



INTERNAL AUDIT DIVISION

RISK ASSESSMENT

Economic and Social Commission for
Western Asia

22 September 2008
Assignment No. AA2007/750/01

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: Mr. Bader Omar Al-Dafa - Under Secretary General,
A: Executive Secretary
Economic and Social Commission for Western Asia

DATE: 22 September 2008

for William Peters
FROM: Dagfinn Knutsen, Director
DE: Internal Audit Division, OIOS

REFERENCE: IAD: 08- 01771

SUBJECT: Assignment No. AA2007/750/01 - ESCWA Risk Assessment

OBJET:

1. I am pleased to present OIOS' risk assessment of the Economic and Social Commission for Western Asia (ESCWA) conducted during April 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 ESCWA 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. Gurpreet S. Sodhi - Chief, Budget and Finance Section,

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 ESCWA 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	<ul style="list-style-type: none">• Mr. Bader Omar Al-Dafa - Under Secretary General, Executive Secretary• Mr. Khaled Galal AbdelHamid - Secretary of the Commission, Office of the Secretary of the Commission of the Commission• Mr. Nabil Abu Dargham - Officer In Charge, UN Information Center
Financial Management	<ul style="list-style-type: none">• Mr. David L. Iyamah - Chief, Administrative Services Division• Mr. Gurpreet S. Sodhi - Chief, Budget and Finance Section,• Mr. Ahmad Dik - Chief, Budget Unit• Mr. Hatem Al-Iriani - Associate Finance Officer, Payroll, Accounts• Ms. Randa Halak - Finance Assistant, Claims• Ms. Hala Itami - Cashier, Cashier Office• Ms. Inaam Rahal - Responsible, Payment Unit• Mr. Ali Shaltaf - Finance Assistant, Payment Unit• Ms. Reina Harb - Staff Assistant/Finance Clerk, Payment Unit
Human Resource Management	<ul style="list-style-type: none">• MS. Amelia Lowe - Associate Human Resource Officer, Human Resource Management

Procurement and Contract Management	<ul style="list-style-type: none"> • Ms. Abeer Fahoum - Chief, Purchase and Transportation, Central Support Service Section (CSSS) • Mr. Mohammad Zakaib - Travel, Transport and Visa Unit, Central Support Service Section (CSSS) • Mr. Jawad Wakim - Procurement Assistant, Purchase Unit, Central Support Service Section (CSSS) • Ms. Nadine Al-Hallak - Vendor Database Assistant, Purchase Unit, Central Support Service Section (CSSS)
Information Technology Management	<ul style="list-style-type: none"> • Mr. Nalin Indrasena - Chief, Information Technology • Mr. Simon Njoe - Chief, Integrated Management Information System, IT
Programme and Project Management	<ul style="list-style-type: none"> • Mr. Mohamed Abdulrazzak - Chief, Programme Planning and Technical Cooperation Division (PPTCD) • Ms. Keiko Kimura Chatnilbandh - Senior Programme Planning and budget Officer, Programme Planning and Technical Cooperation Division (PPTCD) • Ms. Roula Majdalani - Chief, Technical Cooperation Section, Programme Planning and Technical Cooperation Division (PPTCD) • Mr. Youssef Chaitani - Political Affairs Officer, Unit for Emerging and Conflict related issues • Mr. Christopher C. Politis - Project manager, Unit for Emerging and Conflict related issues • Ms. Anhar Ibraim Hegazi - Chief, Sustainable Development and Productivity Division (SDPD) • Ms. Carol Chouchani Charfane - Acting team leader, technology and Enterprise Development Team, Sustainable Development and Productivity Division, (SDPD) • Mr. Hosny K. Khordagui - Leader, Water and Environment Team, Sustainable Development

and Productivity Division, (SDPD)

- Mr. Nizar Hassan - Acting Team Leader, Sustainable Energy Issues Team, (SDPD)
- Mr. Walid Hilal - Officer In Charge, Social Development Division (SDD) and Team Leader, Social Policy and Participatory development
- Ms. Ramla Khalidi - Team Leader, Social Policy Framework and Instruments (SDD)
- Mr. Nabil Safwat - Officer In Charge, economic development and Globalization Division (EDGD) and Team leader, Transport Team
- Mr. Ali Kadri - Team Leader, Economic Analysis (EDGD)
- Mr. Abulgasim Abdullah - Team leader, Financing and Development (EDGD)
- Mr. Mohamed Radwan - Team Leader, Trade Team (EDGD)
- Mr. Giovanni Savio - Officer In Charge, Statistics Coordination Unit, (SCU) and Senior Statistician
- Ms. Fathia AbdelFadil - Team Leader, Trade and Transport Statistics (SCU)
- Mr. Yousef Nusseir - Chief, Information and Communication Technology Division
- Mr. Mansour Farah - Team Leader, ICT Policies, Information and Communication Technology Division (ICTD)
- Ms. Nibal Idlebi - Team Leader, ICT for Development, Information and Communication Technology Division (ICTD)
- Mr. Rami Zaatari - Team Leader, Information Security Measures, Information and Communication Technology Division (ICTD)
- Ms. Suheir Azzouni - Chief, ESCWA Center for Women Division (ECWD)
- Ms. Miranda Hawa - Social Affairs

	<p>Officer, ESCWA Center for Women Division (ECWD)</p> <ul style="list-style-type: none"> • Ms. Rania Al-Jazairi - Social Affairs Officer, ESCWA Center for Women Division (ECWD) • Ms. Mirvat Abu Khalil - Consultant, ESCWA Center for Women Division (ECWD) • Ms. Ghya Baccar - Research Assistant, ESCWA Center for Women Division (ECWD)
Conference and Documents Management	<ul style="list-style-type: none"> • Mr. Rachid Somai - Officer In Charge, Conference Services Section • Mr. Issa Toubbeh - Chief MPU, Conference Services Section
Property and Facilities Management Logistics Management	<ul style="list-style-type: none"> • Mr. Deeb Ibrahim - Officer In Charge, Central Support Service Section (CSSS) and Chief Facilities Management and Mail • Mr. Halim Nader - Supervisor, Facilities Management Unit, Central Support Service Section (CSSS) • Mr. Hassan Bjermi - Supervisor, MARU, Central Support Service Section (CSSS)
Safety & Security	<ul style="list-style-type: none"> • Mr. Elias Daoud - Chief, Security and Safety Service • Mr. Said Jannoun - Deputy Chief, Security and Safety Service • Ms. Carla Ziade - Administrative Assistant, Security and Safety Service • Ms. Jamile Sousse - Administrative Assistant, Security and Safety Service • Mr. Elie Andrea - Security Inspector, Security and Safety Service

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. Human Resources Management ii. Strategic Management and Governance iii. Procurement and Contract Administration iv. Information Technology Management v. Programme and Project Management vi. Safety and Security vii. Logistics Management	Higher Risk
i. Financial Management ii. Conference and Documents Management iii. Property and Facilities Management	Moderate Risk
	Lower Risk

Risk Assessment of: ESCWA

No	Focus Area:	Strategic Management and Governance		Risk Category	Likeli-hood	Impact	Overall Risk
		Possible	High				
1	Interview/Review Summary (Description of risk)	OIOS Assessment		Possible	Medium	High	Higher Risk
1	Mandate Implementation	A(i). ESCWA may move towards more technical work at the expense of normative work. To meet its commitments ESCWA may need to find additional financial resources. This may be as a result of a lack of adequate resources and the subsequent need to cooperate with other agencies and realities on the ground.	ESCW A is making sure mandate is always clear and communicated to substantive divisions. ESCWA strengths and mandate lay in analysis and policy advisory and not in implementation. The strategic framework is still under discussion.	Strategy	Possible	Medium	Moderate Risk
		B(i). Lack of consultation at the planning stage with member states on priorities and programmes may result in the organization failing to meet its clients' needs.	ESCW A makes visits to member states to determine their priorities.	Governance	Possible	High	Higher Risk
		B(ii). Member states may unnecessarily delay response or fail to act on requests by ESCWA.					
		B(iii). Member states may send unsuitable representatives for meetings/conferences thereby compromising the quality of decisions made or resulting in non accomplishment of meeting/conference objectives.					
		B(iv). Performance of non-mandated activities may result in ESCWA interfering with other UN agencies mandated activities such as development activities done by UNDP and child related activities done by UNICEF.					

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				Possible	Medium	Moderate Risk
II	Control Environment B(i). Limited delegation of authority, lack of trust and the resulting micromanagement approach may have a negative impact on the morale of staff and hinder the ability of the organization to deliver to an acceptable standard for both quality and timeliness. B(ii). The unit responsible for quality assurance may not be clearly mandated leading to lack of understanding of mutual role of diplomatic and technical (substantive) roles and may result in low morale affecting work productivity and organizational reputation (incidents with public disagreement with member states on hot issues).	Change of management style and practices is under way with the new leadership.	Governance	Possible	Medium	Moderate Risk

Focus Area:		Strategic Management and Governance			Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Possible	Likeli-hood	Impact	Overall Risk
III	<p>Strategic planning and monitoring</p> <p>A(i). Volatile security conditions may interrupt operations and prompt the organization to relocate to another country and operate at a higher cost.</p> <p>A(ii). Lack of a contingency strategy for temporary relocation in near countries in case of adverse events may prevent the organization from ensuring continuity of operation for a long period of time. Relocation of ESCWA in other countries may be difficult due to the different degree of openness, education, democracy and quality of services available in member states. (Lebanon is an open society, with easy visa procedures, open political activities; acceptance of rights of women, good climate provides ESCWA with a sound working environment).</p> <p>A(iii). Assessment of security conditions that are performed by staff who are not based at the duty station may result in ineffective and inefficient decisions. Dynamic political context requires continuous re-assessment of security conditions. Local input is decisive for quick response. Solutions proposed by external staff may have limited impact on actual security of staff members and may lead to high relocation costs.</p>	Business continuity plans being developed, meetings held in alternative countries but at higher cost.	Strategy	Likely	High	High	Higher 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	A(iv). Due to the security situation in Lebanon, ESCWA may be relocated to another country resulting in loss of jobs by local staff members. Political and economic interests of external actors may reduce the possibility of ESCWA to find a quick solution to relocate within Lebanon.	A(v). Current "open" location of ESCWA in downtown Beirut may increase the exposure of the organization and its staff to the risk of attacks.	Lebanese government requested to provide alternative safer building/location.	Strategy	Likely	High	Higher Risk
	A(vi). The general political and security situation of the country may force the organization to run conference services in other countries of the region incurring additional costs and logistical difficulties.	A(vii). Not maximizing opportunities that exist for better collaboration with other regional commissions to share and implement best practices could result in duplication of efforts.	ESCWA coordinates very closely with other organizations to ensure that efforts are not duplicated.	Consultation on projects is done with management. Projects must go through an approval process before acceptance is given. A Quality Assurance Team first reviews the projects, and then the Project Acceptance Committee makes the final determination.	Governance	Possible	High
	A(viii). Resources may be inefficiently used by performing activities that do not meet member states expectations resulting in ESCWA becoming irrelevant.	B(i). Lack of an effective motivational strategy stemming from the top of the organization may result in poor morale and performance.	Availability of resources, perceived fairness and equity and appropriateness of management style are key.	Higher 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
C(i). Public perceptions that ESCWA is an employment agency with good conditions of service may encourage politicians to seek favours for recruitment of particular individuals contrary to set recruitment policies and procedures.	Management is enforcing recruitment procedures to minimize risk of bias and lack of international perspective. Generic job description being used.	Compliance	Possible	High	Higher Risk	
C(ii). Staff performance may be rated positively without justification and supporting evidence and permit staff with inadequate performance to maintain their jobs while preventing those with actual good performance to progress in their careers.	C(iii). Imbalances in geographic representation may result in ESCWA missing opportunities to provide its member states with a more international perspectives and experiences needed to keep up to its mandate.					
D(i). Availability of funds to sustain ESCWA activity may be constrained by the size of the organization relative to the other economic and social commissions.	D(ii). Limited RB resources may force ESCWA to rely on XB funds in order to carry out its core activities.	Financial	Likely	High	Higher Risk	
D(iii). Lack of willingness from member states to pay for additional administrative resources required for XB funded activities may result in administrative workload for the organization beyond its capability therefore impeding the smooth running of substantive work.						

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). Security conditions may prevent best candidates from taking up positions resulting in disruption to its operations. E (ii). The quality and mix of staff in some operational areas may not be optimal to provide the required outputs to meet stakeholders' expectations.		Operational	Possible	High	Higher Risk
	F (i). Direct pressure from member states of the region to support appointment of individual staff members may affect the transparency of the process and result in the appointment and retention of staff who do not possess the required competences and experiences therefore undermining the capability of the organization to deliver. F (ii). Security situation may put staff under stress and adversely affect accomplishment of outputs ESCWA.		Human Resources	Possible	High	Higher Risk

Risk Assessment of: ESCWA

No	Interview/Review Summary (Description of risk)	QIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
2	Focus Area:	Financial Management	Possible	Medium	Moderate Risk	
1	Budgeting and financial reporting A(i). Political situations may create circumstances in which financial situation cannot be reported on time or queries from regulatory bodies cannot be addressed on time. A(ii). Lack of an adequate strategy for resource mobilization may prevent ESCWA from carrying out its programme of work activities.	Business continuity and disaster recovery plans are being developed. Still there is need for contingency fund to ensure implementation. Budget overrun in occasion of evacuation and related entitlements sustained in 2006.	Strategy	Likely	High	Higher Risk
		Difficulty on the ground arising from political hostilities prevented full project implementation. Despite circumstances accounts are timely closed. All responses from regulatory bodies are timely addressed. A working group has been created to put together a strategy to identify requirements, partners and priority areas.				

No	Interview/Review Summary (Description of risk)	Focus Area: Financial Management	QIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk	Moderate Risk
2	C(i). The budget performance may not be adequately monitored resulting in funds being spent on activities not budgeted for. C(ii). Lack of independent review of income and expenditure of projects may result in management not being assured if proper accountability is observed. C(iii). Inadequate monitoring of activities in bank accounts could result in failure to detect unusual activities such as frauds. C(iv). Payment requests may not be duly certified before payment resulting in delays and increased cost to ESCWA.	Finance monitors the utilization of budget. Quarterly meetings together with PPTCD are held with Divisions to review performance and implementation. Implementation of rules now ensured through continuous communication. Bank reconciliations performed periodically.	Compliance	Possible	Medium	Moderate Risk		

No	Focus Area: Interview/Review Summary (Description of risk)	Financial Management OIOS Assessment	Risk Category	Possible Likeli-hood	Medium Impact	Moderate Risk
	D(i). Zero growth of funds for the budget, in the presence of increasing operational demands may limit the operational capability of the organization.	Supplementary budgets provided in case of unforeseen circumstances. RB is fully utilized as well as RPTC. XB is rapidly growing to face organizational needs for funding.	Financial	Possible	Medium	Moderate Risk

2	Focus Area: Financial Management	OIOS Assessment	Risk Category	Possible Likelihood	Medium Impact	Moderate Overall Risk
No.	Interview/Review Summary (Description of risk)					
	E(i). Conflict in Lebanon may disrupt operations and excessive costs may be incurred to relocate staff and operations.	Business continuity and disaster recovery plans are being developed. Still there is need for contingency fund to ensure implementation. Budget overrun in occasion of evacuation and related entitlements sustained in 2006.	Operational	Possible	Medium	Moderate Risk
	E(ii). Unstable political situation may prevent organization from implementing work programme activities resulting in surrendering unspent budget.	ESCW A is planning to develop 6/7 automated services. Pilots are being developed with support from UNION IT and HR services where these applications have been already developed and rolled out. Invoice system and EG system are already implemented, project tracking under review.				
	E(iii). Automation of processes such as time attendance and education grant, if not developed according to set development standards may result in inadequate controls to ensure reliability, availability and efficiency and effectiveness of operations as well as to prevent fraud and overpayments.	A second staff in the Cashier Unit is now paid from the Programme Support Account (LHA). This post should be regularized under the RB.	Human Resources	Possible	Medium	Moderate Risk
	F(i). Limited human resources in the function may result in overload of existing ones and negative effects on morale and health of staff and productivity of the section.	F(ii). Over reliance on one cashier position only could result in temporary interruptions of settlement of claims/payments due to staff and others when cashier is not available.				
	G(i). The organization wide introduction of ERP and IPSAS compliant applications may fail to address the unique needs of Finance services in ESCWA.	Finance involved in the development of the project.	Information Resources	Possible	Medium	Moderate Risk
	G(ii). Online attempts of fraud may limit the organization ability to effect payments on line.	ESCW A has implemented online payment system but scams still pose a threat to the integrity of data and financial resources.				

No	Focus Area:	Financial Management	Possible	Medium	Moderate Risk	
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
No	Receivables		Possible	Medium	Moderate Risk	
II	D(i). VAT paid to Lebanese Government may not be recovered resulting in financial losses to the Organization.	Negotiations with Minister of Finance are underway to amend current system to improve lengthy processes for recovery, large outstanding amounts and minimize losing money if not claimed and actually recovered within a given timeframe.	Financial	Possible	Moderate Risk	
	D(ii). Advances made to other agencies may not be recovered, or could be delayed in recoveries resulting in funds not being available to Organization when required.	Adequate approval control process is in place.				
	D(iii). Advance payment up to 50% requested to procure and ship certain goods to Iraq may increase financial exposure of the organization.	Mitigations include additional efforts to deal with backlog, assessment of satisfactory level for consultants, and internal policy on travel.				
	D(iv). Large amount of receivables may prevent the organization from adequately and timely supporting its operations	Reviewing receivables and sending reminders on a monthly basis results in clearing long outstanding receivables.				

Risk Assessment of: ESCWA

No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likelihood	Impact	Overall Risk	Higher Risk
3	Focus Area:	Human Resource Management		Likely	High	Higher Risk	
1	Recruitment	E(i). The complex and lengthy requirements for the recruitment process may result in long vacancies putting an additional strain on the ability of the organization to carry out the research required to maintain high quality of substantive output (flagship publications etc.). For example, Chief of Human Resources has been vacant for one and half years resulting in overall slower recruitment hence higher vacancy rate and people being SPA-ed further reducing interest for external recruitment.	New recruitment procedures adopted in November 2007 including using further evaluation techniques (i.e., a written test) to be administered to a wider pool of potential applicants. This in turn will assist Managers to further shortlist candidates for competency based interviews. Vacant positions now also circulated to embassies to create awareness and interest with Gulf Region applicants since so far interest in ESCWA positions has been low.	Operational	Likely	High	Higher Risk
	E(ii). Increasing demands for detailed data with tight deadlines by GA/ECOSOC/ACABQ and CPS may prevent HR limited resources from discharging its core functions.	E(iii). Delays in submitting/processing requests by programme officers could result in recruitment delays.	E(iv). Too specific job description may result in tailoring requirements to specific candidate profiles (normally job holder) and reduce competition and quality of final hire.		Adoption of generic job description is under way. Management is enforcing recruitment procedures to minimize risk of tailor made job descriptions. Generic job description being used.		

3	Focus Area: Human Resource Management	No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
	E (v). Due to security conditions a high number of candidates (up to 50-60 %) turn down offers (because of family pressures, priorities, etc.) for employment at an advanced stage of the selection process which could make the job of HR even more challenging.			With the recent CRB mandates to evaluate all applicants regardless of whether they meet the requirements of the post, more time is required to go through all applications.	Operational	Likely	High	Higher Risk
	E(vi). Recruitment of short-term staff may expose the organization to additional costs and qualitative problems.			A roster is maintained of both consultants previously hired and new applicants.				
	G(i). Fire or misplacement of documentation may result in loss of information still kept in hard copy such as the Official Status Files.			Digitization of records has started. Medical unit digitalizing all the emergency records.	Information Resources	Likely	High	Higher Risk
II	Staff Administration		F(i). HR office understaffing for an extended period of time may have a serious impact on the ability of the organization to fill and administer posts organization-wide.	ESCWIA exerting efforts to deal with vacancies and turnover.	Human Resources	Likely	High	Higher Risk
			F(ii). Increased number of projects, without corresponding increases in staffing resources, may increase stress on staff and adversely impact on quality and timeliness of delivery.					
			F(iii). Inadequate maintenance of skills and limited international experience of staff may result in poor quality output and reduce the confidence and expectations of member states.					
III	Entitlements and allowance	C(i). Staff may abuse privileges granted by host country agreement and cause embarrassment to the Organization.	Controls have been put in place to ensure no proper use of host country privileges.	Governance	Possible	Medium	Moderate Risk	Moderate Risk

3	Focus Area: Human Resource Management	Likely	High	Higher Risk	
No	Interview/Review Summary (Description of risk)	Risk Category	Likeli-hood	Impact	Overall Risk
D(i).	Staff members may request for entitlements they are not entitled to (relocation grant), resulting in fraudulent payments to staff.	ESCWa has international local staff (also stateless international staff). Their status/issue is being discussed with OLA NY in the attempt to link them with a state for entitlement purposes. All local staff have UNLP and these are kept in a safe.	Financial	Possible	Moderate Risk
D(ii).	The institution of international local staff may create additional confusion on entitlements and status of ESCWA employees resulting in losses to ESCWA.				
F(i).	Staff may misuse the UNLP issued to them resulting in damaging the reputation of the Organization.	Controls exist at both headquarters and local levels to ensure that UNLPs are issued to appropriate staff only. There have been no cases reported of misuse of UNLPs.	Human Resources	Possible	Moderate Risk
IV	Performance appraisal	Honesty and transparency in evaluation is key. Director is working closely with supervisors to ensure e-PAS is used correctly and to gain commitment of senior managers. Mandatory workshops on e-PAS.	Human Resources	Likely	Higher Risk
F(i).	Performance appraisal system may not be objective, does not recognize staff performance, causes poor morale and lack of motivation among staff members and may result in low productivity and inefficiencies in ESCWA's work programmes.				
F(ii).	Mechanisms for retention and separation of staff may fail resulting in loss of required expertise and need for training new personnel in the absence of clear criteria for evaluation of staff members.				
V	Training	D(i). Limited training budget may result in staff not maintaining and upgrading the skills necessary to perform at the required level for achievement of ESCWAs mandate.	Financial	Possible	Moderate Risk

3	Focus Area: Human Resource Management	Likely	High	Higher Risk		
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
	E(i). Trainers may not be available to conduct training in Beirut due to security concerns hence training programmes may be cancelled.	Hold training outside Lebanon and hence incur travel costs or have the training by video conference.	Operational	Possible	Medium	Moderate Risk
	F (i). Limited resources for training may result in limited opportunities for the staff to receive required training and maintain and develop knowledge and capabilities.		Human Resources	Possible	Medium	Moderate Risk
VI	Medical services		Operational	Possible	Medium	Moderate Risk
	F (i). Over-reliance on one medical doctor and two nurses to serve ESCWA and the other agencies (WFP, World Bank, UNHCR) could adversely affect the quality of service provided.					
VII	Institutional Knowledge		Operational	Possible	Medium	Moderate Risk
	E(i). Improper implementation of mobility may result in loss of organization memory.					
	E(ii). Lack of mechanisms to plan or disclose exit or to capture institution-relevant information may result in loss of institutional knowledge.					
	E(iii). Lack of mechanisms to plan or disclose exit or to capture institution-relevant information may lead to new staff having to reinvent the wheel resulting in ineffectiveness and inefficiency of operations.					

Risk Assessment of : ESCWA

No	Focus Area: Interview/Review Summary (Description of risk)	Procurement and Contract Administration OIQS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
4		Possible	High	High	Higher Risk	
1	Procurement process C(i). Contracts may be systematically extended to avoid rebidding resulting in the procurement process being compromised. C(ii). Vendors may not be adequately assessed due to lack of provision of documents necessary for registration, such as financial statements. This may result in orders being placed with vendors without capacity to deliver.	The duration of contracts is usually for three years. Extension takes place when the procurement process is not yet finalised. Procurement above 30,000 USD goes to NYHQs for advertisement. Inactive vendors are flagged but this happen very rarely.	Compliance	Possible	High	Higher Risk
	E(i). Inappropriate relationships may develop between staff members and vendors resulting in the organization not getting best value for the money spent. E(ii). Difficulties in local vendor markets may affect timeline and quality of procurement. E(iii). Late requests from requisitioners, complexity of requirements, and lengthy procurement process may result in delays in providing goods and services required for timely delivery of organizational outputs. E(iv). The quality of goods may be affected and warranty period lost when goods stay for long periods with custom while waiting on the required clearance process. E(v). LCC may not effectively oversee the procurement process because of inadequate training, qualification and experience.	Operational	Possible	Medium	Moderate Risk	Training for the LCC members has been requested.

Focus Area:		Procurement and Contract Administration		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
	E(vi). Delays in receiving customs clearance for XB Projects could affect the timely delivery of goods and adversely impact on the delivery of ESCWA's outputs. E(vii). Delays in carrying out receiving and inspection of goods in remote areas by the recipients, may expose the office to financial risks (demurrage charges) and may affect the image of ESCWA in not implementing the project on time.	Procurement process monitored and statistics compiled. Acquisition plan for the year drawn up in advance. Efforts have been made to consolidate requirements. Requisitioners and procurement staff require training on submissions and evaluation.	Operational	Possible	High	Higher Risk
	G(i). Lack of an adequate procurement application linked with IMIS may affect efficiency and traceability of procurement actions.	Monitoring manually performed.	Information Resources	Possible	Medium	Moderate Risk

Risk Assessment of: ESCWA

No	Focus Area:	Logistics Management		Risk Category	Likeli-hood	Impact	Overall Risk
		Possible	High				
1	Interview/Review Summary (Description of risk)	OIOS Assessment		Operational	Possible	High	Higher Risk
1	Travel	E(i). Movement of staff from residence to office and back may result in exposure to bomb deflagration on the road. E(ii). Absence of recommended residential areas may result in staff being dispersed in different areas of the city and its suburbs which may not be very secure. E ii) Uncertain political conditions may result in the relocation of meetings, conferences and workshops and in the increase in travel workload and costs.	To access office staff members have to travel to and from the office from different areas. These movements are unavoidable and represent the highest threat to staff security. ESCWA limits to the minimum the number of its staff to participate to such events. Some services are provided free of charge by hosting countries.				

Risk Assessment of: ESCWA

No	Interview/Review Summary (Description of risk)	OIOS Assessment	Focus Area: Information Technology Management		Possible	High	Higher Risk
			Risk Category	Likeli-hood	Impact	Overall Risk	
I	ICT Operations	New ICT strategy is under development. Last strategy was developed 5 to 6 years ago. The new ESCWA ICT Strategy is meant to be aligned with ESCWA's work programme.	Strategy	Remote	High	Moderate	Moderate Risk
	A(i). The objectives and strategies pursued by IT may not be aligned with and support those of the Organization.	D(i). Lack of adequate training funds may fail to ensure skills maintenance and upgrades needed to provide required services.	Financial	Possible	Medium	Moderate Risk	

6		Focus Area:	Information Technology Management		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk	
	<p>E(i). Lack of user knowledge of major applications may negatively affect their performance.</p> <p>E(ii). Lack of local vendors support for hardware and software may adversely affect the ESCWA operations.</p> <p>E(iii). Lack of adequate monitoring arrangements may result in inefficient and ineffective use of IT resources.</p> <p>E(iv). Lack of adequate monitoring and filtering may result in excessive load on the network and abuse of internet resources used by staff.</p> <p>E(v). New applications may go live before testing compromising the stability and operability of resources.</p>	<p>ICT has induction courses for new comers on key applications, including IMIS training database, videos and power-point presentations.</p> <p>Good technical assistance is available on local market for both hardware and software.</p> <p>Service level agreements signed with vendors for internet provision, hardware maintenance and service desk support and the agreements are observed.</p> <p>ESCWa developed tools to measure performance, troubleshoot and constantly monitor web, network, and infrastructure and replication activity.</p> <p>Web-browsing filtering system enabled. IT monitors utilization of resources and reports to supervisors when misuse is suspected.</p> <p>Staff orientation includes appropriate use of IT resources.</p> <p>ESCWa is adopting on line applications already developed and tested in UNON. Testing environment available.</p>	Operational	Possible	Medium	Moderate Risk	

6		Focus Area:		Information Technology Management				Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment		Risk Category	Likeli-hood	Impact	Overall	Risk		
	F(i). Human resource constraints may prevent maintenance of existing capacity and hinder expansion that is required to provide quality service in support of the Organizations operations.	Existing staff developed working arrangements to make up for deficiencies in staffing levels.	Human Resources	Possible	Medium	Moderate Risk				
	F(ii). Turnover of staff may have a significant impact on the provision of services since there is a small number of staff involved.	Overlapping ensured through team working and sharing.								
	F(iii). Limited training budget may result in outdated skills and inability to provide the required service.									
II	Management of ICT Infrastructure									
	D(i). Existing capacity may not be maintained and expansion may not be undertaken due to financial constraints. This could adversely affect the quality of services provided to clients.		Financial	Possible	High	Higher Risk				
	E(i). Relocation of staff in /multiple locations may result in interruption of services or inaccessibility of systems and applications.	ICT has tested and developed capability to quickly provide access to IT resources to clients in different locations in Beirut as already done in 2006.	Operational	Remote	High	Moderate Risk				
		Remote access to critical applications also provided to key staff through tokens. Spare hardware available for redeployment were/when needed.								
		Remote access device, Citrix, in place but access granted to 1 in 4 staff because of cost.								

Focus Area:		Information Technology Management			Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Possible	Likeli-hood	Impact	Overall Risk
III	Business continuity and disaster recovery A(i). Inadequate preparations for possible disasters could result in unavailability of IT resources to support ESCWA operations.	Management undertook comprehensive business continuity and disaster recovery plans and, as a part of the proposed BC plan for ESCWA, UNODC/Vienna was identified as the DR location. In addition to this arrangement, ESCWA has backup systems and redundancies established to minimize data losses. Eighty percent of data and critical applications are replicated remotely outside the country (IMIS, Lotus and Substantive systems, website are replicated remotely. Tape back ups are maintained offsite) Key staff members provided with devices (CITRIX) for them to work from home during emergencies.	Strategy	Remote	High	High	Moderate Risk
IV	D(i). Contingency funding may not be readily available through regular budget resulting in difficulties in relocation of staff in /multiple locations while ensuring operability. Communication services G(i). Limited bandwidth availability and high cost may prevent effective and efficient backup of all critical data that is required for business continuity and smooth recovery in the event of a disaster. G(ii). Low reliability of local internet provider may result in interruption to services or lower productivity. G(iii). Communication services delivered to internal clients may not be rendered at expected level resulting in low client satisfaction	ICT can still establish bare minimum operability with own means but funds are still needed to ensure smooth business continuity.	Financial	Possible	High	High	Higher Risk

6		Focus Area:	Information Technology Management		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk	
V	IT Security E(i). Lack of adequate logic access control system may result in unauthorized access to sensitive critical data, loss/theft of the data or manipulation of the data.	ESCW A has put in place intruder prevention and detection controls.	Operational	Remote	High	Moderate Risk	
	C(i). Disposal of hardware may not be carried out in accordance with set rules resulting in loss of confidentiality of sensitive information.	Computer disks cleaned (overwritten) of all programmes and data before disposal.	Compliance	Remote	High	Moderate Risk	

Risk Assessment of: ESCWA

No	Focus Area: Programme Planning and Technical Cooperation	Interview/Review Summary (Description of risk)	OIOS Assessment	Programme and Project Management		Risk Category	Likeli-hood	Impact	Overall Risk
				Possible	High				
1	B(i). Lack of clarity of roles between the programme planning unit and the substantive divisions on responsibilities for quality assurance may result in inefficiencies and ineffectiveness in mandate implementation.	D(i). Not accounting for funds received from donors could result in donors not supporting future projects D(ii). Tendency of substantive division to negotiate or forfeit programme support fees to be more attractive to donors may create additional stress on already limited resources in the division.	Resource Mobilization Taskforce created to assess the status of funding for operational activities and prepare a plan of action to improve the situation. Project Committee established upon the recommendation of OIOS to ensure improved efficiency in resource mobilization and quality control in project management.	Financial	Possible	High	Higher Risk		

Focus Area:		Programme and Project Management			Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk	
7	<p>E(i). Research may not be given adequate importance resulting in research products that do not meet the needs of member states.</p> <p>E(ii). Lack of resources to conduct quality assurance may result in ESCWA publishing documents that do not meet expected quality standards and could lead to low client satisfaction.</p> <p>E(iii). Lack of congruency of performance evaluation and budget may result in failure to assess if expenditure of budget resources is achieving intended results.</p>	<p>ESCWa consults with the DESA statistics division in headquarters to add assurance on the quality of the data obtained from national governments. Professional judgment must also be used when determining the accuracy and validity of data.</p> <p>ESCWa follows the policies and practices of the UN regulations; however, ESCWA may have implemented additional internal controls.</p>	Operational	Possible	High	Higher Risk	
	<p>F(i). High vacancy rates due to untimely recruitments and turnover could result in important tasks in the unit remaining undone.</p> <p>F(ii). Inadequate implementation of mobility programme and turnover of staff could erode the organizational memory.</p>	<p>The mobility requirement is a result of the UN-directed mobility program, and ESCWA is implementing the program in accordance with UN regulations. ESCWA uses temporary staff for continuation purposes.</p>	Human Resources	Possible	High	Higher Risk	

Focus Area:		Programme and Project Management			Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk	
II	Sustainable Development and Productivity Division			Likely	Medium	Higher Risk	
	<p>A(i). Acceptance of additional XB funded activities forfeiting the management fee may result in increased stress on limited administrative resources and negatively affect ESCWA performance and reputation.</p> <p>A(ii). Volatile political conditions in the region may result in sudden war/conflict outbreaks disrupting substantial activities aimed at support of development of business and commercial activities.</p> <p>B(i). Changes in focal points as a result of political changes in member state countries may result in low responsiveness or lack of continuity in initiatives that are underway.</p> <p>B(ii). Member States may perceive ESCWA as favouring particular states, negatively affecting the credibility of the Organization.</p> <p>B(iii). Non implementation of ESCWA recommendation by Member States may result in identified opportunities for improvements not being exploited.</p>	<p>Strategy</p> <p>Likely</p> <p>Governance</p> <p>Possible</p>	<p>Medium</p> <p>Likely</p> <p>High</p> <p>Higher Risk</p>				

No.	Focus Area: Interview/Review Summary (Description of risk)	Programme and Project Management		Possible	High	Overall	Higher Risk
		OIOS Assessment	Risk Category	Likeli-hood	Impact		
D(i).	Zero growth budget approach may not serve the mandate of the organization as demand for its activities increases. Demands and commitments by the organization for substantive work have increased but the budget has not followed suit forcing ESCWA to reallocate staff and to expose itself to the risk of compromising the quality of the programme delivery while looking for additional XB funds.		Financial	Likely	Medium	Higher Risk	
D(ii).	Request for a 13% management fee for administration and oversight of additional XB funded activities may preclude ESCWA from accessing additional funds.		Operational	Possible	Medium	Moderate Risk	
E(i).	Improper estimation of the administrative workload may negatively impact the ability of the division to carry out its programmatic activity.	Management develops estimates of time spent on support activities.					
E(ii).	Additional requests for services may disrupt programme delivery of already planned projects.						
E(iii).	Consultants hired to carry out XB activities may promote partner priority at the expense of ESCWA mandate.						
E(iv).	Resolution to have all publications in Arabic may delay production of documents due to lack of translation services. This could result in production of documents that are too late to be useful to member states.						

Focus Area:		Programme and Project Management			Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk	Higher Risk
7	F(i). Current staffing levels may not be adequate to fulfill the mandate of the division.	Management has started to address the issues.	Human Resources	Likely	Medium		
	F(ii). High vacancy rate, of about 50%, limited control and information on staff movements, length of the recruitment process, coupled with a high rate of retirements and long recruitment timelines may put additional strain on available staff and may force the organization to over-rely on short term contracts creating additional problems in terms of transparency and geographical representation.						
	F(iii). Political instability in Lebanon and relevant economic, demographic, and labor market differences in the Arab region may result in lower attractiveness of ESCWA to certain member states, further reinforcing the existing geographic representation bias. Demographics of Arab population coupled by local political conditions, historical events (relocation of the organization), and the low economic attractiveness to member states in the gulf area has brought to a polarization of ESCWA staff towards certain nationalities.						

Focus Area:		Programme and Project Management		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
7	F(iv). The performance evaluation system may not function as intended to reward good performance and counter poor performance by staff members. F(v). Misconception of Arabic as a required language to work in ESCWA may prevent suitable international candidates to apply for positions. F(vi). Reallocation of staff among divisions without prior consultation may undermine the ability of the affected divisions to complete their programme of work.	Requirements for Arabic language as working language has been removed.	Human Resources	Likely	Medium	Higher Risk
	G(i). Difficulties in availability, accessibility and reliability of data, may adversely affect the quality of research done and documents produced as well as the timing of their delivery. G(ii). Lack of responsiveness from member states in providing data, divergence between data provided by government and private sources, and incompatibility of data provided by different sources result in delays in publications and in gaps in information available for assessments.	Information Resources	Possible	Medium	Moderate Risk	

Focus Area:		Programme and Project Management			Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk	
III Centre for Women	A(i). ESCWA push to have legislation that sustains women's rights may openly conflict with local customs and values. A(iv). Results of research and publications on matters of women rights may result in open disagreement and political embarrassment with member states	Diplomacy used.	Strategy	Likely	Medium	Moderate Risk	
	B(i). Public perception that advocacy for women rights is a Western concept may prevent introduction of measures to guarantee women's rights. B(ii). Indifference to gender issues may hinder successful implementation of gender empowerment programmes. B(iii). Member States may select the wrong representative as participants to ESCWA workshops aimed at promoting women's right reducing the impact of such actions.	Governance	Possible	High	Higher Risk		

Focus Area:		Programme and Project Management			Higher Risk		
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Possible	High	Overall Risk	
			Likeli-hood	Impact	Medium	Moderate Risk	
7	E(i). The performance of the centre for women activities may not be appraised resulting in lack of appreciation of the impact of the activities undertaken.	Workshop evaluations conducted and follow ups done after 2 years to gauge actual impact of the programmes.	Operational	Possible	Medium	Moderate Risk	
	E(ii). Staff may waste time on administrative activities instead of using it for core women empowerment activities.						
	E(iii). Length of procurement process may result in delays in acquisition of advocacy materials required for implementation of programmes.	Plan ahead to avoid disruption.					
	E(iv). Security situation in Lebanon may force the relocation of workshops for advocating women's rights and result in increased cost.						
IV	Information and Communication Technology	Studies are being undertaken to address issues on legal system as it cannot adequately support IT strategies – e.g. cyber laws, laws governing use of internet, ecommerce, e-government etc. that are not there.	Strategy	Possible	High	Higher Risk	
	A(i). Political or security disturbances may disrupt operations.						
	A(ii). Environmental conditions, lack of infrastructure and financial resources to develop may prevent implementation of ICT strategies and access to and utilization of ICT.						
	A(iii). Political priorities of member states and changes in political directions and governments may hinder implementation of policy if focal points leave or rotate to different positions.						

No	Focus Area: Interview/Review Summary (Description of risk)	Programme and Project Management OIOS Assessment	Risk Category	Likeli-hood	Possible	High	Higher Risk
7	B(i). Difficulties in collaborating with member states may result in non implementation of IT strategies. B(ii). The people who receive IT training to assist member states in formulating ICT strategies, may leave the organization creating problems. Replacements may need training and have to go through the learning curve B(iii) Member state aspirations may not be in line with word wide ICT trends, thereby making crafting and implementation of strategies difficult. Member States may prefer to utilize resources in priority areas other than ICT.	ESCWIA deals with focal points appointed by each member states.	Governance	Possible	Medium	Moderate Risk	
	D(i). Available financial resources may not be adequate to implement ICT strategies resulting in cutting back on participants or relocating workshop to cheaper destination.			Financial	Possible	High	Higher Risk

Focus Area:		Programme and Project Management		Possible	High	Higher Risk
No.	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
7	E(i). Arabic content in IT applications is low hence may result in low utilization of applications by member states. E(ii). Lack of assessment of the impact of ICT on economic and social development may result in lack of visibility of the benefits of ICT investments. E(iii). Delays in receiving inputs from other divisions in ESCWA could result in the division not meeting its deadlines for delivering its services to member states. Input from support services may be delayed by overall backlog/workload for services such as translation, reviewing, and editing. F(i). Human resource skills needed to handle specific areas may be lost through staff turnover.	ESCW A is increasing efforts to develop content in Arabic to ensure relevance and accessibility of content. Indicators for utilization of ICT are being developed and emerging statistics are used to guide strategy. Capacity being built to collect share and publish data. Each member state country being profiled to know where they are.	Operational	Possible	Medium	Moderate Risk

7		Focus Area:	Programme and Project Management		Possible	High	Higher Risk	
No	V	Interview/Review Summary (Description of risk)	OIOS Assessment		Risk Category	Likeli-hood	Impact	Overall Risk
			Possible	High	Moderate Risk			
	Statistics Coordination	B(i). Lack of coordination with other UN agencies may result in duplication of data requests and collections, thereby overburdening the data sources.	ESCW A staff and members states are required to use internationally accepted statistics compilation procedures.	Operational	Possible	High	Higher Risk	
		E(i). Inaccuracies in data compilation may result in publication of unreliable statistics and cause damage to the reputation of the Organization.						
		E(ii). Lack of standard data transmission procedures may result in inefficiency and inaccuracy in data compilation. Data received from a variety of sources such as by fax, telephone, email, and from websites, thereby resulting in additional work being done and inconsistencies in data collected.						
		E(iii). Data may be lost, and thereby paralyze operations of ESCWA.	ESCW A maintains a database and this is replicated remotely. Daily back ups are made of drives.					
		E(iv). Security incidents may disrupt normal operation required to produce statistics.	80-90% of work can be done from home by staff working remotely.					
		F(i). Delays in recruitment of staff, high staff turnover, and difficulty in attracting staff may result in high vacancy rates which could lead to important tasks not being done.	New Chief of HR appointed.	Human Resources	Possible	High	Higher Risk	
	VI Economic Development and Globalization	B(i). Lack of clarity on the respective roles of the planning and the substantive units may result in dissatisfaction by substantive units thereby adversely affecting attainment of common organization goals.		Governance	Likely	High	Higher Risk	

Focus Area:		Programme and Project Management			Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk	
	D(i). Inadequacy of resources may result in failure to meet member states requests such as the provision of up to date advice and guidance on policy making and implementation.		Financial	Possible	Medium	Moderate Risk	
	E(i). Production and circulation of documents that do not meet the high organizational standard may result in open criticism of work done. This may be as a result of weakening of internal checks on quality.	Research work is peer reviewed and vetted by planning unit before publication.	Operational	Possible	High	Higher Risk	
	E(ii). Poor working relationship between ESCWA units involved in providing, checking publications as a result of inadequacy of staffing levels and skills in the planning unit may result in the unit being seen as not adding value to the document production process.						
	E(iii). Inadequacy of quality assurance controls in research done may result in ESCWA providing poor advice to member states that may result in loss of organization reputation and failure to meet key organization mandates.						
	E(iv). Inadequate security arrangements may result in high perceived exposure and stress for staff. ESCWA is faced with security exposures including threat of car bombs, building not being MOSS compliant, and wrong location of the building makes it vulnerable to rocket attacks.	Host government has been requested to provide alternative safe building and location.					
	G(i). Limited IT equipment may result in disruption of work as not all staff members can work from home during political or security disturbances.	Tokens for remote access distributed but distribution is still limited due to cost	Information Resources	Possible	Medium	Moderate Risk	

Focus Area:		Programme and Project Management			Possible	High	Higher Risk	
No	Interview/Review Summary (Description of risk)	OIOS Assessment		Risk Category	Possible	Likeli-hood	Impact	Overall Risk
VII	Conflict Mitigation and Development	Projects are planned and executed with full involvement of the interested communities.		Strategy	Possible	High	Higher Risk	
	A (i) ESCWA may plan and implement programmes that do not meet communities' priorities and needs.	A (iii) Organizational requirements to issue "politically correct" statements may prevent appropriate communication of the causes of conflicts and result in identification of wrong measures to mitigate the conflicts. Need for political correctness by the UN and other actors involved in conflict resolution prevent open discussion on sensitive issues which could result in root causes of problems not being addressed.						
	A (iv) Emergence of non state actors may increase political complexity in attempting to find solutions for conflict mitigation. Non state actors , such as Hezbollah, Hamas, and Muslim Brotherhood, can exert relevant political, military and social pressure.			Governance	Possible	High	Higher Risk	
	B (I) Conflicts/problems may not be resolved due to obstacles such as cultural resistance to change, denial, resistance to host government, objections on religious grounds, and management unwillingness to take risks. Cultural resistance to change, denial, resistance to host government, objections on religious grounds, and management unwillingness to take risks pose big threats to conflict resolutions.							
	D (i) The Organisation may not properly account for funds donated for projects resulting in embarrassment to the organization and loss of further funding of projects.	All funds donated to the organization are accounted for.		Financial	Possible	Medium	Moderate Risk	

Focus Area:		Programme and Project Management		Possible	High	Higher Risk
No.	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
7	E (i) Resources may be wasted resulting in failure to meet project objectives when partnering with other entities. E (ii) The impact of projects undertaken may not be known and resources could be wasted without detection. E (iii) Inability to identify and analyse trends may result in failure to meet emerging needs in a conflict. E (iv) Security emergencies may disrupt programmes. G (i) Lack of knowledge management system may result in erosion of organization memory when key staff leave the organization.	Partners are carefully chosen, letters of agreement signed, MOUs done. Consultants are appointed to conduct post programme evaluations. Contingency plans developed. Knowledge sharing done with all team members, a database has been created for all consultants involved in the programme.	Operational	Possible	High	Higher Risk

Focus Area:		Programme and Project Management		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
VIII	Social Development	ESCWA tries to find alternatives for delivering programmes, though these are often more expensive.	Strategy	Possible	Medium	Moderate Risk
	A(i). Regional instability, such as in Palestine, Yemen and Lebanon, may result in failure to implement social development programmes.	Regular discussions held with member states to facilitate planning.		Possible	High	Higher Risk
	A(ii). Providing support to civil society, which could contradict government positions, may cause political risks to ESCWA.	Intense training programmes held to get civil society and governments to appreciate benefits of planned projects.				
	A(iii). Lack of adoption of recommendations made by ESCWA may omit carrying out identified opportunities for improvement resulting in member states losing interest.	Studies are undertaken as basis for discussion with member states.				
	A(iv). Additional requests from member states may overwhelm ESCWA resulting in disruption in implementation of planned programmes.					
	A(v). Failure to exploit outsourcing opportunities may result in wastage of resources.					
	B(i). Lack of clarity on delegation of authority could result in confusion regarding team leaders responsibilities.	Depending on the unit chief responsible, some tasks are allowed in certain teams but not in others.	Governance	Possible	Medium	Moderate Risk
	B(ii). Lack of coordination among other actors involved in social development, may result in duplication of efforts or gaps in meeting social need.					

Focus Area:		Programme and Project Management		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
7	E(i). Limited information technology tools for staff to work remotely may result in non performance of work during security/political disturbances. E(ii). Lack of knowledge management tools for gathering, storing, and sharing organizational knowledge could result in loss of organization memory when key staff leave.	Tokens for remote access distributed but distribution is still limited due to cost. Knowledge management system not available.	Information Resources	Possible	Medium	Moderate Risk
	F(i). Working culture may not support the performance appraisal system resulting in good performance not being rewarded and poor performance going unpunished. F(ii). Delays in recruitment may result in important social development activities not being undertaken. F(iii). Lack or limited training may result in failure to enhance staff capacity to meet emerging social challenges faced.	Management has started to address these issues.	Human Resources	Possible	Medium	Moderate Risk

Focus Area:		Programme and Project Management		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
7	IX Information services	A(i). Failure of the UN system to develop an effective corporate image in the region may adversely impact the Organization's ability to effectively operate in the region.	Executive Secretary and UNIC are concentrating efforts on changing perceptions through a media strategy and different management practices.	Likely	High	Higher Risk
	A(ii). Lack of clear corporate identity and public perception that ESCWA receives operational guidance from particular member states may impede smooth delivery of services to member states.	A(iii). The media may portray Beirut as not being secure thereby adversely affecting ESCWA activities such as holding of conferences or recruitment of best candidates.				
	B(i). Management practices in conducting the business may create the perception of preferential treatment for staff coming from specific countries so hindering a better geographical representation and creating an unhealthy work environment.	B(ii). The staff may portray the institution as providing good service to the Member States when that may not be the case.	Executive Secretary and UNIC are concentrating efforts on changing perceptions through a media strategy and different management practices.	Governance	Likely	High
	G(i). Failure to ensure one source of information on UN initiatives may result in inconsistent messages being sent out which could adversely affect the image of the Organization.		Executive Secretary and UNIC are concentrating efforts on changing perceptions through a media strategy and different management practices.	Information Resources	Likely	High

Risk Assessment of : ESCWA

No		Focus Area:	Conference and Documents Management	Possible	Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
I	Documentation Production B(i) Lack of quality control in the production of documents circulated by ESCWA could result in loss of the reputation of the Organization.	Programme planning and coordination unit in charge to review quality of publications made by substantive offices. Quality needs being defined.	Governance	Possible	Medium	Moderate Risk
	D(i). Delays in submission of input may result in overtime costs being incurred for staff to complete work on time.	Submission deadlines established. Part of work done through remote translators although it is difficult to find good staff who also have UN experience. Rely on UN retirees roster.	Financial	Possible	Medium	Moderate Risk
	E(i). Delays in submission of input by divisions may adversely affect quality of review of publications and timely availability of documents required for conference meetings and decision making. E(ii). Complaints by counterparts for projects regarding delivery, quality, technical aspects and contractual arrangement of projects may result in reputation loss of the organization.	Timeline defined. Documents are often completely reworked because of content quality, language or to avoid open disagreement with member states.	Operational	Possible	Medium	Moderate Risk

8		Focus Area:	Conference and Documents Management			Possible	Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk		
ii	Conference Service A(i). The political and security condition in Lebanon may prevent ESCWA to host conferences in its facilities and to use its own staff resources.	There is no documented contingency plan. However, ESCWA experimented a back up for conference management in Jordan after relocation. Administration is short listing hotels with conference facilities in other countries and is using UNDP negotiated arrangements to facilitate procurement process.	Strategy	Possible	High	Higher Risk		
	E(i). Lack of procedures for identifying and selecting interpreters and translators for temporary assistance could result in the process being perceived to be non transparent by stakeholders.	Interpreter and translators are tested and paid on small jobs and maintained on local roster only if they render satisfactory services. Consultants on the roster are used on a rotational basis to avoid preferences.	Operational	Possible	Medium	Moderate Risk		

No	Focus Area: Interview/Review Summary (Description of risk)	Risk Category	Possible Likeli-hood	Medium Impact	Moderate Risk
8	F(i). Lack of team spirit among staff may adversely affect accomplishment of divisional goals. F(ii). Constraints on staffing level may result in backlogs, increased workloads for available staff and/or cost for overtime and temporary assistance. F(iii). Non utilization of professional conference management staff at some of ESCWA conferences may result in a higher opportunity cost, a lower quality of output and damage to the reputation of the organization. F(iv) Reallocation of staff resources from conference division to other divisions may result in additional pressure on already limited staff resources. F(v) Prolonged top position vacancy in the division and perception of interferences in the appointment process may result in lack of confidence in the leadership and low motivation of staff members.	Human Resources	Possible	Medium	Moderate Risk

Risk Assessment of : ESCWA

No	Focus Area:	Property and Facilities Management	Possible	Medium	Moderate Risk	
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
I	Provision of office space and utilities	Contingency plans made in case of security and political disturbances, and internal procedures developed.	Strategy	Possible	Medium	Moderate Risk
	A(i). The security and political situation in Lebanon may require additional resources for the Organization to relocate staff, set up additional offices and provide staff with required security and facilities (such as water, electricity, telephones) at the new locations.	E(i). The limited office space may not accommodate increasing operational requirements. E(ii). Utility service providers may fail to supply required services resulting in staff members' inability to work effectively. E(iii). Lack of adequate energy/resource saving measures may result in additional strain to already limited financial resources.	ESCWA has put back up measures in place. For example, generators have been installed to provide electricity, in case of disruptions, to ensure business continuity. Energy /resource saving measures such as centrally controlled lighting and ventilation is used.	Operational	Possible	Moderate Risk
II	Safeguard of equipment and supplies	E(i). Lack of adequate control on property may result in loss or misappropriation of equipment and supplies. E(ii). Equipment may be stolen from offices or during relocation to/from other locations. For example, some laptops were lost in hotels during relocations.	Operational	Possible	Low	Lower Risk

Focus Area:		Property and Facilities Management		Possible	Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
III	Record keeping E(i). Keeping documents in hardcopy only may result in (a) higher risk of loss through fire, (b) misplacement during relocation, and (c) inefficient use of limited storage space. Most documentation kept in hard copy and hence occupies more storage space and can be destroyed/lost in case of fire or relocation.	Electronic archiving being studied for possible implementation. Controls in place to mitigate risk of fire. This include fire drills.	Operational	Possible	Medium	Moderate Risk

Risk Assessment of: ESCWA

No	Focus Area:	Safety and Security	OIOS Assessment	Risk Category	Possible	High	Higher Risk
					Likeli-hood	Impact	Overall Risk
10	Interview/Review Summary (Description of risk)				Possible	High	Higher Risk
1	Security	A(i). Current location of ESCWA Headquarters may result in higher exposure to hostile activity from external and local political actors. The current location of ESCWA building lacks the minimum stand-off distance required to mitigate threats by means of Vehicle Born Improvised Explosive Device (VBIED), Person Born Improvised Explosive Device (PBIED)". The current protective measures may minimize the risk of structural damage but would not protect the occupants of the building from severe injuries in case of an attack.	Management is in contact with host country to find alternative locations within Greater Beirut (existing buildings) and outside (to construct new buildings). Physical access to the building is restricted by concrete barriers. Premises are monitored through extensive CCTV from the control room. Formal and informal military personnel guards restrict access to the building. Temporary relocation of staff in hotels had been implemented in the past to minimize attractiveness of target and extent of losses in case of attack. Hospitals available in the area in case of adverse event.	Strategy	Possible	High	Higher Risk

10	Focus Area: Safety and Security	Possible High	Higher Risk	
No	Interview/Review Summary (Description of risk)	Risk Category	Governance	Overall Risk
	OIOS Assessment	Likeli- hood	Possible	Moderate Risk
	B(i). The complex reporting lines for the Security Unit, to Executive Secretary, DSS and Designated Security Official, may adversely affect smooth operations of security. B(ii) Delegation of authority and the lack of a clear accountability framework may result in moving responsibility at the lower level and failure to ensure enforcement and implementation of security measures.			
	C(i). Lack of full Moss Compliance (minimum stand-off distance required) may increase risk of damages and losses in case of hostile activity.	Security has put in place a number of measures to mitigate risk and improvements are expected with PACT Phase 1 when implemented.	Compliance	Possible High

Focus Area:		Safety and Security				Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment		Risk Category	Likeli-hood	Impact	Overall Risk	
10	<p>E(i). Relocation of staff in hotels in Beirut may result in additional exposure of staff members to hostile actions as most hotels lack required MOSS-like requirements.</p> <p>E(ii). Presence of informal militia at access points to ESCWA may result in increased threats to staff security.</p> <p>E(iii). Lack of contingency planning may result in the inability of the organization to deal with unexpected events and compromise staff security and operations.</p> <p>E(iv). Volatile political situation may quickly degenerate and expose ESCWA staff to life threatening events, damage property and disrupt operations.</p> <p>E(v). Movement of staff from residence to office and back may results in exposure to bomb deflagration on the road.</p> <p>E(vi). Lack of requirement for staff to live in selected areas may result in logistical difficulties for protection and/or evacuation in case of emergency.</p>	<p>Management and security tried to manage these changing circumstances to relocation of staff from office to hotels and a later stage from hotels back to the office.</p> <p>Informal militia presence is coupled with presence of host country police and UN Security officers at access points to facilitate movement of staff. Presence of the informal military is aimed at controlling access to nearby government offices and mitigates risk of attack from UN-hostile organizations.</p> <p>Some degree of dialogue and coordination with militia happens through host country authorities.</p> <p>ESCWA has embarked on contingency planning and business continuity and had in the past the opportunity to test and work out contingency arrangements to deal with actual threat to staff and operations.</p> <p>ESCWA has developed a psychological and operational readiness for evacuation and relocation through past movements to Iraq, Jordan and within Beirut.</p>	Operational	Possible	High		Higher Risk	

No	Focus Area:	Safety and Security	Possible	High	Higher Risk	
	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
10		<p>Security measures are in place to protect staff and property.</p> <p>Evacuation plan has been prepared and submitted to DSS.</p> <p>ESCWA has established links with formal and informal political actors to gather intelligence and closely monitor political situation.</p> <p>Warden system equipped with VHF is in place to ensure communication and coordination.</p>				

10	Focus Area: Safety and Security	Interview/Review Summary (Description of risk)	OIOS Assessment	Possible	High	Higher Risk
No	Risk Category	Likeli-hood	Impact	Overall	Risk	
G(i). Obsolescence of current security technology may result in failure to effectively dissuade and detect threats resulting in loss of lives and property.	Information Resources	Possible	High		Higher Risk	

G(ii) Low reliability of communications may result in communication breakdowns and threat to staff security and to stoppage of operations.

G (iii) Communication traffic generated by emergency may jam the networks.

Some staff members have also been equipped with tokens to permit remote access to critical applications and information to ensure business continuity in the event they are forced out of office.

Hotline has been established between operation centre/control room and governmental offices.

10	Focus Area: Safety and Security	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Possible	High	Higher Risk
No	Safety			Likeli-hood	Impact	Overall Risk	
II	E(i). Inability to make adequate preparation in case of fire could result in loss of life and damage to property. E(ii). Inability of staff to react appropriately in an emergency could result in loss of life. E(iii). Structure of building and extensive glass surface (70%) may result in higher exposure and damages in case of attack. E(iv). Inadequate screening for packages may result in injuries and damages. For example, receipt of packages containing bombs.	Controls in place to detect and mitigate risk of fire. Building equipped with functional prevention, detection and fire fighting equipment and procedures, which are regularly tested. Fire officer always available in the building. PACT Phase 2 will also equip security with detectors of presence to quickly identify staff members remained/trapped in the building.	Operational	Likely	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 Management	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 are as follows:

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

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

Risk Assessment Ratings

The OIOS Risk Assessment Framework evaluates the likelihood of the risk occurring and the impact it will have if it occurs.

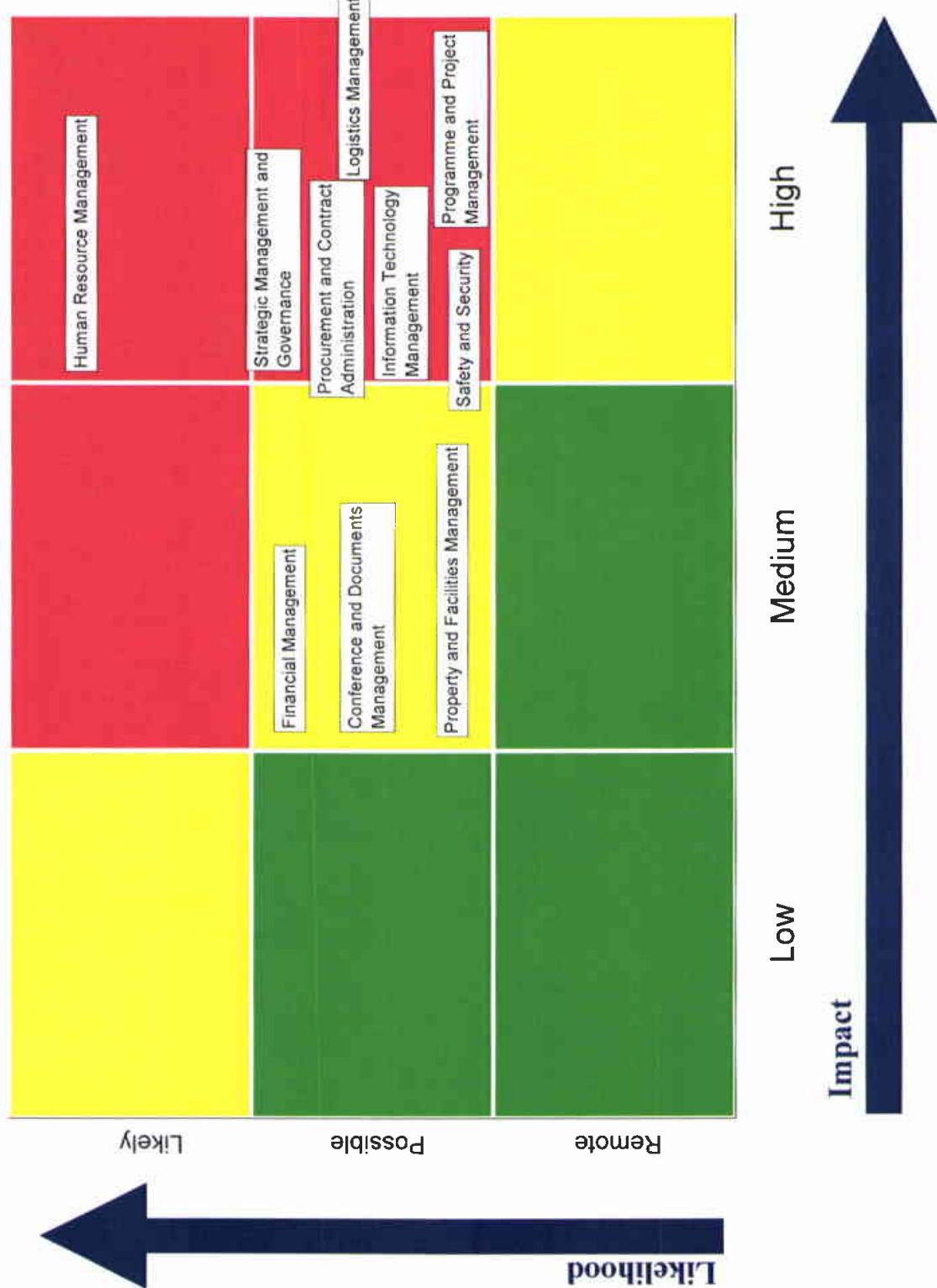
Based on the assessment of the two factors an overall risk rating is derived indicating whether the risk of a focus area is High, Moderate or Low. The ratings used are shown below:

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

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

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

RISK SUMMARY PROFILE (Focus Area)



RISK SUMMARY PROFILE (Sub Focus Area)

