OIOS

Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

RISK ASSESSMENT

Office for the Coordination of Humanitarian Affairs (OCHA)

13 May 2008
Assignment No. AN2007/590/07

TO: Mr. John Holmes, Under-Secretary-General
A: Office for the Coordination of Humanitarian Affairs
(OCHA)

DATE: 13 May 2008

REFERENCE: IAD: 08- *01314*

for *William Peterson*

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

SUBJECT: **Assignment No. AN2007/590/07**
OBJET:

1.   I am pleased to present OIOS' risk assessment of the Office for the Coordination of Humanitarian Affairs (OCHA) which was carried out from January to February 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 OCHA 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

INTERNAL AUDIT DIVISION

FUNCTION

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

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PARTICIPANTS

The OIOS risk assessment team conducted workshops and interviews with the following staff members of OCHA, 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	Mr. John Holmes, Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator Ms. Margareta Wahlstrom, Assistant-Secretary General and Deputy Emergency Coordinator
Strategic Management and Governance Financial Management Human Resource Management Information Technology Management Programme and Project Management	Ms. Shea Gopaul, Executive Officer Ms. Margaret Ross, Chief, Finance Section Ms. Frances Sinha, Chief, Human Resources Section Mr. Griffin Saint Hillaire, Finance Officer Mr. Stephen O'Malley, Chief Africa I Section Ms. Ahunna Eziakonwa, Chief Africa II Section Mr. Carlos Monteiro-Pereira, Chief, America and Caribbean Section Ms. Agnes Asenkenye, Chief, Asia and the Pacific Section Mr. David Carden, Chief Early Warning & Contingency Planning Section Mr. Hansjoerg Strohmeyer, Chief, Policy Development and Studies Ms. Christian Bennett, Humanitarian Affair Officer, Intergovernmental Service Unit Ms. Emanuela Gilard, Humanitarian Affair Officer, Protection of Civilian Unit Ms. Kirsten Gelsdorf, Evaluation & Studies Unit Mr. Rashid Khalikov, Director, NY Mr. Kasidis Rochanakorn, Director, Geneva Mr. David Kaatrud, Director, Coordination and Response Division Mr. Rudolph Muller, Chief, Central Emergency Response Fund

Focus Area	Name and Functional Title
	Ms. Helena Molin-Valdes, Deputy Director, ISDR
	Ms. Christelle Loupforest, Chief, Donor and External Relations
	Ms Marilena Viviani, Chief, IASC
	Mr. Rune Froseth, Chief, Strategic Planning Unit
	Ms. Alta Haggarty, Chief ,Advocacy Information Management Branch
	Mr. Brendan McDonald, Manager, Field Information Services
	Ms. Helga Leifsdottir, ReliefWeb Coordinator
	Mr. Lambert Hogenhout, Computer Information Systems Officer
	Mr. Mark Dalton, IRIN Liaison Officer
	Ms. Stephanie Bunker, Spokesperson, NY
	Ms. Zola Dowell, Head of Office, Sri Lanka
	Ms. Gloria Fernandez, Head of Office, DRC
	Mr. Stephen Tull, Chief, Office of the Director, Geneva
	Mr. Ramesh Rajasingham, Chief, Displacement and Protection Support Section
	Ms. Aimee Wielechowski, Humanitarian Reform Support Unit

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

Focus Area	Overall Risk
i. Strategic Management and Governance ii. Financial Management iii. Information technology management iv. Safety and Security	**Higher Risk**
i. Programme and Project Management ii. Human Resource Management iii. Logistics Management	**Moderate Risk**
	Lower Risk

Risk Assessment of : Office for the Coordination of Humanitarian Affairs

No	Interview/Review Summary (Description of risk)	**Focus Area:** Strategic Management and Governance — OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
1				**Possible**	**High**	**Higher Risk**
				Possible	Medium	**Moderate Risk**
1	**Strategic Vision and Work Planning**					**Moderate Risk**
	A(i) Failure of OCHA to achieve its mandate for supporting humanitarian emergencies effectively due to the inflexibility of the UN Secretariat rules and regulations and the growing demands of its multiple stakeholders. A(ii) Growing demands on humanitarian services which are not consistent with OCHA's delivery capacity or its ability to add further value.		Strategy	Possible	Medium	Moderate Risk
	E(i) The Inter Agency Standing Committee (IASC) which is composed of representatives from UN agencies and serves as a governance mechanism for humanitarian activities is perceived as not adequately reflecting the current structure of the humanitarian community. E(ii) Short delivery of programmes due to failure of OCHA to adequately establish its workplans and monitor them and dedicate adequate resources. E(iii) Delivery of its programme is affected due to failure of OCHA to develop an overall strategy for Internally Displaced Persons and for the protection of civilians.	Proposals to redesign the composition of the IASC to take into account an expanded NGOs base and to make it more independent are pending. A strategic planning system which links new and existing planning and reporting mechanisms with performance management was established in 2006. Enterprise Risk Management (ERM) is also being merged with the process of strategic planning. A post of P5 to lead the strategic planning unit has been established and filled in 2007. A the request of Humanitarian Coordinators, IDP protection stategies were developed, however, there was a lack of follow up on their implementation. There exists an inter-agency protection response in the field supported through Protection Standby Capacity (PROCAP) officers.	Operational	Possible	Low	**Lower Risk**

		Focus Area:	Strategic Management and Governance		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
1	E(i) Overlaps between agencies affecting the operations in the field due to failure of OCHA to clearly define its role and responsibilities in the case of protection of civilians.	A proposal to include a protection element in the mandate of peacekeeping missions was declined by the member states. Rolling out a methodology to enhance information gathering on protection related issues is still pending within OCHA.	Operational	Possible	Medium	Moderate Risk
II	**Leadership and Management**			Possible	High	Higher Risk
	A(i) Instability in bringing internal coherence to the humanitarian reform process may cause frequent changes in leadership.		Strategy	Possible	High	Higher Risk
	E(i) Overlaps and incoherence in supporting field operations due to the clusters approach used in humanitarian operations in the field by which designated agencies were the leaders of the entire sector of operations. E(ii) Accountability of the common pooled fund may not be assured due to OCHA's failure to establish mechanisms to monitor and report on the administration of the common/pooled funds. E(iii) Inability to respond to simultaneous disasters because OCHA has not established a clear link between early warning and contingency planning.	OCHA's senior management priorities include the strengthening of the early warning, preparedness, capacity building and contingency planning capacities especially at the field level.	Operational	Likely	Medium	Higher Risk

No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
1	**Focus Area:**	**Strategic Management and Governance**		Possible	High	**Higher Risk**
	B(i) Weak functioning and impact of the leadership in humanitarian operations due to a dual reporting relationship for the HC to the ERC(informal) in the UN Secretariat and the formal relationship in the case of the RC to UNDP(Funds and programmes).	The humanitarian reform implementation expanded the role of the HC and extended her/his responsibility to also serve as the designated official for security purposes. OCHA's Humanitarian Coordinator System Strengthening Project was implemented during 2007 which included a systematic training for HCs.	Governance	Likely	Medium	**Higher Risk**
	B(ii) HC's coordination role on the ground weakened due to failure of OCHA to develop benchmarks for evaluating his/her performance.					
III	**Communication and Coordination**			**Possible**	**Medium**	**Moderate Risk**
	A(i) Agencies' perception that they "coordinate with" rather than they are "coordinated by" OCHA.	The yearly Global Humanitarian Platform provides a forum for strategic dialogue with a focus on sustainable partnerships with the NGOs.	Strategy	Possible	Medium	**Moderate Risk**
	A(ii) Additional challenges to OCHA for coordination due to increased number of partnerships with NGOs.					
	A(iii) Coordination requirements on the ground not always met due to OCHA's inability to deploy its staff in the field as expeditiously as required.	IASC agreed that broad-based humanitarian UN Country Teams (UNCT) should be established in all countries with HC to foster the integration of UN stakeholders and to provide an enhanced coordination.				
	A(iv) Limited coordination between OCHA and DPKO in the field due to different chains of command for UNCT partners and DPKO missions coupled with incongruent timeframes in terms of mandate, budget, programme and planning cycles.					

No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
1	**Focus Area:**	**Strategic Management and Governance**		Possible	High	Higher Risk
	G(i) Support to field operations affected due to OCHA's inability to fully resolve the distribution of roles and functions between its NY and Geneva offices and communicate this to all staff. The lack of clarity may feed the perception among staff that new functions/ organizational units are mushrooming. G(ii) OCHA's inability to coordinate humanitarian operations due to failure to establish a system-wide approach to information management practices. G(iii) Effectiveness in coordination of information limited due to failure to clarify the role of the HICs in the cluster system in the areas of for standard setting, information management and data analysis.	Realignment of functions between Geneva and NY is still in progress in order to consolidate field, regional and headquartes priorities. The responsibility for managing all complex emergencies and natural disasters was consolidated at the NY office within the Coordination and Response Division (CRD), as well as the country desks. A communication strategy is being developed with a focus on sustainable partnerships in order to promote OCHA as the model for effective global humanitarian planning, needs assessment and humanitarian financing.	Information Resources	Possible	Medium	**Moderate Risk**

1	Focus Area:	Strategic Management and Governance		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
	E(i) OCHA's leadership in providing a unified information management system is limited due to its role not having been accepted by the clusters.	Standard Operating Procedures (SOP), including clusters toolkits and minimum standards and benchmarks are being developed; training programmes are also envisaged for dissemination on defined roles and responsibilities among clusters actors, heads of agencies, UNCT and HC.	Operational	Possible	Medium	Moderate Risk
IV	**Stakeholders Relations**			Possible	Medium	Moderate Risk
	D(i) Agencies may not utilize the CERF to assist them in emergencies due to their dissatisfaction with OCHA's management of CERF.	CERF has been recently audited and issues for making improvements in the administration of CERF have been discussed with OCHA and the Controller. The draft audit report is under preparation. An external evaluation of CERF is also currently being conducted.	Financial	Possible	Medium	Moderate Risk
	A(i) OCHA's resource mobilization efforts may be affected adversely due to its capacity in fundraising being fragmented within its offices and there may be no overall strategy in building its relationships with multiple donors. A(ii) OCHA's strategy to obtain support from all member states for policies that foster coordination of the humanitarian action may not be fully successful.	A liaison office has been opened recently in Brussels.	Strategy	Possible	High	Higher Risk
V	**Control Environment**			Possible	Medium	Moderate Risk
	C(i) The UN policies and procedures may not always be clearly stated and therefore leave room for interpretation. Management may circumvent policies and procedures in place in areas that are subject to interpretation unless they are properly spelt out.	UN has a general culture of compliance.	Compliance	Remote	Low	Lower Risk
	B(i) OCHA's operating environment which requires speed and flexibility may not well served by the UN Secretariat's rules and regulations which are less flexible and focus on controls rather than service delivery.		Governance	Possible	Medium	Moderate Risk
	E (i) OCHA relies on UNDP to support it administratively in the field and this may cause delays in service delivery in an environment requiring speed and flexibility.		Operational	Possible	Medium	Moderate Risk

	Higher Risk			Possible	High	

Focus Area: Strategic Management and Governance

No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
						Lower Risk
	A(i) Inefficiencies in the delivery of services due to inconsistent business processes between NY and Geneva.		Strategy	Possible	Low	
VI	**Organizational Structure and Governance**					**Moderate Risk**
	B(i) Policies not being adhered to and the delivery of services in the field affected due to failure to establish an inter-agency-wide framework to guide the constitution of policy and no control over monitoring of agreed upon policies.		Governance	Possible	Medium	**Moderate Risk**
VII	**Outreach and Advocacy**			Possible	Medium	**Moderate Risk**
	A(i) Humanitarian reform process not supported by an agreed upon public information component/strategy which may not satisfy the expectations of stakeholders. A(ii) Primary beneficiary community not identified as a stakeholder in OCHA's advocacy and public information efforts. OCHA's advocacy efforts on behalf of affected populations may therefore not be not relevant.		Strategy	Possible	Medium	**Moderate Risk**
	E(i) Disaster risk reduction agendas of ISDR are not sufficiently linked with climate change and may cause possible duplication with disaster preparedness in OCHA. Outreach/advocacy of the ISDR global system of partnerships located as a unit within OCHA but lacking adequate visibility may weaken the understanding of the programme.		Operational	Possible	Medium	**Moderate Risk**

12/05/2008

Risk Assessment of : Office for the Coordination of Humanitarian Affairs

No	Focus Area:	Financial Management		Likely	Medium	Higher Risk
2	**Interview/Review Summary (Description of risk)**	**OIOS Assessment**	**Risk Category**	**Likeli-hood**	**Impact**	**Overall Risk**
I	**Internal and External Fraud**			Possible	Medium	**Moderate Risk**
	B(i) Corruption (especially during the post-emergency phase) among local government authorities and business executives may result in reputational damage to the UN.		Governance	Possible	Medium	**Moderate Risk**
	D(i) Losses from unauthorized activities, theft, fraud, and systems security events due to weak internal controls.		Financial	Possible	Medium	**Moderate Risk**
II	**Funding and Reserves**			Likely	Medium	**Higher Risk**
	D(i) Fragmentation and uncertainty of donor resources may affect the delivery of services. Capacity to raise funds and adopt multiple reporting mechanisms for donors may be limited in OCHA and may affect the stability of OCHA's programmes.		Financial	Likely	Medium	**Higher Risk**
	D(ii) Limited availability of regular budget resources jeopardize the potential reach of OCHA and increase its dependencies on voluntary funds.					
	D(iii) Operations may be affected since extrabudgetary funds are only available for use upon receipt of cash contributions, not at the time the contributions are pledged.	A Budgetary Cash Reserve Fund (BCRF) was established in 2005 to reserve $30 million at the end of each year to meet OCHA's immediate requirements for the following year. A similar Field Coordination Reserve Fund (FRCF) was established to allow an effective cash management for field coordination activities.				
	D(iv) Delayed implementation or interruption of programme activities may result in late receipt of funds or unavailability of unencumbered cash resources.					
	D(v) Delayed flash appeals may impact on ability to mobilize quickly.	The structure of funding humanitarian assistance is changing. CERF is becoming an important fundraising mechanism while the Consolidated Appeals Process (CAP) is generating less funds than the flash appeals. There is also a downward trend in earmarked contributions.				

No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
2		**Focus Area:** Financial Management		Likely	Medium	**Higher Risk**
	D(vi) Unrealistic expectations, lost credibility and/or reallocating emergency funds to longer-term recovery due to weak identification and prioritization of funding appeals.					
III	**Accounting and Financial Reporting**			Likely	Medium	**Higher Risk**
	D(i) Delays and inefficiencies in the appropriate utilization of funds due to two IMIS systems in Geneva and NY not being electronically connected.		Financial	Likely	Medium	**Higher Risk**
	D(ii) Inefficiencies in accounting and the appropriate utilization of funds due to lack of standardized financial management tools and adequate training for their use.	A Performance and Accountability Framework is in process to be developed to harmonize the application and reporting procedures.				
	D(iii) Lack of reliable information due to discrepancies between the Financial Tracking System, the financial information provided by the field and the general ledger maintained by the Administrative Office	Financial tracking system (FTS) provides public access to funding information.				
	D(iv) Delays and possible inconsistent accounting treatment of payments due to the fact that the payments are made by UNDP and other agencies on behalf of OCHA in the field.					
	D(v) Lack of accountability and transparency of CERF allocations and delays in processing grants and loan requests and disbursements to the field due to unclear and inconsistent application criteria and reporting procedures for CERF recipients.					
	D(vi) Inevitable delays in financial reporting from the field may result in funds being set aside for obligations that remain encumbered for a longer period before they can be released for use in the implementation of activities.					

	Focus Area:	**Financial Management**		**Likely**	**Medium**	**Higher Risk**
No	**Interview/Review Summary (Description of risk)**	**OIOS Assessment**	**Risk Category**	**Likeli-hood**	**Impact**	**Overall Risk**
IV	**Funding Management**			Possible	High	**Higher Risk**
	D(i) Inconsistent procedures being followed in different locations due to OCHA's guidance instructions in respect of the Emergency Relief Funds (ERF) being inadequate.		Financial	Possible	High	**Higher Risk**
	D(ii) Inefficiencies in satisfying donor requirements due to OCHA's procedures regarding the transparent monitoring and reporting of funded projects in terms of frequency and content of reporting not being clearly laid out.	OCHA is working on an initiative to strengthen the coordination of the funded projects. This includes the deployment of the Financial Accounting System (FAS) to NY, and the monitoring of transactions from the UN Integrated Management Infomation System, including its reconciliation with the FAS.				
	B(i) Misuse of funds due to accountability and oversight mechanisms in the management of the pooled humanitarian funds, which are funding activities of a number of agencies in the field, not being clearly established.		Governance	Possible	High	**Higher Risk**
	B(ii) Inadequate oversight over this Trust Fund due to lack of ownership by OCHA and its role being unclear as the fund does not directly relate to humanitarian activities.					

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No	Focus Area:	Human Resource Management		Possible	Medium	Moderate Risk
3	**Interview/Review Summary (Description of risk)**	**OIOS Assessment**	**Risk Category**	**Likeli-hood**	**Impact**	**Overall Risk**
I	**Staff accountability**			**Possible**	**Medium**	**Moderate Risk**
	F(i) Non-compliance with work plans due to failure to establish the accountability for implementing the work plans by OCHA.	Based on the ERM process, the newly created Strategic Planning Unit coordinated the risk assessments undertaken by OCHA's functional units by linking the planning and reporting mechanisms with their performance management.	Human Resources	Possible	Medium	Moderate Risk
II	**Human Resources Planning, Processes and Procedures**			**Possible**	**Medium**	**Moderate Risk**
	F(i) Delays in deployment due to lack of internal and external capacity (both in size and quality).	A pilot methodology to assess the national capacities to respond to environmental emergencies has been developed and tested in 2007.	Human Resources	Possible	Medium	Moderate Risk
	F(ii) Lack of capacity on the ground to respond to emergencies.					
	F(iii) Inadequate human resources to meet mandates speedily due to inability to recruit and hire qualified personnel.	A field mobility scheme and a recruitment roster framework and guidelines was implemented in 2007 to facilitate a more organized and speedy recruitment and deployment of staff to the field.				
	F(iv) Different conditions of services between staff performing similar type of work and lowering employee morale within OCHA due to varying contractual agreements between HQ and field staff.					
	F(v) High turnover, lost valuable knowledge and reinvesting resources to train new personnel due to inadequate attention to retention programmes.					
	F(vi) Long term strategic vision and operational objectives are unsustainable due to inadequate succession plans (from the USG and ASG/Director levels).					
	F(vii) Inconsistencies in the HR recruitment processes between Geneva and NY.					

No	Focus Area:	Human Resource Management		Possible	Medium	Moderate Risk
3						
	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
III	Staff training			Possible	Medium	Moderate Risk
	F(i) Inadequate skills to perform their functions due to inadequate training for new and experienced staff members.		Human Resources	Possible	Medium	Moderate Risk

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5	Focus Area:	Logistics Management		Possible	Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
1				Possible	Medium	Moderate Risk
	E(i) Failure to provide equipment to the field at the onset of a sudden emergency affecting the delivery of services.	OCHA is relying on UNOG for the procurement of relief items through long-term standard procurement contracts.	Operational	Possible	Medium	Moderate Risk
	E(ii) Cooperation with partners on common inter-agency logistics projects pose challenges to the efficiency of the operations.					
	E(iii) Inefficiencies in operations due to uneven progress in the areas of shelter guidelines and customsfacilities.	Model Agreement on "Customs Facilitation" is in draft form.				

Risk Assessment of : Office for the Coordination of Humanitarian Affairs

No	Focus Area:	Information Technology Management						

No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk		
6				Possible	High	Higher Risk		
I	**ICT Policy**			Possible	High	**Higher Risk**		
	G(i) Information available not being standard or reliable due to failure to establish a unified policy on Information Communication Technology (ICT) coupled with a lack of coherence when using the information tools available.	Currently there are only ICT subpolicies available making duplication of efforts possible. OCHA is planning an ICT review in 2008. OCHA is making efforts to mainstream the consolidation process and to improve public information tools at the global and field level (instead of updating outmoded procedures).	Information Resources	Possible	High	Higher Risk		
	G(ii) OCHA's strategy on ICT is not aligned to the business processes due to lack of leadership.							
	G(iii) User requirements are difficult to manage and applications do not always meet users' requirements.							
II	**Management of ICT Infrastucture**			Possible	Medium	**Moderate Risk**		
	G(i) Inefficient use of information tools to inform the operations due to failure to standardize all the information management processes resulting in excessive manual processing of information from various IT systems and multiple databases for analysis and periodic reporting.	Technical infrastructure of ReliefWeb upgraded during 2006 allowing improved access by humanitarian actors.	Information Resources	Possible	Medium	Moderate Risk		
	G(ii) Lack of agreed upon common information standards by agencies and other actors on early warning, preparedness and response affect delivery of humanitarian services.	Minimum standard sets of baseline data for individual countries/regions of humanitarian concern are in the process of development. Standards and procedures to support inter-agency humanitarian information management exchange are being currently refined.						
	G(iii) Challenges in compatibility and connectivity in supporting the operations due to changes in technology.							
	G(iv) Inability of current infrastructure to support The Global Disaster Alert and Coordination System (GDACS) servers undermines the use of GDACS in disaster response.							

	Higher Risk	Possible	High

Focus Area: Information Technology Management

No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
	D(i) Inaccurate reporting on the funding situation to key donors due to the shift from project to institutional support donors and poor integration of ICT infrastructure for Integrated Regional Information Network.		Financial	Possible	Medium	Moderate Risk
III	**Knowledge Management and Information Sharing**			Possible	Medium	Moderate Risk
	G(i) OCHA's reports may be unreliable and inconsistent due to unreliable and untimely data reported from agencies and inconsistent reporting from its own field offices and exchange of information between its NY and GVA offices. G(ii) OCHA's reports may be less qualitative due to inadequate capacity within OCHA to analyze data obtained on populations in emergency situations from outside agencies. G(iii) OCHA's reporting may be unreliable due to lack of accurate and reliable information in respect of assessments, preparedness and financial tracking. G(iv) Loss of intitutional knowledge due to inadequate record management	Until the ICT review, OCHA is making efforts to ensure that data on displacement, assistance is accurately tracked and analyzed, and that information is shared across all agencies. Best practices in information management are shared through the Humanitarian Information Network (HIN).	Information Resources	Possible	Medium	Moderate Risk
IV	**Information Technology Resources**			Possible	Medium	Moderate Risk
	D(i) OCHA's inability to develop standardized ICT tools and enhance service delivery due to funding constraints.		Financial	Possible	Medium	Moderate Risk
	F(i) OCHA's ICT systems may be unreliable due to its IT capacity being limited or not qualified.		Human Resources	Possible	Medium	Moderate Risk

Risk Assessment of : Office for the Coordination of Humanitarian Affairs

No / 7	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
7	Focus Area: Programme and Project Management			Possible	Medium	Moderate Risk
I	Political			Possible	Medium	Moderate Risk
	E(i) Failure of national governments to sustain their support for humanitarian efforts.		Operational	Possible	Medium	Moderate Risk
	E(ii) OCHA's inability to persuade the political actors to adequately respond to the emergency, including by supporting funds raising.					
	B(i) Challenges to delivery of the humanitarian response due to OCHA's offices not being accredited on the ground or not recognized by the national Governments.		Governance	Remote	Medium	Lower Risk
II	Field offices			Possible	High	Higher Risk
	E(i) The magnitude and the complexity of the humanitarian operation in uncertain political environments causes the field offices of DRC, Somalia and Sudan to carry a high residual risk.		Operational	Possible	High	Higher Risk

Risk Assessment of : Office for the Coordination of Humanitarian Affairs

No	Interview/Review Summary (Description of risk)	Focus Area: Safety and Security				
		OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
10				Likely	High	Higher Risk
I	**Terrorist Threat**			Likely	High	Higher Risk
	E(i) Explicit target of terrorist attacks may cause security risks for OCHA staff due to OCHA's location in high risk environments.	OCHA liaises with the Department of Safety and Security to ensure that it is following all safeguards advised for its staff.	Operational	Likely	High	Higher Risk
	E(ii) Security coordination mechanisms do not cover all players involved in humanitarian activities.					
	E(iii) Gaps in security for OCHA staff due to unclear command and control structure within the security management system and between security functions and the military contingents attached to the peacekeeping missions.					
	E(iv) Compatibility of DSS rules with the nature of humanitarian work may pose challenges in its ability to deliver services. Security of NGOs is also a challenge for OCHA in humanitarian operations.					

Focus Areas

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

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

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

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

Risk Categories

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

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

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

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

12/05/2008

Risk Assessment Ratings

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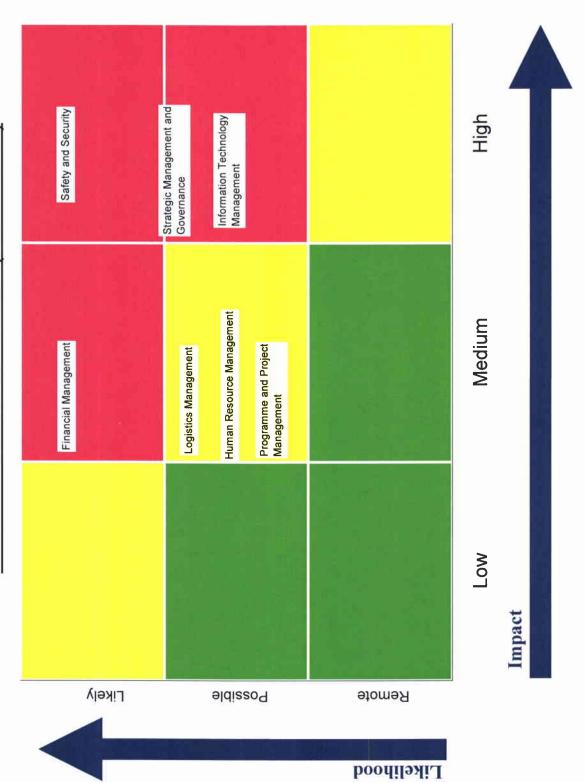
Based on the assessment of the two factors an overall risk rating is derived indicating whether the risk of a focus area is High, Moderate or Low. The ratings used is show below:

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

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

Overall Risk Combinations Impact and Likelihood	
Higher Risk	The identified issue represents the following likelihood and impact combinations: • Likely and high • Likely and medium • Possible and high
Moderate Risk	The identified issue represents the following likelihood and impact combinations • Likely and low • Possible and medium • Remote and high
Lower Risk	The identified issue represents the following likelihood and impact combinations • Possible and low • Remote and low • Remote and medium

RISK SUMMARY PROFILE (Focus Area)

	Low	Medium	High
Likely		Financial Management	Safety and Security
Possible		Logistics Management / Human Resource Management / Programme and Project Management	Strategic Management and Governance / Information Technology Management
Remote			

Likelihood

Impact

RISK SUMMARY PROFILE (Sub Focus Area)

Likelihood

- Likely
- Possible
- Remote

Impact

- Low
- Medium
- High

Fin: Funding and Reserves

Fin: Accounting and Financial Reporting

Safety: Terrorist Threat

Strategic: Strategic Vision and Work Planning

IT: Knowledge Management and Information Sharing

Fin: Funding Management

Strategic: Communication and Coordination

Strategic: Control Environment

Strategic: Leadership and Management

Strategic: Stakeholders Relations

Prog: Political

Logistics

IT: ICT Policy

Strategic: Outreach and Advocacy

Strategic: Organizational Structure and Governance

Prog: Field offices

Fin: Internal and External Fraud

Human Resources Planning, Processes and Procedures

HR: Staff training

HR: Staff accountability

IT: Information Technology Resources

IT: Management of ICT Infrastucture