p>High</p> <p>High</p>	Higher Risk
					Higher Risk



1	Focus Area:	Strategic Management and Governance		Likely	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
	<p>B (i) The close proximity and involvement of CPR with the work of UN-HABITAT may result in CPR becoming too involved with management of UN-HABITAT, impacting on its ability to effectively fulfil its monitoring and oversight role and hampering the ability of UN-HABITAT's senior management to fulfil their roles.</p> <p>B (ii) UN-HABITAT is not a member of the Interagency Standing Committee on Humanitarian Affairs (IASC) and may miss out on the information and financial resources at the interagency disposal reducing effectiveness and efficiency of its emergency operations.</p>	<p>The composition and modalities of the CPR were discussed and agreed by the Governing Council when UN-HABITAT became a Programme in 2002 and involved reference to models in use in other parts of the UN. Through dialogue and regular consultation the respective roles are discussed and clarified.</p> <p>UN-Habitat is a member of the IASC Emergency Shelter Cluster and has full access to the minutes of the IASC meetings.</p>	Governance	Possible	Medium	Moderate Risk

1	<b>Focus Area:</b>	<b>Strategic Management and Governance</b>		Likely	High	Higher Risk
No	<b>Interview/Review Summary (Description of risk)</b>	<b>OIOS Assessment</b>	<b>Risk Category</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>
II	<p><b>Mandate and Mission</b></p> <p>D(i). An overall structural financial imbalance characterized by (i) a substantial proportion of earmarked/special purpose contributions, which are more than double the level of the general purpose (non-earmarked), and (ii) the dependency on a small number of key donors, increases the risk that UN-HABITAT may not get the right resources to fulfil its mandate, and will focus on donor driven projects rather than a strategic approach to identifying and fulfilling the highest risk areas within its mandate.</p>	<p>Realizing the broad mandate and the limited resources and acting on OIOS recommendation as part of the "OIOS In-depth evaluation of the United Nations Human Settlements Programme (UN-HABITAT) - April 2005", UN-HABITAT has sharpened its focus on 6 strategic areas as part of its Medium-Term Strategic and Institutional Plan (MTSIP) for 2008–2013.</p> <p>UN-HABITAT has a Project Review Committee (PRC) whose role is to ensure that projects executed by the organization are in line with its mandate.</p>	Financial	Likely Likely	High High	Higher Risk Higher Risk
	<p>A (i) Coordination with other UN agencies is hampered by a lack of clarity in the mandates of UN organizations in the area of human settlements, especially UNDP. This results in open competition with other UN agencies for operational projects within the mandate of UN-HABITAT</p>	<p>UN-HABITAT undertakes regular dialogue with other UN agencies, has outposted programme manager offices to UNDP and participates in UN Development Group.</p>	Strategy	Possible	High	Higher Risk

1	Focus Area:	Strategic Management and Governance		Likely	High	Higher Risk
No III	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
	<b>Strategic planning and monitoring</b>		Strategy	Likely	High	Higher Risk
	<p>A (i) The current emphasis of the UN-HABITAT programme of work on operational activities may result in the core normative activities losing relevance and synergy between the two may not be fully realized.</p> <p>A (ii) Current mechanisms for identifying administrative needs globally and ensuring they are met may be weak and adversely impact the effectiveness and efficiency of its operations. No-one has overall responsibility for planning Habitat global administrative requirements.</p> <p>A (iii) UN-HABITAT operates from and in countries which may be prone to political instability, hampering operations.</p> <p>A (iv) Inadequate management and leadership by UN-HABITAT senior management may result in poor strategic planning in the organization.</p>	<p>UN-HABITAT has enhanced its normative programme of work as part of its Medium-Term Strategic and Institutional Plan for 2008–2013.</p> <p>UN-HABITAT undertakes contingency planning to minimise the impact on its operations from political instability.</p>		Likely	High	Higher Risk
	<p>D (i) The current strategy for fundraising may not be adequate, which could lead to a decrease in programmes, outputs, and results.</p> <p>D (ii) Current funding may be earmarked rather than based on a Human Settlement strategy therefore affecting the capability of UN-HABITAT to undertake strategic planning.</p>	<p>The Medium-Term Strategic and Institutional Plan (MTSIP) for 2008–2013 sets up a resource mobilization strategy and organizational structure. UN-HABITAT is focussing on 6 key areas to achieve greater impact on its mandate.</p>	Financial	Likely	High	Higher Risk



1	Focus Area:	Strategic Management and Governance		Likely	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
	<p>G (i) Absence of knowledge management arrangements within UN-HABITAT and between UN-HABITAT and other organizations involved in Human Settlements may affect UN-HABITAT's capability to undertake strategic planning.</p> <p>G (ii) Lack of an internal management information system may result in UN-HABITAT management not having access to complete, accurate and timely information to enable them to provide effective guidance and direction to the planning and monitoring processes. However no proper mechanism to ensure management has the proper information is in place.</p>	<p>UN-HABITAT identified knowledge management as one of the focus strategic areas to be addressed in its Medium-Term Strategic and Institutional Plan (MTSIP) for 2008–2013 with a Task Force and road map established.</p> <p>Programme Support Division has been given responsibility for strategic planning and monitoring of key performance indicators and may call for remedial actions. Mission reports and other internal reports are available to management, in addition to regular management meetings;</p>	Information Resources	Likely	High	Higher Risk
	F (i) Absence of a human resources strategy e.g. differing staff contracts and conditions in use, may result in poor morale amongst staff.	UN-HABITAT is awaiting the results of the UN reform process which could result in harmonization of the staff contracts.	Human Resources	Likely	High	Higher Risk

1	Focus Area:	Strategic Management and Governance		Likely	High	Higher Risk
No IV	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
	<p><b>Control Environment</b></p> <p>E (i) Insufficient resources for evaluating programme performance may impede timely evaluations which could reduce donor confidence and the effectiveness of management decision making.</p>	<p>The need to strengthen UN-HABITAT's monitoring and evaluation functions was recognized by previous recommendations of the General Assembly and of the GC. The MTSIP 2008-2013 provides the basis for improved results-based monitoring, reporting and management. It is built on focus areas, key result areas and indicators of achievement. These will further translate into explicit targets for each indicator, including performance benchmarks, to improve integrated programming and budgeting, accountability, learning and decision-making.</p>	Operational	Possible	High	Higher Risk
	<p>C (i) Inadequate systems in place to ensure donor agreements are completed in accordance with UN-HABITAT and UN rules, regulations and procedures may result in agreements which breach rules, have insufficient safeguards in case of problems, and result in a loss of donor confidence.</p> <p>C (ii) Inadequate systems in place to monitor compliance with terms and conditions of donor agreements may result in loss of donor confidence and credibility.</p>	<p>Programme Support Division is responsible for ensuring Divisions comply with rules, regulations, donor agreements and procedures but may lack sufficient resources and mandate to effectively perform the function.</p>	Compliance	Likely	Medium	Higher Risk

1	<b>Focus Area:</b>	<b>Strategic Management and Governance</b>		Likely	High	Higher Risk
No	<b>Interview/Review Summary (Description of risk)</b>	<b>OIOS Assessment</b>	<b>Risk Category</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>
	<p>B(i). Lack of risk management process may hinder UN-HABITAT from adequately taking actions to respond to risks.</p> <p>B(ii). Lack of an accountability structure for divisional management which may mean that Managers lack the delegation of authority required to execute their roles and responsibilities and managers cannot be adequately held accountable for their actions.</p>		Governance	Likely	High	Higher Risk
V	<p><b>Organizational structure and functions</b></p> <p>B(i). The number of organizational layers and divisional diversification may not be justified by span of control. Staff numbers in each unit is low which may slow down decision-making and operations.</p> <p>B(ii). PSD may not be able to fulfill its organizational goals and objectives because its role and function may not have been clearly articulated to Divisions who may see it as an obstacle and a hindrance.</p> <p>B(iii). UN-HABITAT might not have an appropriate internal communication strategy on its roles and functions as part of its change management mechanism.</p>	<p>A delegation instrument is part of the MTSIP 2008-13 that is used to review organizational structure at UN-HABITAT.</p>	Governance	Possible	High	Higher Risk
	<p>E (i) The cooperation and coordination between divisions within UN-HABITAT may not be adequate which may result in lack of efficiencies and effectiveness in operations, duplication of duties and lack of focus</p>	<p>Deputy Executive Director has responsibility for coordination of the divisional activities and senior management team meetings are held regularly</p>	Operational	Possible	Medium	Moderate Risk



1	Focus Area:	Strategic Management and Governance		Likely	High	Higher Risk
No VI	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
	<p><b>Policies and procedures</b></p> <p>E (i) UN-HABITAT has no updated policy manuals on program and project management which may result in ineffective and inefficient deliveries of program and projects.</p> <p>E (ii) UN-HABITAT may not have undertaken sufficient analysis to identify where exemptions need to be sought from UN rules to reflect the operational nature of its activities. This may hinder the effectiveness and efficiency of programme delivery.</p>	<p>PSD has responsibility for provision of guidance and hired a consultant to create an operational manual in 2007.</p> <p>UN-HABITAT has some discretion to seek amendments to the financial rules as it has a special annex to the financial rule.</p>	Operational	Likely Likely	High High	Higher Risk Higher Risk
	<p>F (i) UN-HABITAT staff may not be adequately trained in the application of UN rules and regulations. Failure to understand and apply rules correctly may create a negative impact on donors because of high profile mistakes in such areas as contracts and financial management.</p>	<p>PSD has responsibility for providing guidance</p>	Human Resources	Possible	Medium	Moderate Risk

1	<b>Focus Area:</b>	<b>Strategic Management and Governance</b>		Likely	High	<b>Higher Risk</b>
No VII	<b>Interview/Review Summary (Description of risk)</b>	<b>OIOS Assessment</b>	<b>Risk Category</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>
	<p><b>Communication / branding strategy</b></p> <p>G (i) Inability of UN-HABITAT to sufficiently publicize its accomplishments and raise awareness of its activities may result in low donor attention and support.</p> <p>G (ii) There may be inadequate branding of UN-HABITAT to internal and external stakeholders which may result in low awareness and familiarity of the organization's activities.</p> <p>G (iii) UN-HABITAT has limited visibility to the public and to potential donors as funds for projects do not include provision for information dissemination and branding. This may result in difficulty in selling the UN-HABITAT agenda to donors to attract further funding for planned projects.</p>	<p>UN-HABITAT has a dedicated unit responsible for information services and has a new branding strategy part of the MTSIP 2008-13</p>	<p>Information Resources</p>	<p>Possible Possible</p>	<p>Medium Medium</p>	<p><b>Moderate Risk</b> <b>Moderate Risk</b></p>



## Risk Assessment of: UN-HABITAT

2	Focus Area:	Financial Management		Likely	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
I	<p><b>Resource mobilization</b></p> <p>A (i) Fragmented arrangements for fund raising, where divisions and field offices may raise their own funds, may lead to inconsistencies, internal competition and / or lack of leverage with donors. This may also project a poor image for the organization as a whole and poses a reputation risk.</p> <p>A (ii) Competition with other organizations and donor countries may result in not having the UN-HABITAT agenda in their key priorities.</p>	<p>The Medium-Term Strategic and Institutional Plan (MTSIP) for 2008–2013 sets up a resource mobilization strategy. In addition, donor nations have all subscribed to assist in achieving targets 10 and 11 of the Millennium Development Goals on sustainable access to safe drinking water and bringing a significant improvement in the lives of at least 100 million slum dwellers, which are part of UN-HABITAT mandate.</p>	Strategy	Likely	High	Higher Risk
	<p>D (i) Funding may be earmarked and income derived from a small number of donors may result in financial instability of UN-HABITAT.</p> <p>D (ii) Inability to collect sufficient funds from programme support costs to ensure adequate administrative support for programme delivery may result in inefficiencies.</p> <p>D (iii) Objectives on human settlement may not be a high priority item for some donors, particularly first world nations resulting in UN-HABITAT facing challenges in obtaining funding for its programmes.</p>	<p>The Medium-Term Strategic and Institutional Plan (MTSIP) for 2008–2013 sets up a resource mobilization strategy</p> <p>All earmarked projects are charged programme support costs in accordance with UN rules, but the degree to which the expenditure is sufficient is unknown.</p>	Financial	Possible	High	Higher Risk

2	Focus Area:	Financial Management		Likely	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
	E (i) The lack of contingency funds for emergency operations (in particular in post-disaster/conflict area) may delay response and hamper efficiency of activities.	The Medium-Term Strategic and Institutional Plan (MTSIP) for 2008–2013 sets up a resource mobilization strategy. There is a financial reserve for unforeseen needs.	Operational	Possible	Medium	Moderate Risk
II	<b>Accounting and financial reporting</b> B (i) The UN financial rules and regulations may not be geared to the operational environment in which UN-HABITAT works, resulting in ineffective and inefficient processes and procedures for project financial management arrangements. It has not established monitoring mechanisms to determine whether and what extent changes might be needed to improve operational efficiency and effectiveness.	UN-HABITAT has some discretion to seek amendments to the financial rules and has a special annex to the financial rules.	Governance	Possible	Medium	Moderate Risk
	D (i) Financial results may be inappropriately reported because of delays in expenditure reporting by UNDP.  D (ii) Official currency of the budget is denominated in US dollars, and depreciation of US dollar currency over other currencies used for operational expenditures may result in a financial loss.	UNON Project Accounting Unit performs a monthly reconciliation and follows up with UNDP on late returns	Financial	Possible	Medium	Moderate Risk
	F (i) Arrangements for training in new developments such as IPSAS may not be effective resulting in UN-HABITAT staff facing difficulties in implementing the developments.	UN-HABITAT receives training from New York Headquarters.	Human Resources	Possible	Low	Lower Risk

2	Focus Area:	Financial Management		Likely	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
	<p>G (i) Inadequate accounting systems in place to collect accurate, complete and timely financial management information on earmarked project administrative costs may adversely impact UN-HABITAT ability to secure adequate funding for administrative costs and hamper management efforts to control these costs.</p> <p>G (ii) Because of its small size UN-HABITAT is concerned that its specialised requirements may not be accommodated within ERP.</p> <p>G (iii) Consultation on the introduction of ERP may be insufficient resulting in a system which may not meet UN-HABITAT needs and which may be difficult to implement.</p>	<p>UN-HABITAT receives information on ERP from New York, is updated by UNON IT section and has participated in some working groups organized by UNHQ.</p>	<p>Information Resources</p>	<p>Likely</p>	<p>Medium</p>	<p>Higher Risk</p>
III	<p><b>Budgeting</b></p> <p>A (i) The budget may be allocated too thinly on various activities instead of targeted priorities where greater impact could be achieved resulting in ineffective and inefficient use of limited resources.</p>	<p>As part of the MTSIP 2008-2013, UN-Habitat focused its priorities in 6 strategic areas to achieve greater impact in is activities.</p>	<p>Strategy</p>	<p>Likely Possible</p>	<p>High High</p>	<p>Higher Risk Higher Risk</p>



2	Focus Area:	Financial Management		Likely	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
	<p>B (i) PSD is responsible for budget preparation, approving expenditure and monitoring budget execution which may result in a lack of transparency and accountability as well as a conflict of interest and inadequate segregation of duties.</p> <p>B (ii) The budget formulation process may lack transparency which could result in ineffective and inefficient use of resources and a perception of lack of fairness in the budget process.</p> <p>B (iii) Inadequate budget monitoring may lead to over or under-expenditures by biennium-end, and may affect fund availability for future biennia / periods.</p> <p>B (iv) Results based budgets may not be prepared with measurable performance indicators resulting in inadequate programme evaluation and budget allocation.</p> <p>B (v) The rigid time lines specified in the UN programme planning procedures, where the budget and work programme are prepared up to 4 years before implementation, may result in UN-HABITAT not being able to respond if needs and priorities change.</p>	<p>UN-HABITAT has established an oversight officer and UNON is also involved in the process as part of its financial accounting and reporting responsibilities.</p> <p>PSD monitors budget performance and quarterly data on budget performance.</p> <p>Definition of meaningful indicators for a better result-based management is part of the initiative of the MTSIP 2008-2013.</p> <p>Programme managers may make work programme very general so as to be able to accommodate changes. Contingency arrangements may be built into the budget.</p>	Governance	Likely	High	Higher Risk

2	Focus Area:	Financial Management		Likely	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment		Likelihood	Impact	Overall Risk
	<p>D (i) Inability of UN-HABITAT to absorb allocated budget within agreed timeframe may lead to loss of future funding and credibility of the organization delivery capacity</p> <p>D (ii) Pressure to exhaust the budget within agreed timeframe may lead to misuse of funds and/or creative ways in misrepresenting use of funds</p>	<p>PMO within divisions monitor and update budget regularly and their work is now overseen and coordinated by PSD</p>	Financial	Possible	Medium	Moderate Risk
IV	<p><b>Cash management</b></p> <p>E (i) Lack of functioning banking system in some countries (particularly in post-conflict areas) results in the need to handle and transport significant amounts of cash which may lead to the risk of loss of financial assets, as well as physical danger for the personnel and offices holding the cash. These conditions may also increase the potential for abuse of cash.</p>	<p>Use security armored vehicles for transporting cash and funds are kept in Safe custody vaults.</p>	Operational	Likely	High	Higher Risk

## Risk Assessment of : UN-HABITAT

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
I	<p><b>Training activities</b></p> <p>F (i) Managers' lack of managerial and leadership skills, as well as lack of technically competent staff, may hinder the work of the divisions.</p> <p>F (ii) Inadequate attendance to training, conferences and workshops, so as to enable staff to have access to specialized training and to remain on top of the respective areas of expertise, may result in UN-HABITAT work and advice becoming obsolete.</p> <p>F (iii) Staff may not have sufficient skills to enable UN-HABITAT to move to a more normative work as called for by the MTSIP 2008-2013.</p> <p>F (iv) UN-HABITAT staff may not have the right mix of skills to ensure delivery of the Mandate.</p>	<p>UN-HABITAT is adopting a new HR strategy as part of its MTSIP 2008-2013 which will include skills realignment and training.</p>	Human Resources	Possible	High	Higher Risk
	<p>D (i) Limited resources available for staff training may result in staff not possessing required skills and competencies to conduct UN-HABITAT work.</p>	<p>UN-HABITAT is adopting a new HR strategy as part of its MTSIP 2008-2013 which will include skills realignment and training as only 20 percent of the budget is general purpose.</p>	Financial	Possible	Medium	Moderate Risk
	<p>B(i). No-one within UN-HABITAT has been assigned responsibility for oversight and co-ordination of staff training needs and how these needs might be met.</p>	<p>UN-HABITAT is adopting a new HR strategy as part of its MTSIP 2008-2013 which will include skills realignment and training.</p>	Governance	Possible	High	Higher Risk



3	<b>Focus Area:</b>	<b>Human Resource Management</b>		Possible	High	Higher Risk
No II	<b>Interview/Review Summary (Description of risk)</b>	<b>OIOS Assessment</b>	<b>Risk Category</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>
	<p><b>Recruitment</b></p> <p>B(i). Managers may lack delegation of authority in recruitment which may result in inefficiencies in undertaking their functions.</p> <p>B(ii). Staffing decisions may be influenced by politics, may not be transparent and managers may not be fully involved in the appointment of the staff they are required to manage, which may reduce accountability and undermine the authority of the manager.</p>	<p>UN-HABITAT appointments go through CRB review</p>	<p>Governance</p>	<p>Possible</p>	<p>High</p>	<p>Higher Risk</p>
	<p>E(i). The UN recruitment procedures may be seen as costly, tedious, too complicated to understand and burdensome resulting in positions not being filled for extended periods of time and an inability to recruit and retain the best candidates</p> <p>E(ii). The hardship nature of the locations where UN-HABITAT operates may affect its ability to recruit and retain the right people.</p>	<p>UN-HABITAT is working with UNON HRMS to identify recruitment methods and contractual terms appropriate for its field operations, which are in line with UN recruitment rules.</p> <p>Habitat has not experienced any difficulties in recruitment and retention of staff in hardship locations, including Nairobi.</p>	<p>Operational</p>	<p>Possible</p>	<p>High</p>	<p>Higher Risk</p>
	<p>F(i). The UN recruitment procedures and the subsequent contract terms of employment may not be aligned or appropriate for UN-HABITAT's field operations, and may result in failure to recruit and retain the right staff required.</p>	<p>UN-HABITAT is working with UNON HRMS to identify recruitment methods and contractual terms appropriate for its field operations, which are in line with UN recruitment rules.</p>	<p>Human Resources</p>	<p>Possible</p>	<p>High</p>	<p>Higher Risk</p>

3	<b>Focus Area:</b>	<b>Human Resource Management</b>		Possible	High	<b>Higher Risk</b>
No III	<b>Interview/Review Summary (Description of risk)</b>	<b>OIOS Assessment</b>	<b>Risk Category</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>
	<p><b>Staffing Activities</b></p> <p>A (i) Lack of strategic HR planning, including succession planning and career development, may result in UN-HABITAT failing to attract and retain the staff it needs to achieve its mandate.</p>	<p>UN-HABITAT adopted a new HR strategy as part of its MTSIP 2008-2013.</p>	<p>Strategy</p>	<p><b>Possible</b> Likely</p>	<p><b>Medium</b> High</p>	<p><b>Moderate Risk</b> <b>Higher Risk</b></p>
	<p>F (i) Staffing levels within units may be insufficient to ensure delivery of unit goals and objectives.</p> <p>F (ii) Reporting lines may be too long and too rigid, which may cause inefficiencies and ineffectiveness as it may take longer to get things done.</p> <p>F (iii) Limited scope for promotion because of bottlenecks at the management level may result in low morale, demotivation and loss of staff.</p> <p>F (iv) Movement of staff through application of the UN mobility policy may result in institutional loss of knowledge.</p> <p>F(v). Knowledge gaps may arise as a result of staff leaving and no overlap in dates occurring between the period of work of the old and new staff member.</p> <p>F(vi) Environmental factors such as avian flu or political instability in the host country may affect staff productivity and hinder delivery of the work programme</p>	<p>UN-HABITAT adopted a new HR strategy as part of its MTSIP 2008-2013 which will include realignment, training and implementation of the UN mobility program.</p> <p>UN-HABITAT adopted a new HR strategy as part of its MTSIP 2008-2013 a</p>	<p>Human Resources</p>	<p>Possible</p>	<p>Medium</p>	<p><b>Moderate Risk</b></p>



3	<b>Focus Area:</b>	<b>Human Resource Management</b>		Possible	High	Higher Risk
No	<b>Interview/Review Summary (Description of risk)</b>	<b>OIOS Assessment</b>	<b>Risk Category</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>
	D (i) Earmarked funds may result in staff contracts being linked to the duration of projects. This prevents succession planning, may reduce staff morale and hinder continuity of operations.	The Medium-Term Strategic and Institutional Plan (MTSIP) for 2008–2013 sets up a resource mobilization strategy.	Financial	Possible	Medium	Moderate Risk
	E (i) There is over-reliance on consultants which may pose knowledge retention and capacity building risks.	UN-HABITAT adopted a new HR strategy as part of its MTSIP 2008-2013 which will include realignment and training.	Operational	Possible	Medium	Moderate Risk
IV	<b>Staff Evaluation</b> F (i) Poor performers not be identified and adequately counseled, and would de-motivate good performers, which could impair operational effectiveness. F (ii) Performance evaluation system may fail to give appropriate credit and reward for good performers. F (iii) Staff performance measures may not be linked to organizational objectives, reducing accountability and impairing operational effectiveness.	The new HR strategy as part of the Medium-term Strategic and Institutional Plan (MTSIP) 2008-2013 will include changes such as linking the Performance Appraisal System with the focus areas of the MTSIP	Human Resources	Possible	High	Higher Risk

## Risk Assessment of : UN-HABITAT

4	Focus Area:	Procurement and Contract Administration	Possible	Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Likelihood	Impact	Overall Risk
I	Procurement Process		Possible	Medium	Moderate Risk
	<p>B (i) Lack of clarity on delegation of procurement authority given by UN-HABITAT to UNON may result in procurement being done in violation of rules and regulations and prevent adequate accountability for procurement actions.</p> <p>B (ii) Lack of clarity about the respective roles and responsibilities of UNON and UN-HABITAT in the procurement process may result in the procurement process not being correctly followed and inadequate accountability for procurement actions.</p>	<p>Issues had been submitted and recommendation issued by OLA. UN-HABITAT now working on documenting the delegation of authority in the required format.</p> <p>LCC deliberates on contracts above the relevant threshold.</p>	Possible	Medium	Moderate Risk
	<p>C (i) Inadequate arrangements for ensuring that field procurement is being done in compliance with the rules may result in inefficient use of resources and poor value for money</p>	<p>PSD has established an oversight officer and work is ongoing on an operations manual</p>	Likely	Medium	Higher Risk
	<p>E (i) The current existing delegation of procurement authority at UN-HABITAT might not be in line with operational requirements and circumstances e.g. USD 150,000 threshold might not be adequate for post-disaster/conflict operations which require large and expensive purchases.</p> <p>E (ii) UN procurement rules may not be suitable or sufficiently flexible to ensure selection of the best partners to satisfy operational needs.</p> <p>E (iii) Procurement process is too slow and bureaucratic and may result in delaying operations and in not meeting stakeholders' expectations.</p>	<p>Threshold should be defined in accordance with the UN FRR and the UN Procurement Manual. Procurement above LCC threshold is undertaken by UNON on UN-HABITAT request.</p> <p>PSD has responsibility for providing guidance.</p>	Possible	Medium	Moderate Risk

4	<b>Focus Area:</b>	<b>Procurement and Contract Administration</b>		Possible	Medium	<b>Moderate Risk</b>
<b>No</b>	<b>Interview/Review Summary (Description of risk)</b>	<b>OIOS Assessment</b>	<b>Risk Category</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>
	<p>F (i) Inadequate training in procurement rules to staff in with delegated procurement authority may increase the likelihood of non-compliance with rules and not obtaining value for money from purchases.</p> <p>F (ii) UNON procurement staff may not possess the technical skills to provide adequate support for more complex field procurement requirements.</p>		Human Resources	Possible	Medium	<b>Moderate Risk</b>

## Risk Assessment of: UN-HABITAT

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	<b>Travel Services</b> D (i) The location of UN-HABITAT HQ in Nairobi may result in higher travel costs for managing the relationship with donors and monitoring field activities. E (i) Existing arrangements for travel are bureaucratic and fail to take into account operational needs and requirements of UN-HABITAT, which impairs effectiveness and efficiency of its operations. E (ii) Arrangements for delegation of travel authority to Outposted offices may not be in line with their operational requirements and result in delays in delivery of the service and increased costs to operations		Financial	Possible	Medium	Moderate Risk
		UN-HABITAT makes arrangements for travel in accordance with UN travel guidelines.	Operational	Possible	Medium	Moderate Risk



## Risk Assessment of : UN-HABITAT

6	Focus Area:	Information Technology Management		Possible	Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
I	<p><b>Management of IT infrastructure</b></p> <p>E (i) Information and Communication Technology (ICT) infrastructure may be poor in some areas where UN-HABITAT operates impacting on efficiency of operations and capability to provide timely information to headquarters.</p> <p>E (ii) Underutilization of ICT to support the operations may result in operational inefficiency.</p> <p>E (iii) Arrangements to ensure provision of adequate services may be weak impacting on operational efficiency and effectiveness.</p>	<p>UN-HABITAT is a member of the local Information Communication Steering Committee which handles common ICT issues.</p> <p>UN-HABITAT headquarters is reliant on ICT services and infrastructure provided and managed by UNON, which is shared with a number of clients.</p>	Operational	Possible	Medium	Moderate Risk
	D (i) Limited funding for upgrade of ICT infrastructure and higher cost of services relative to other duty station may impair UN-HABITAT's ability to maximise use of ICT.		Financial	Possible	Medium	Moderate Risk

6	Focus Area:	Information Technology Management		Possible	Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
II	<p><b>IT Management</b></p> <p>A (i) Absence of IT strategic planning may prevent UN-HABITAT from identifying strategic direction.</p> <p>F (i) Staff may not receive adequate training in use of IT systems which may impair operational efficiency.</p> <p>F (ii) Staff may not receive adequate training in data management which may impair effective and efficient utilization of data and increase the danger of loss.</p>		Strategy	Possible Likely	Medium High	Moderate Risk Higher Risk
III	<p><b>Data management</b></p> <p>A(i) Absence of a strategy for knowledge management may result in a loss of institutional knowledge which could hamper effective and efficient delivery of the work programme.</p> <p>A(ii) The lack of a structure to share information among divisions, may lead to inefficiencies and ineffectiveness.</p> <p>A(iii) Inadequate arrangements for data retrieval and access could hinder programme delivery.</p>	UN-HABITAT identified knowledge management as one of the focus strategic areas to be addressed in its Medium-Term Strategic and Institutional Plan (MTSIP) for 2008-2013 with a Task Force and road map established.	Human Resources	Possible	Medium	Moderate Risk
		UN-HABITAT identified knowledge management as one of the focus strategic areas to be addressed in its Medium-Term Strategic and Institutional Plan (MTSIP) for 2008-2013 with a Task Force and road map established.	Strategy	Possible	Medium	Moderate Risk

## Risk Assessment of : UN-HABITAT

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
I	<p><b>Project approval and formulation</b></p> <p>B (i) Policies and procedures on project design and formulation may be inadequate and may lead to implementation of projects which are not in line with UN-HABITAT strategic priorities or are ineffective</p> <p>B(ii) Projects may have inadequate performance indicators for evaluating performance, which may lead UN-HABITAT to continue funding ineffective programmes and projects.</p> <p>B (iii) Projects may lack proper risk assessment and project management preventing projects successfully meeting objectives.</p>	<p>UN-HABITAT has guidelines to project design and formulation</p>	<p>Governance</p>	<p>Possible</p>	<p>High</p>	<p>Higher Risk</p>



7	<b>Focus Area:</b>	<b>Programme and Project Management</b>		Possible	High	Higher Risk
No	<b>Interview/Review Summary (Description of risk)</b>	<b>OIOS Assessment</b>	<b>Risk Category</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>
	<p>E (i) Management may be risk averse leading to loss of opportunities and delaying project approval and implementation</p> <p>E (ii) The terms of reference of the Project Review Committee (PRC) may not be clear or well understood which may lead to ineffective project approval process</p> <p>E (iii) The Project Review Committee (PRC) may not have the authority or the capability to provide an effective safeguard that projects provide a genuine contribution to achieving UN-HABITAT mandate and create synergies with normative work.</p> <p>E (iv) Poor quality of project proposals and non-compliance with procedures may slow PRC approval of projects thus delaying project implementation</p> <p>E (v) Project approval process may be too lengthy delaying project implementation and frustrating donors and may result with projects started without prior approval</p> <p>E (vi) Project approval process may be seen as a formality rather than a check which may lead to some projects being started before their approval by the PRC posing financial and reputation risk to UN-HABITAT</p>	<p>Projects go through an approval process before acceptance is given. The Medium-term Strategic and Institutional Plan (MTSIP) 2008-2013 of UN-HABITAT will consider strengthening the role and working methods of the Programme Review Committee as an ex-ante evaluation and approval mechanism to ensure alignment and cohesion in programme design and delivery.</p>	Operational	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
II	<p><b>Technical Cooperation Division PART I/II</b></p> <p>A(i). Lack of coordination between regional offices and UN-HABITAT Headquarters divisions and programmes may reduce efficiency and effectiveness.</p> <p>A(ii). Inadequate communication with other UN agencies of regional offices' work may result in a duplication of efforts and loss of synergies in the areas of technical cooperation in human settlements. There is competition from UNDP in technical cooperation projects within UN-HABITAT mandate particularly in post-disaster/ conflict areas.</p> <p>A(iii). The operations of the regional offices away from Headquarters may not be properly covered by an agreement with the host country exposing UN-HABITAT to financial liabilities and litigations.</p> <p>A(iv). There may be no clear mandate, delegated authority, staffing structure, operational procedures and funding structure of regional offices, resulting in unclear accountability, performance evaluation and ineffective operations.</p> <p>A (v) Lack of understanding of risk by technical cooperation programme managers, could lead to strategy risks not being properly addressed.</p>	<p>Deputy Executive Director has responsibility for co-ordination of the decisional activities and senior management team meetings are held regularly.</p> <p>UN-HABITAT undertakes regular dialogue with other UN agencies, has outposted programme in relation to technical cooperation manager offices to UNDP and participates in UN Development Group.</p> <p>UN-HABITAT completed Department of Management Risk survey and underwent OIOS Risk assessment workshop.</p>	Strategy	Possible Possible	High High	Higher Risk Higher Risk

7	<b>Focus Area:</b>	<b>Programme and Project Management</b>		Possible	High	Higher Risk
No	<b>Interview/Review Summary (Description of risk)</b>	<b>OIOS Assessment</b>		<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>
	<p>A(vi). The lack of a corporate approach to partners in Partnerships/ Cooperation agreements may limit UN-HABITAT's ability to take full advantage of partnership arrangements due to the inadequate strategy, resources, policies and coordination.</p> <p>A(vii) This introduces possibilities of UN-HABITAT getting into inappropriate partnerships</p> <p>A(viii) It may also result in reputation damage (credibility issues) where the individuals approaching partners/donors misrepresent UN-HABITAT or send inconsistent messages</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	Risk Category	Likelihood	Impact	Overall Risk
	<p>B(i). Insufficient follow-up capacity building at the national level may decrease the impact of UN-HABITAT operations of Partnerships/ Cooperation agreements.</p> <p>B(ii). Duplication of the work of the other UN agencies may occur due to the large number of organizations working in the technical cooperation in human settlements area.</p> <p>B(iii). There is a risk the UN-HABITAT may partner with misrepresentative umbrella organizations that do not actually represent the constituencies they purport to represent posing a reputation risk from inappropriate associations and failure to fully achieve mandate.</p> <p>B(iv). Partnerships/ Cooperation agreements signed with implementing partners and others (MOUs/ LOAs) may be weak and contain inadequate safeguards which may lead to inadequate performance and expose to losses and liabilities.</p> <p>B(v). There may be inadequate monitoring of cooperation agreements resulting in underperformance from partners and overpayments from UN-HABITAT.</p> <p>B(vi). Selection of partners could be inadequate and result in low performance and waste of resources.</p>	<p>UN-HABITAT has a partnership Unit responsible for background checking.</p> <p>Agreements with implementing partners (MOUs/ LOAs) are standardized</p>	Governance	Possible	Medium	Moderate Risk
	<p>B(vii). Slum dwellers may not be an attractive audience for financial institutions to lend to, which may impact on UN-HABITAT's ability to achieve its goals in the area of human settlement financing</p>	<p>UN-HABITAT has the backing of some international financial institutions (e.g. World Bank, African Development Bank, Asia Development Bank etc...</p>	Governance	Possible	Medium	Moderate 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
	<p>B(viii). The lack of clear policies and procedures that show transparency in decisions and processes may lead to poor staff morale in disaster management and post-conflict activities.</p>		Possible	Medium	Moderate Risk
	<p>B(vix). UN-HABITAT is not a member of the Interagency Standing Committee on Humanitarian Affairs (IASC) and may miss out on the information and financial resources at the interagency disposal reducing effectiveness and efficiency of its emergency operations in disaster management and post-conflict activities.</p>	<p>Governance</p> <p>UN-HABITAT is a member of the IASC Emergency Shelter Cluster and has full access to the minutes of the IASC meetings.</p>			
	<p>B(x). Insufficient follow-up capacity building at the national level may decrease the impact of UN-HABITAT disaster management and post-conflict operations.</p>				
	<p>B(xi). Lack of adequate knowledge management policy could lead to ineffective knowledge capture, creation, sharing, leveraging, preservation, and dissemination of knowledge, both internally and externally, and loss of institutional memory in disaster management and post-conflict activities.</p>				
	<p>C(i). The cooperation agreements entered into by UN-HABITAT may not be in accordance with the legally approved template exposing to liabilities and litigations.</p>	<p>Compliance</p> <p>Agreements with Implementing partners (MOUs/ LOAs) are standardized.</p>	Possible	High	Higher Risk

7	<b>Focus Area:</b>	<b>Programme and Project Management</b>		Possible	High	Higher Risk
No	<b>Interview/Review Summary (Description of risk)</b>	<b>OIOS Assessment</b>	<b>Risk Category</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>
	<p>D(i). Lack of a contingency fund to be used for rapid response to disasters, makes it difficult to respond to emergency needs. In addition UN- HABILAT initiating disaster management and post-conflict activities could have a negative reputation risk to peers and donors.</p> <p>D(ii). UN-HABILAT may not have adequate funding to respond to disasters globally (mandate is too wide) which may reduce the impact of its activities.</p>	<p>UN-HABILAT has a financial reserve, an operating reserve and excess cash balances which may be deployed with the discretion of the ED and/or the Governing Council (GC) of UN-HABILAT.</p>	Financial	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
	<p>E(i). Fundraising centralized in a general area could hinder opportunities, as donors may want to speak with knowledgeable experts in the substantive area on disaster management and post-conflict activities.</p> <p>E(ii). Centralization of authority, combined with lack of budget (such as the need for previous authorization for travel including within Fiji if overnight) may create missed opportunities such as attending UN meetings in other locations and impair disaster management and post-conflict activities.</p> <p>E(iii). Lack of indicators and ability to measure impact of technical cooperation activities work at the country level, may result in UN-HABITAT making uninformed decisions.</p> <p>E(iv). A higher level of violent crime in the countries may hinder UN-HABITAT from being able to fully implement disaster management and post-conflict activities.</p> <p>E(v) Complying with UN MOSS requirements may not allow field operations to continue in certain areas and/or add to the cost of delivery and thus may limit continuity and impact of disaster management and post-conflict activities.</p>	<p>Field operations are equipped with telecommunication and internet equipments.</p> <p>UN-HABITAT works though UN mechanism in the country it operates in by using UNDP rules in field offices.</p> <p>UN-HABITAT has deployed Habitat Programme Managers in 36 countries since 2004-05 of which 22 are located in sub-Saharan Africa.</p>	Possible	High	Higher Risk



7	<b>Focus Area:</b>	<b>Programme and Project Management</b>		<b>Possible</b>	<b>High</b>	<b>Higher Risk</b>
<b>No</b>	<b>Interview/Review Summary (Description of risk)</b>	<b>OIOS Assessment</b>	<b>Risk Category</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>
	<p>E(vi). Post-disaster/conflict field operations may not be receiving adequate administrative and management support and guidance due to inadequate communication links and timing differences with UN-HABITAT HQ, regional offices and UNON and may impact quality and timeliness of operations.</p> <p>E(vii). Delays in processing documentation and obtaining approvals to operate in some countries may create delays in beginning operations/immediate response in some disaster areas.</p> <p>E(viii). UN-HABITAT capacity at field/country level is weak, in particular in Least-Developed Countries which may lead to UN-HABITAT country activities not responding effectively to disasters and post-conflict needs.</p>		Operational	Possible	High	<b>Higher Risk</b>
	<p>E(x). UN-HABITAT may not have sufficient resources and appropriate process in place to cope with the rapid expansion of technical cooperation activities in post-conflict/disaster regions in regional offices which may adversely affect donor confidence in UN-HABITAT's ability to operate in these areas.</p> <p>E(x). There is limited funding to bridge the gaps during transitional periods between old and new projects which may lead to loss of key staff and disruption of operations in regional offices.</p>	The Medium-Term Strategic and Institutional Plan (MTSIP) for 2008–2013 sets up a resource mobilization strategy.	Operational	Possible	High	<b>Higher Risk</b>

7	Focus Area:	Programme and Project Management		Possible	High	Higher Risk
	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
No III	<p><b>Technical Cooperation Division PART II/II</b></p> <p>E (xi) Inappropriate materials and techniques in the construction of human settlements shelters undertaken by UN-HABITAT may lead to loss of lives and/or properties which may affect UN-HABITAT reputation and expose to liabilities</p> <p>E (xii) Limited availability of construction materials or limited competition in local construction market increase delivery cost which may reduce effectiveness of activities</p> <p>E(xiii). Partners may not have adequate technical and financial capabilities to achieve agreed upon objectives resulting in incomplete delivery and cost overruns.</p>	<p>UN-HABITAT deals with tested and experienced contractors, tries to hire technical staff with relevant expertise and uses UNON procurement support</p>	Operational	Possible	High	Higher Risk
	<p>E (xiv) Deficient lesson learned practises may reduce the effectiveness of the Division activities</p> <p>E (xv) Inadequate needs assessment may result in ineffective use of technical cooperation resources</p> <p>E (xvi) Inadequate support and advice to other organizations within the United Nations system, in particular the United Nations Environment Programme, may undermine the relevance and reputation of UN-HABITAT</p>	<p>Improved knowledge sharing practices is part of the MTSIP</p> <p>UN-HABITAT engages communities and stakeholders for better assessment of needs</p>	Operational	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>E(xvii). Inadequate organizational expertise in human settlement financing may reduce the success of the Experimental Reimbursable Seeding Operations (ERSO).</p> <p>E(xviii). UN-HABITAT may not have adequate policies and procedures to manage and control the ERSO activities which may lead to ineffectiveness and inefficiencies of the human settlement activities.</p>	<p>UN-HABITAT has some experiences from similar programmes such as the Water and Sanitation Trust Fund and the Slum Upgrading Facility.</p> <p>New operational guidelines for the ERSO are being worked on.</p>	Operational	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). Inadequate staffing may result in challenges to implement disaster and post-conflict work programme.</p> <p>F(ii). Field operations may lack the financial skills and resources increasing the likelihood of inaccurate or delayed financial reporting on disaster and post-conflict programmes.</p> <p>F(iii). The recruitment process may not be selecting the right skills set for the disaster and post-conflict work required resulting in operational staff carrying analytical, normative and administrative work.</p> <p>F(iv). Divisional managers may not have the skills set required for managing specialized disaster and post-conflict project staff which may impact on UN-HABITAT ability to deliver projects efficiently and economically.</p> <p>F(v). UN-HABITAT staffs who work in post-conflict areas are exposed to a high degree of personnel risk which may make it difficult to attract suitably qualified staff.</p> <p>F(vi). Managers may have too many programmes and projects in regional offices to supervise which may limit their input/guidance in the delivery</p>	<p>Field staffs are provided with CD containing UN and UN-HABITAT rules and regulations and UN-HABITAT is working on a field manual.</p> <p>UN-HABITAT is adopting a new HR strategy as part of its MTSIP 2008-2013 which will include realignment and training.</p> <p>UN-HABITAT has not experienced any difficulties in recruitment and retention of staff in hardship locations, including Nairobi.</p>	Human Resources	Possible	Medium	Moderate 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>G (i) Lack of access to IMIS at the regional offices may result in delays in reporting of these offices and increase the probability of senior management not having access to accurate financial accounting information.</p> <p>G(ii). Ineffective communication infrastructure that doesn't support high volumes of data transfer and access to remote information and limits the ability to transfer huge files in regional offices. It also slows the speed of access of the shared UN-HABITAT website.</p> <p>G(iii). Inadequate records management may result in a loss of institutional memories key for effective project and programme continuity and lack of assurance that policies and procedures were properly followed in regional offices.</p> <p>G(iv). IMIS is not designed for project financial management which results in a timely and laborious process to access and compile project financial information. This may hamper project decision making in regional offices, increase the likelihood and errors and failure to meet donor reporting requirements. (cont.)</p>	<p>UN-HABITAT is looking into how field offices with large activities could get access to IMIS.</p> <p>UN-HABITAT identified knowledge management as one of the focus strategic areas to be addressed in its Medium-Term Strategic and Institutional Plan (MTSIP) for 2008–2013 with a Task Force and road map established.</p> <p>UN-HABITAT has been participating in discussions on the ERP which will replace IMIS.</p> <p>UN-HABITAT is looking into how field offices with large activities could get access to IMIS.</p>	Information Resources	Possible	High	Higher Risk
	<p>G(v). Outside telecommunications failure for both telephones and internet mainly resulting from periodic power outages could result in disruptions and inefficiencies to UN-HABITAT regional offices.</p>					



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>D(i). The Programme Support Costs deducted from donations (13 percent), may deter some donors from providing funding to UN-HABITAT</p> <p>D(ii). Lack of transparency to donors in the use of Programme Support Costs may reduce donor confidence and result in reduced funding of the Programme Support Division.</p> <p>D(iii). Inability to control administration costs may lead to a risk of UN-HABITAT being too expensive for donors limiting future earmarked fund-raising of the Programme Support Division.</p>	<p>UN-HABITAT follows UN policy on Programme Support Cost; PSC rates and usage are specified in agreements with donors; PSC included in reporting to donors.</p>	Financial	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
IV	Shelter and Sustainable Human Settlement Division		Possible	High	Higher Risk
	<p>A(i). Absence of a strategy to engage the private sector may result in missed opportunities not only for available funding, but also for integration of sustainability considerations in all aspects of the human settlement activities.</p> <p>A(ii). Political instability in Kenya may prevent the Shelter &amp; Sustainable Human Settlement Division from being able to implement its programmes.</p> <p>A(iii). Lack of coordination between the Shelter &amp; Sustainable Human Settlement Division and other UN-HABITAT divisions and programmes may reduce efficiency and effectiveness.</p>	<p>UN-HABITAT Medium-term Strategic and Institutional Plans and work programmes and budgets are submitted for review and endorsement to the UN Committee for Programme and Coordination.</p> <p>UN-HABITAT completed Department of Management Risk survey and underwent OIOS Risk assessment workshop.</p>	Possible	High	Higher Risk
	<p>B(i). Lack of a programmatic longer-term approach, could lead to loss of impact on the part of the Shelter and Sustainable Human Settlement Division.</p> <p>B(ii). Insufficient follow-up capacity building at the national level may decrease the impact of the Shelter and Sustainable Human Settlement Division operations.</p>	<p>UN-HABITAT has adopted from 2008 a more longer-term planning approach with the Medium-Term Strategic and Institutional Plan for 2008–2013 (5 yrs).</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>B(iii) Lack of political will and/or financial resources of Governments and local authorities in introducing and implementing slum upgrading and prevention policies in line with the Millennium Declaration target on slums may result in not meeting the UN Millennium Declaration target on slums.</p>	<p>UN-HABITAT tries to engage governments and communities to increase likelihood of project successes.</p>	<p>Governance</p>	<p>Possible</p>	<p>High</p>	<p>Higher Risk</p>
	<p>E(i). Uncertain land tenures in slums may reduce effectiveness of slum upgrading goals and could result in inefficiencies in the Shelter and Sustainable Human Settlement Division's work programme.</p> <p>E(ii). Inadequate urban development plans may limit impact of UN-HABITAT human settlements activities.</p> <p>E(iii) Lack of effective lobbying of Member States in adopting pro-poor shelter and safer cities policies may reduce the impact of the Division activities</p> <p>E(iv) Lack of global awareness of human settlements problems may impede the realization of the Division's mandate</p> <p>E(v) Lack of coordination of Member States initiatives in shelter for urban poor (e.g. slum upgrading in conjunction with arbitrary and unlawful forced evictions) may reduce the effectiveness of the Division programmes</p>	<p>Through its media events, Governing Council sessions, outreach programmes and engagements with Governments UN-HABITAT strive to influence local and national legislators to adopt pro-poor urban policies and governance.</p>	<p>Operational</p>	<p>Possible</p>	<p>High</p>	<p>Higher Risk</p>



7	<b>Focus Area:</b>	<b>Programme and Project Management</b>		Possible	High	<b>Higher Risk</b>
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
V	<b>Monitoring and Research Division</b>			Possible	Medium	<b>Moderate Risk</b>
	<p>A(i) Inadequate partnerships and alliances engaged in the monitoring of human settlements programmes may reduce the performance of the Division.</p> <p>A(ii) Inability to build and maintain a reliable network of research institutions and academics may result in weak quality of research data.</p>	<p>MRD has strategies to identify and engage partners.</p>	Governance	Possible	Medium	<b>Moderate Risk</b>
	<p>D(iii) Insufficient funding for the publication of research reports may reduce the timeliness and number of publications.</p>	<p>Projects charged overhead costs partly for the use of dissemination of information regarding work of UN-HABITAT.</p>	Financial	Possible	Medium	<b>Moderate Risk</b>

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>E (i) Inability to identify best practices in human settlements may reduce the effectiveness of the Division.</p> <p>E(ii) Failure to collect accurate and/or relevant information on human settlements and dissemination of inaccurate and/or irrelevant information on human settlement conditions and trends may undermine the relevance and reputation of UN-Habitat.</p>	<p>Division has established an expertise in identification/collection of best practises and runs a repository of Best Practices and Award for Best Practises.</p>	Operational	Possible	High	Higher Risk
	<p>E(iii) Inability to raise awareness among Governments and Habitat Agenda Partners in human settlements conditions may lead to low support in UN-Habitat mandate.</p>	<p>The need to assist the slum dwellers were recognised in the UN Millennium Development Goals (MGD) - Target 11, Goal No. 7: to improve the lives of at least 100 million slum dwellers by the year 2020 – which was supported by the UN Member States.</p>	Operational	Remote	Medium	Lower Risk
	<p>F(i) Lack of qualified staff in research and monitoring may lead to delayed or low quality research and monitoring.</p>	<p>So far, UN-Habitat did not experience any shortage of qualified researchers.</p>	Operational	Possible	Medium	Moderate Risk
	<p>G(i) Loss of critical research data and records may disrupt the Division work.</p> <p>G(ii) Deficient system for capturing and managing relevant information, data and statistics may lead to loss of data and ineffective performance of the Division.</p>		Information Resources	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
VI	<p><b>Programme Support Division</b></p> <p>B(i). Lack of clear policies and procedures that show transparency in decisions and processes may lead to poor staff morale in the Programme Support Division.</p> <p>B(ii). Lack of a programmatic longer-term approach in the Programme Support Division, could lead to loss of impact on the part of UN-HABITAT.</p> <p>B(iii). The UN rules and regulations may not be geared to the operational environment in which UN-HABITAT works, seriously hampering the Programme Support Division's ability to provide a timely response, particularly in emergency operations.</p> <p>B(iv). UN-Habitat internal policies and procedures may be bureaucratic and lack flexibility to meet operational requirements of the Programme Support Division resulting in slow responsiveness and risk on reputation, effectiveness and efficiency and in circumvention.</p> <p>B(v). UNON is far removed from outposted offices of UN-HABITAT which may result in them not receiving adequate attention and delaying services.</p> <p>B(vi). Unclear roles and responsibilities for the delivery of common services between UNON and UN-HABITAT may result in lack of accountability.</p>	<p>UN-HABITAT has some discretion to seek amendments to the UN rules and has a special annex to the financial rules.</p> <p>As part of the MTSIP, an assessment will be undertaken in the area of workflow analysis and administrative working arrangement with the United Nations Office at Nairobi (UNON) with the view of streamlining and simplifying them. UN-HABITAT and UNON have signed a Service Level Agreement on the nature and extent of services rendered by UNON.</p>	Governance	Possible 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)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
	<p>B(vii). UNON may not see UN-HABITAT as a key client as its client base expands and could result in poor service delivery, which could affect operations of the Programme Support Division.</p> <p>B(viii). Failure to analyze and ensure that managers have the delegated authority required to execute their roles and responsibilities may reduce ability to hold managers accountable and result in ineffective operations of the Programme Support Division.</p> <p>B(ix). Programme Support Division may not be able to fulfill its organizational goals and objectives because its role and function may not have been clearly articulated to Divisions who may see it as an obstacle and a hindrance.</p> <p>B(x). Roles and responsibilities of Programme Support Division units may not be clear resulting in ineffective performance of mandate.</p> <p>B(xi). The reporting lines between PMOs / Assistant PMOs and the Programme Support Division may be inadequate resulting in unclear accountability.</p>	<p>The need to strengthen UN-HABITAT's monitoring and evaluation functions was recognized by previous recommendations of the General Assembly and of the Governing Council. The MTSIP 2008-2013 provides the basis for improved results-based monitoring, reporting and management. It is built on focus areas, key result areas and indicators of achievement. These will further translate into explicit targets for each indicator, including performance benchmarks, to improve integrated programming and budgeting, accountability, learning and decision-making.</p>	Governance	Possible	High	Higher Risk

7	<b>Focus Area:</b>	<b>Programme and Project Management</b>		Possible	High	Higher Risk
No	<b>Interview/Review Summary (Description of risk)</b>	<b>OIOS Assessment</b>	<b>Risk Category</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>
	<p>B(xii). Weak arrangements in place for ensuring compliance with requirements for programme monitoring and evaluation which may result in ineffective result-based management of the Programme Support Division.</p> <p>B(xiii). Failure to consistently fulfill obligations/promises made to external stakeholders such as donors (i.e. make realistic goals and achieve them- consistently) may result in loss of confidence and credibility of the Programme Support Division.</p>		Governance	Possible	High	Higher Risk
	<p>F(i). Limited Programme Support Division staffing level</p> <p>G(i). Excessive and numerous different reporting requirements from donors, as against UN-HABITAT's requirements or the Controller's requirements, may result in the need for numerous different report formats, which can be tedious and time consuming and result in ineffective use of the Programme Support Division's staff resources.</p>	<p>PSD is responsible to ensure compliance with donor reporting requirements</p>	Human Information Resources	Possible	High	Higher Risk
	<p>C(i). UN-HABITAT may not have adequate policies and procedures on the creation, management and monitoring of trust funds which may lead to non-compliance with UN rules and regulations and ineffective use of trust funds.</p> <p>C(ii). Trust Fund expenditures may not be in line with the terms of reference under which the trust was created for, resulting in non-compliance with agreements and loss of confidence from donors.</p>	<p>Model technical cooperation Trust agreement as set out in the Programme and Project Cycle Management Manual is adhered to, in order to avoid inconsistencies which may expose UN-HABITAT to liabilities.</p> <p>UN-HABITAT follows UN rules on trust funds and PSD performs monitoring and reporting to donors.</p>	Compliance	Likely	Medium	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>D(i). The heavy reliance on XB funding to sustain programmes of work, may result in UN-HABITAT not being able to complete their work program if the trust funds are withdrawn.</p> <p>D(ii). The internal controls implemented may result in lengthy delays in processing and receiving donors' Trust Funds money, which may deter some donors from providing the funding.</p> <p>D(iii). Trust Fund may not have sufficient operating reserve in place exposing UN-HABITAT to a risk of financial liabilities arising out of the final expenditures when closing a trust fund.</p>	<p>UN-HABITAT follows UN rules on trust funds and PSD performs monitoring and reporting to donors</p>	<p>Financial</p>	<p>Possible</p>	<p>High</p>	<p>Higher Risk</p>



## Risk Assessment of : UN-HABITAT

8	<b>Focus Area:</b>	<b>Conference and Documents Management</b>		Likely	Medium	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
I	<p><b>Records Management</b></p> <p>G(i). Inadequate arrangements for document management may impact on the ability of UN-HABITAT to conduct its business in an efficient manner because documents cannot be found in a timely manner, or get lost. This may also impact on the ability of UN-HABITAT to operate in a transparent and accountable manner, and explain its actions to donors and oversight bodies.</p> <p>G(ii). Poor document transmission control may lead to loss or leakage of confidential information which could be harmful to the reputation of UN-Habitat.</p>	<p>UN-HABITAT identified knowledge management as one of the focus strategic areas to be addressed in its Medium-Term Strategic and Institutional Plan (MTSIP) for 2008–2013 with a Task Force and road map established.</p>	Information Resources	Likely	Medium	Higher Risk
II	<p><b>Translation and interpretation services</b></p> <p>G(i). Translation of key documents may lead to misrepresentation of information resulting in a different understanding and interpretation of information between UN-HABITAT and its partners and donors.</p>	<p>UN-HABITAT have access to professional translators through UNON Translation Services</p>	Information Resources	Possible	Medium	Moderate Risk

## Risk Assessment of : UN-HABITAT

9	Focus Area:	Property and Facilities Management		Possible	Low	Lower Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
I	<p><b>Office Space</b></p> <p>E(i). Current office space may be insufficient for UN-HABITAT's needs requiring staff to operate in overcrowded conditions which in addition to health and safety concerns may impact on staff productivity.</p> <p>E(ii). The open space office plan may lead to higher risk of theft of employees personal assets, disruption of staff concentration due level of noise and lack of privacy and confidentiality</p>	<p>To maximise space on the compound an open space project was embarked upon and there are plans to build additional space within the complex.</p> <p>Security of entrances to open plan areas has been undertaken and meeting rooms have been made available for confidential/private meetings.</p>	Operational	Possible	Low	Lower Risk

## Risk Assessment of : UN-HABITAT

10	Focus Area:	Safety and Security		Possible	Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
I	<p><b>Safety of UN staff and installations</b></p> <p>E(i). Working in areas which often expose staff to a high degree of personnel risk may hinder their safety and ability to conduct their work and make it difficult to attract suitably qualified staff.</p>	<p>OIOS Assessment</p> <p>UN-HABITAT has not experienced any difficulties in recruitment and retention of staff in hardship locations, including Nairobi. UN-HABITAT works with the DSS representatives to ensure MOSS compliance in the areas where it operates.</p>	Operational	Possible	Medium	Moderate Risk
II	<p><b>Security Arrangements</b></p> <p>A(i). Inadequate arrangements may be in place to monitor and capture UN-HABITAT views and concerns about security which may result in loss of confidence in security and hinder staff's ability to do their job effectively.</p> <p>A(ii). Inadequate mechanisms to collect information on possible and emerging security threats may limit the timeliness of passing over information and therefore increase the likelihood of the event happening that could affect safety and security of staff.</p>	<p>UNON Security Officers are receiving customer service training and there is a system to receive and act on complaints.</p> <p>UNON security does undertake threat analysis.</p>	Strategy	Possible	High	Higher Risk



10	Focus Area:	Safety and Security		Possible	Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
	<p>B(i). Roles and responsibilities of DSS and UN-HABITAT for staff security inside and outside Nairobi may not be clear increasing the risk of inadequate arrangements being in place for staff security in the event of a crisis.</p> <p>B(ii). Roles and responsibilities for security of UN-HABITAT outposted offices may be unclear increasing the risk of inadequate arrangements being in place for staff security in the event of a crisis.</p>	<p>A Framework for Accountability detailed in General Assembly Document A/61/531 specifies roles and responsibilities of all actors.</p>	Governance	Possible	High	Higher Risk
	<p>D(i). Lack of funding to ensure appropriate equipment is available in Nairobi and outposted offices in the event of disaster may endanger people's lives when appropriate facilities are not in place.</p> <p>D(ii). Allocation of resources to duty stations for security may be based on political rather than security concerns resulting in inadequate security equipment being purchased leading to impairment of staff security and safety.</p> <p>D(iii). Inadequate funding for residential security to be maintained at appropriate level could result in staff not to live in well secured residential houses thereby increasing the risk to their lives.</p>	<p>Funding is provided by DSS and is dependent on available resources within RB budget.</p>	Financial	Possible	High	Higher Risk

10	Focus Area:	Safety and Security		Possible	Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk
	<p>E(i). Inadequate rehearsals of evacuation and fire drills may result in inappropriate evacuation in the event of a crisis which could endanger lives.</p> <p>E(ii). Agency based warden scheme in Nairobi may not provide adequate arrangements to co-ordinate staff in the event of a crisis.</p>	<p>Fire drills and evacuations are carried out.</p> <p>UN-HABITAT has established a security focal point and is looking into ways with UNON security how the scheme can be made effective.</p>	Operational	Possible	High	Higher Risk
	<p>F(i). There may be inadequate arrangements in place to ensure that all staff have completed mandatory security training exposing themselves and the Organisation to inappropriate behaviour in the event of crisis which could endanger lives.</p> <p>F(ii). Inadequate arrangements may be place to ensure that senior staff are aware of security planning arrangements and have the means to implement them for UN-HABITAT.</p> <p>F(iii). Security staff may not receive adequate training for conducting residential security surveys.</p>	<p>Security and Safety Section is implementing a warden system whereby each organization is responsible for putting controls in place to ensure safety and security of staff in their respective organizations/divisions.</p>	Human Resources	Possible	Medium	Moderate Risk
	<p>C(i). Some UN-HABITAT outposted offices may not comply with MOSS requirements, which pose a threat to security and safety of staff and UN property.</p>	<p>Security and Safety Section is implementing a warden system whereby each organization is responsible for putting controls in place to ensure safety and security of staff in their respective organizations/divisions.</p>	Compliance	Possible	High	Higher Risk

## **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

<b>No. Risk Category</b>	<b>Description</b>
<b>A</b> 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>B</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.
<b>C</b> 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.
<b>D</b> 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.
<b>E</b> 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.
<b>F</b> 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.
<b>G</b> 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:

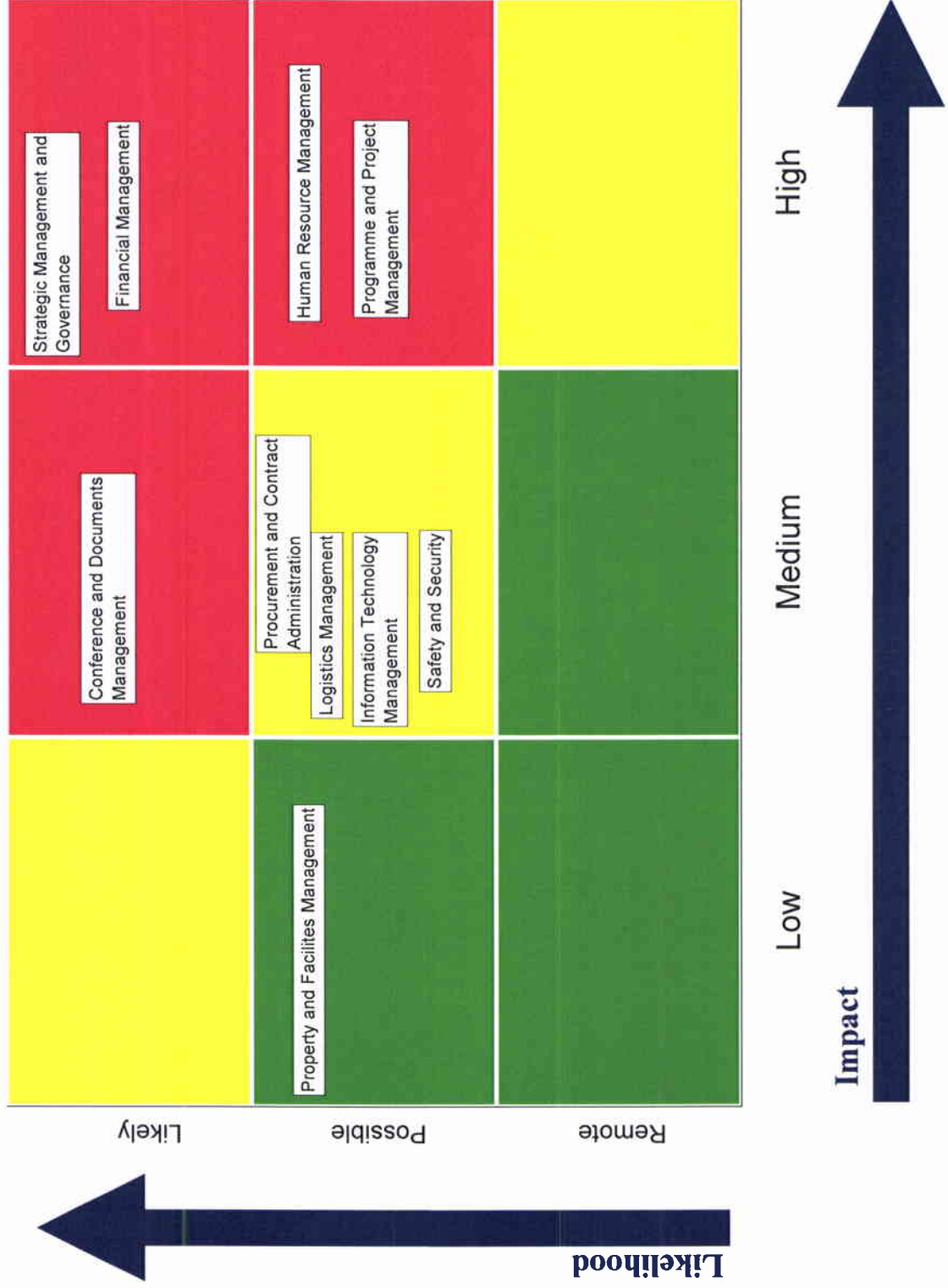
<b>Risk Likelihood</b>	
<b>Likely</b>	Conditions within our environment indicate that an event is expected to occur in most circumstances
<b>Possible</b>	Conditions within our environment indicate that an event will probably occur in many circumstances
<b>Remote</b>	Conditions within our environment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

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

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



# RISK SUMMARY PROFILE (Focus Area)



# RISK SUMMARY PROFILE (Sub Focus Area)

