



**INTERNAL AUDIT DIVISION**  
**OFFICE OF INTERNAL OVERSIGHT SERVICES**

**RISK ASSESSMENT**

**United Nations Office on Drugs and  
Crime (UNODC)**

**17 October 2007  
Assignment No. AE2007/361/0(UNODC)**

**United Nations**  **Nations Unies**  
INTEROFFICE MEMORANDUM MEMORANDUM INTERIEUR

INTERNAL AUDIT DIVISION · DIVISION DE L'AUDIT INTERNE  
OIOS · BSCI

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

DATE: 17 October 2007

REFERENCE: AUD-File no. (07- 00648)

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



SUBJECT: Assignment No. AE2007/31/0 - UNODC Risk Assessment Update

OBJET:

1. I am pleased to present OIOS' risk assessment of the United Nations Office on Drug and Crime which was carried out from May to August 2007 for your information. While we do not require a formal response to this report, you are welcome to discuss any of the issues raised further.
2. OIOS encourages the United Nations Office on Drug and Crime to use the results of this risk assessment to put in place appropriate risk mitigation measures. OIOS will update the risk assessment periodically, based on subsequent audits or additional information obtained.
3. I take this opportunity to thank the management and staff involved in the risk assessment for the assistance and cooperation provided to the project team in connection with this assignment.

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

## **INTERNAL AUDIT DIVISION**

### **FUNCTION**

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

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## PARTICIPANTS

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

<b>Name</b>	<b>Functional Title</b>
Strategic Management and Governance Programme and Project Management	<i>Mr. Franz Baumann</i> , Deputy Executive Director, UNODC <i>Mr. Bo Mathiesen</i> , Chief of Staff, Office of the Executive Director <i>Mr. Francis Maertens</i> , Chief, Division for Policy Analysis and Public Affairs (DPAPA) , UNODC <i>Mr. Johan Weijers</i> , Department of Public Affairs, CPS, DPAPA, UNODC <i>Mr. Ugliesa Zvekic</i> , Chief, Strategic Planning Unit, DPAPA, UNODC <i>Mr. Backson Sibanda</i> , Independent Evaluation Unit, DPAPA, UNODC <i>Mr. Sandeep Chawla</i> , Chief, Policy Analysis and Research Branch, DPAPA, UNODC
Programme and Project Management	<i>Mr. Jeffrey Avina</i> , Chief, Division for Operations, UNODC <i>Ms. Sunro Noyan</i> , Chief, Division for Operations (outgoing), UNODC <i>Mr. Bernard Frahi</i> , Chief, Partnership in Development Branch, Division for Operations, UNODC <i>Mr. Rob Boone</i> , OIC, Division for Treaty and Legal Affairs Branch, Division for Treaty Affairs, UNODC <i>Ms. Catherine Volz</i> , Chief Human Security Branch, DO, UNODC <i>Mr. Noli Kouame</i> , Chief, Secretariat of the International Narcotics Board <i>Mr. Christopher van der Burgh</i> , Chief, Africa and Middle East Section, PDB, DO, UNODC <i>Ms. Norha Restrepo</i> , Public Information Officer, DPA, AS, UNODC <i>Ms. Barbara Remberg</i> , Scientific Affairs Officer, DPA, PARB, SPU, UNODC <i>Ms. Katherine Keyser</i> , Programme Management Officer, DPA, PARB, LSS, UNODC

Name	Functional Title
Financial Management	<i>Mr. Chris Kirkcaldy</i> , Chief, Financial Resources Management Services <i>Mr. Kenneth Ericsson</i> , outgoing, Chief Financial Resources Management Services <i>Ms. Jessica Turner</i> , Chief Accounts Section, FRMS, DM, UNODC/UNOV <i>Ms. Maria Rosario Paguio</i> , Financial Management Officer, FRMS, DM, UNODC/UNOV
Human Resources Management	<i>Ms. Khurshid Bhimani</i> , Chief, Human Resources Management Services, DM, UNODC/UNOV <i>Ms. Margrete Sobrale-Kiefl</i> , Chief, Staff Administration Unit, HRMS, UNODC/UNOV
Information Technology	<i>Mr. Philip Kruss</i> , Chief, Information Technology Services, DM, UNODC/UNOV
Security and Safety	<i>Mr. Nauludole Mataitini</i> , Chief, Security and Safety Section, DM, UNOV/UNODC <i>Mr. Rahimi Sassan</i> , Asst. Chief, Security and Safety Section, DM, UNOV/UNODC <i>Mr. Christopher Ankersen</i> , Deputy Chief, Security and Safety Section, DM, UNOV/UNODC
Procurement and Contracts Management Logistic Management Property Management Conference and Documents Management	<i>Mr. Franz Baumann</i> , Deputy Executive Director <i>Mr. Bo Mathiesen</i> , Chief of Staff, Office of the Executive Director <i>Mr. Romain Keiffer</i> , Chief, General Support Section, DM, UNOV/UNODC

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## **SUMMARY OF RISK RATINGS**

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

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

# RISK REGISTER

## Risk Assessment of : UNODC

No	Focus Area: Interview/Review Summary (Description of risk)	Strategic Management and Governance		Risk Category	Impact	Overall Risk	Possible	High	Higher Risk
		Impact	Likeli-hood				Possible	High	Higher Risk
1	<b>Strategic planning and monitoring</b>	UNODC is currently reviewing inter-agency cooperation with UNIDO, UN-HABITAT, WB and UNDP. The Division for Policy Analysis and Public Affairs Director also briefs the ExCom on inter-agency affairs.	Strategy	Possible	High	Higher Risk			
	A(i) Competition between UN agencies in pursuing similar mandates may lead to serious activity overlaps; lack in synergy and internal coherence and loss in credibility of UN system at large.	B(i)Mandated tasks may not be properly pursued because of unclear division of labor and work activities; lack of resources; and lack of coordination between organizational entities.  B(ii)Priority thematic areas and plan may not be pursued at the field level because of inadequate alignment of priorities. This may negatively impact the delivery of mandated products, core services and requested technical assistance outputs.	The Division for Policy Analysis and Public Affairs notes that UNODC is driven from different directions to meet various needs and goals. This lack in focus on core values and corporate image leads to UNODC's failure to identify initiatives which it should rightfully undertake and to convince donors to fund projects which they are mandated to undertake.	Governance	Possible	High	Higher Risk		
			The organization targets full alignment of the strategic framework with the Medium Term Plan in terms of structure and level of detail by 2010. Until the end of year 2008, the Strategic Planning Unit and the Division of Operations will be going to all the 21 field offices to explain how regional plans should be aligned with the Strategic Planning Framework.						
	D (i) Donors sometimes direct funds to specific geographic and thematic areas. This practice may restrict and prevent certain priority activities from being pursued and also negatively impact on the willingness of other donors to fund UNODC projects. Actual activities may not necessarily correspond to strategic needs.	The measures UNODC can take cannot address the risk of inability to fulfill mandate due to lack of availability of funds or donor interest. Materialization of this risk ultimately relates to donor decisions.	Financial	Likely	High	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	
		Governance	Governance	Likely	High	High	Higher Risk	
<b>II</b>	<b>Organizational structure and functions</b>	The Divisions/branches involved are conscious of the possible overlaps and duplication. There is however a need for senior management to clarify internal roles and functions and enforce existing terms of reference.	The study by the Internal Evaluation Unit of UNODC notes the need to improve and strengthen collaboration among divisions. Some of the divisions attributed this lack of collaboration to a lack of strategy. Accordingly, UNODC medium term strategy 2008-2011 emphasizes the need for enhancing interdivisional collaboration.			Possible	High	Higher Risk
B(ii)	B (i) The failure to properly delineate functions and responsibilities of divisions over certain thematic areas may result in overlaps/duplication; internal conflicts and failure to enhance programme delivery and project improvement.  B(ii) Divisions may operate independently and rarely interact with one another leading to undue competition and overlaps. As such, field office Strategic Programme Frameworks (SPF) are prepared without involvement of headquarters and projects of HQ divisions are done without involvement of field offices.	A(i) Efforts to promote UN standards and norms in crime prevention and criminal justice in the criminal justice community may not be successful because of the "soft" (non-binding) nature of UN standards; member states' lack of political will and financial resources to support technical assistance.  A(ii) Other agencies such as the World Bank with their more financial flexibility may increasingly undertake projects dealing with UNODC mandates. This may result in the further diminishing of UNODC's political and technical importance vis-a-vis member states as well as within the UN system.	UN standards and norms in crime prevention and criminal justice are "soft" law yardsticks against which Member States may measure their national legislation for compliance with internationally accepted standards. Attempts are being made by the Commission on Crime Prevention and Criminal Justice to revive interest in the work on standards and norms illustrated by the recent adoption of guidelines on child witness and victims of crime.  The measures UNODC can take cannot address the risk of not being able to fulfill its mandated tasks due to lack of availability of funds or donor interest. Mitigation of this risk ultimately relates to donor decisions.	Strategy	Possible	High	Higher Risk	Higher Risk

1	<b>Focus Area:</b> Interview/Review Summary (Description of risk)	<b>Strategic Management and Governance</b>	Possible	High	Higher Risk
No	IOIS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
B(i) Assigning additional projects related to high-visibility programmes without additional manpower may lead to low quality or slow implementation of project activities, staff burn-out and ultimately decreased UNODC credibility.	There are competing priorities assigned by the Executive Director/ Senior management in addition to present tasks. For instance some offices receive additional and adhoc assignments and the time spent by limited staff on these may lead to lower implementation of activities especially since no change in staff complement is done.	Governance	Possible	High	Higher Risk
B (ii) The importance of UNODC as a lead agency for certain programmes focused on specific thematic areas may be negatively affected by the lack of competent technical knowledge on such areas. Staff for instance lack the needed technical knowledge on HIV-AIDS and on dissemination strategy.	There is need for clear internal policy direction, support and advocacy for instance on the HIV/AIDS programme as it relates to reduction of drug use through injections in prison and potential and actual human trafficking.				
D(i) The Human Security Branch under the Division for Operations may not be able to fulfill its mandated tasks (related to anti-corruption, criminal justice reform, anti-human trafficking, anti-organized crime, law enforcement, HIV-AIDS and sustainable livelihoods) because of the unpredictable and inadequate funding situation.	There is a recognized need to raise more funds. There is also a need to prioritize activities and inform member states that some mandates cannot be implemented because of the lack of resources.	Financial	Likely	High	Higher Risk
F(i) The Human Security Branch may be unable to fully pursue their mandates related to anti-money laundering; prevention, treatment and rehabilitation; and sustainable livelihood because of the lack of qualified staff.	There is a recognized need to raise more funds as well as to eliminate the distinction between core, regular budget posts allocate to normative work and non-core extra-budgetary posts allocated to technical assistance work.	Human Resources	Possible	High	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
IV	<b>Risk management</b>  B(i) Measures to mitigate identified risks may not be properly pursued because because management has not assigned focal persons who will ensure that identified risks are being addressed.	No focal person has been assigned to monitor on measures being done by management to mitigate risks on a continuing basis.  A mitigating factor is the fact that buy-in is ensured as the risks were identified by division and section level officials with the OIOS only doing the facilitation.	Governance	Possible	High	Higher Risk

## Risk Assessment of : UNODC

No	Focus Area:	Financial Management	Possible	High	Higher Risk
	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Overall Risk
1	<b>Fund raising strategy</b>  B(i)The organization may not be able to finance priority programmes and projects because of a fragmented fund raising strategy which allows for divisions and field offices to raise funds on their own without regard to a harmonized plan.	The OIOS Inspection and Evaluation Division noted the lack of a fund-raising strategy resulting in fragmented fund-raising efforts and unnecessary competition between and among field offices and headquarters offices for obtaining funds on similar programmes from the same donors.	Governance	Possible	High Higher Risk

2	Focus Area: Financial Management	POIOS Assessment	Risk Category	Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)			Likeli-hood	Impact	Overall Risk
	D(i) Insufficient funding of projects may result in UNODC's inability to deliver assistance to governments and decreased trust in the organization at the local level.  D(ii) Non-collection of informal pledges may result in inability to commence projects or decrease in the pace of project implementation and ultimately in loss in confidence on UNODC's ability to fulfill its commitments.	The Partnership Development Branch (PDB) of the Division for Operations and the regional sections continuously coordinate with Co-Financing and Partnership Section (CPS) of the Division for Policy Analysis and Public Affairs to ensure a fair and prudent distribution of scarce resources to different projects, where flexible funding is available. Field offices and PDB link-up with donor embassies to raise their level of interest. Governing bodies also issue mandates to encourage contribution.  Regional Sections' follow-up on allocation advices and other coordination with FRMS as well as liaison with donors or funding agency is ongoing and consistent. Regional strategies will be developed in consultation and agreement with donors particularly on priorities and future funding. It is hoped that proper use of SPF's and introduction of regional strategies will lead to more predictable funding and prompt payment of pledges.	Financial	Likely	High	Higher Risk
	E(i) Management may not have fully evaluated project performance such that donors are not attracted to contributing more for activities which they may find uneconomical, inefficient or ineffective.	The FRMS noted that in a recent meeting of 21 donors, these donors stressed the need for UNODC to reduce its operating costs and develop a strategy to streamline its operations and eliminate overlapping functions. It is not clear whether the present strategy has considered this.	Operational	Possible	High	Higher Risk

2	Focus Area: Financial Management	Possible	High	Higher Risk	
No	Interview/Review Summary (Description of risk)	Risk Category	Likeli-hood	Impact	Overall Risk
II	<b>Treasury arrangements</b>  D(i) Disbursements may be based on incorrect data and incorrect information resulting in loss of funds.	Disbursements are automated and are approved by two bank signatories . There are monthly checks to ensure the correctness of the automation system by the treasurer.	Financial	Remote	<b>High</b> <b>Moderate Risk</b>
	E(i) Investments placed with banks might not be paid back to organisation resulting in loss of funds.  E(ii) Funds kept in authorized bank accounts may be used for questionnable and/or unauthorized purposes because field offices are allowed to open bank accounts without proper controls.	Funds are placed only with banks with A ratings. The Treasurer monitors bank placements daily.  The IEU Head and the Chief of the FRM suggested an audit of bank accounts in the field to see how the system works. The BOA in its audit of the Regional Office in Central Asia noted that the two bank accounts maintained were managed satisfactorily and complied with applicable rules.	Operational	Remote	<b>High</b> <b>Moderate Risk</b>
	F(i) Bank signatories, if they lack integrity can abuse their authority and misappropriate funds.	Only qualified officials are selected as bank signatories: contractual policy (permanent contracts), four eyes principle (which means two persons review and approve transactions).	Human Resources	Remote	<b>High</b> <b>Moderate Risk</b>
	G(i) The electronic banking system for bank related transactions may collapse resulting in loss of data	Information from the banking systems are backed up saved on CDs by OHCHR on a monthly basis.	Information Resources	Remote	<b>High</b> <b>Moderate Risk</b>

2		Focus Area: Financial Management		OIOS Assessment		Risk Category		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)					Risk Category	Likeli-hood	Impact	Overall	Risk
III	Budgetary arrangements					Financial	Possible	High	Higher Risk	Higher Risk
	D(i) Programme funds budgeted for projects in the field may be reduced because of unauthorized realignments to administrative and project support expenses.	The ROCA (Regional Office of Central Asia) audit by the BOA showed that 6% of direct project funds are realigned to general purpose funds for admin and support expenses. These realignments were not authorized by the FRMS.								
	D(ii) Poor planning and inaccurate projections leading to over or under-expenditure by biennium-end, may affect fund availability for future bienniums/periods.	Although staff performing budget related work coordinate with FRMS there is need for periodic training of staff in substantive departments on budget monitoring and implementation.								
	D(iii) Failure to report the actual expenditures from UNDP supervised activities may lead to over-expenditures or incorrectly reported expenditures and eventually on unreliable project cash balances and donor financial reports.	As UNDP expenditures are reported only once a year (since UNDP has introduced ERP system: ATLAS), actual monthly expenditures are not known to UNODC. Allocations are revised based on management expenditures reported by field offices. There is no possibility for verifying their correctness.								
	D(iv) The General Purpose Funds position is very sensitive to the risk of even small deviations from budget which may lead to problems in financing infrastructure costs and core posts.	There is need to systematize General Purpose Funds (GPF) reporting and control in ProFi. At present, obtaining and analysing relevant data sources is still difficult and there is no audit trail for forecasts made.								
	D(v) Lack of awareness and budgetary/accounting knowledge may lead programme managers to certify documents against improper account codes									

2		Focus Area: Financial Management	Possible	High	Higher Risk	
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
	<p>F(i)) Lack of GP funding will aggravate administrative efficiency because of the inherent crisis management mode which allows increased reliance on project administrative staff rather than on professional technical staff to perform technical functions.</p> <p>F(ii) Due to shortage of staff support costs, the FRMS may not be able to cope with the increased volume of extra-budgetary activities including data entry and fund monitoring .</p> <p>F(iii) Fund-related recording and financial reporting to donors may be delayed due to lack of staff affecting the credibility of the Programme.</p>	<p>Ratio between earmarked (SP) funds and unearmarked (GP) funds developed from 73:27 (1992-2005) to 82:18 (2006-2007), leading to increased reliance on project (L) staff rather than professional (P) staff.</p> <p>Financial reporting is currently feasible but is dependent on two platforms- IMIS and ProFi- which is not optimal. Also, the financial statements for the drugs and crime programmes are prepared on different basis and formats. Additional reporting requirements by the European Commission in particular, is difficult. Discussions are also going on in the light of possible delegation of authority to Vienna for the preparation of the financial statements for the Crime Fund. All financial reporting is to be done through ProFi. Redistribution of staff and tasks to adequately prepare all reports, without extra staff support, is not feasible.</p>	Human Resources	Likely	High	Higher Risk

2	Focus Area: Financial Management	Financial Management	Possible	High	Higher Risk	
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
IV	<b>Payment of vendor invoices</b>	Payments are made only on certified original documents. If copies are accepted, appropriate clarifications are recorded. Moreover, the IMIS is checked as to travel status, in the case of travel claims, and as to receipt, inspection and payments status in the case of invoices. In the unlikely event of a double payment, the payee is advised and a recovery action is initiated in IMIS.	Operational	Remote	High	Moderate Risk
	E(i)Double payments may be made for claims and invoices due to duplicate submissions.  E(ii)A travel claim may be overpaid because of wrong rates, miscalculations or double creation of obligation. Moreover, wrong allotments may be charged and/or mispostings may be made because data are manually input.  E(iii)Payments may be delayed beyond due dates. A travel claim is settled within three days to one week turnaround time. A vendor invoice is settled within 30 days of receipt.  E(iv)Payments may be returned by banks in view of inaccurate banking information.	Association to travel authorization with the correct dates of travel will allow the system(IMIS) to calculate DSA entitlements accurately. In case of overpayments, the payee is advised and a recovery action is initiated in IMIS.  Follow-up action is taken to expedite certification and inspection of documents. This includes automatic reminders for inspection and certification initiated by the Payables Register.  Confirmation of banking information is requested from the payee(s) and the banking details are entered into IMIS with the help of the Procurement Unit and the Treasury when necessary.				

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

2	Focus Area: Financial Management	Possible	High	Higher Risk	
No	Interview/Review Summary (Description of risk)	Risk Category	Likeli-hood	Impact	Overall Risk
VI	<p><b>Accounting and reporting</b></p> <p>D(i) Contributions may not be properly entered leading to incorrect financial statements.</p> <p>D(ii) Field IOVs reported by UNDP may not be properly accounted for by the FRMS because these are not clearly described and clarifications are not immediately attended to.</p> <p>D(iii)UNDP and UNOPS reported field expenditures on UNODC projects may not reflect actual expenditures and inaccurate financial statements.</p>	<p>FRMS recognizes the need for counterchecks and Financial coordination among offices to ensure correct reporting of contributions; with Treasury Section approving deposit; Accounts Section approving applied deposit and CPS, the fund-raising unit, identifying correct treatment of contributions.</p> <p>UNDP HQs now responds in a timely manner and often urges UNDP FOs to respond to our queries. The Accounts Section can now access UNODC's Field Office Management Ledger (FOML) System and can check directly the payment requests relating to IOVs that UNODC FOs send to UNDP; making IOV identification easier. However, For the 2006 Financial Statements, CPCJ incorporated expenditure was taken only from UNOPS 4thQ Interim Statements and UNDP Atlas Data Dump, because both UNOPS and UNDP did not submit the 2006 Final Certified Expenditure Report for CPCJ by the closing date of 31 January 2007. No control mechanism is as yet in place to ensure that UNOPS (and UNDP) deliver the Final 4th Quarter Report before IMIS closing date for PAP 200512.50 (and PAP 200612.50).</p>	Possible	High	Higher Risk

Focus Area:		Financial Management		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
2	D(iii)Users of more than one system might find that the different systems yield inconsistent results, particularly on UNDP reported financial operations, and may cause inaccurate financial reports .	UNDP prepares a Consolidation Report and a Final Report which always show discrepancies with the monthly reports. FRMS has to reconcile the Consolidation Report with the monthly reports; and later the Consolidation Report with the Final Report, because UNDP does not report specifically the changes or adjustments done in the Consolidation and the Final Reports. Thus, there are possibilities that inconsistencies happen later to IOV charges which have been processed based on the monthly reports.				

## Risk Assessment of : UNODC

3		Focus Area:	Human Resource Management		Possible	High	Higher Risk
No.	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk	
1	<p><b>Entitlements and allowances</b></p> <p>F(i) Errors in the interpretation of UNJSPF staff pension rules pertaining to staff benefits may lead to financial loss to staff members.</p> <p>F(ii) Errors in the interpretation of benefits which can be availed of from Health and Life Insurance policies may lead to financial loss to staff members and their families and compromise the credibility of the organization.</p> <p>F(iii) Erroneous information to staff concerning their entitlements and allowances may lead to financial loss for both the staff or the organization, and/or loss of credibility for the service.</p> <p>F(iv) Faulty personnel related administrative decisions may lead to appeals, which have financial implications for the organization and/or loss of credibility</p>	In the case of field personnel who are hired either by the UNODC or by the UNOPS and UNDP, differences in interpretation exists and have been noted resulting in financial loss and low staff morale.	Financial	Possible	Low	Lower Risk	

3		Focus Area: Human Resource Management	Possible	High	Higher Risk	
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
II	<b>Use of short-term staff</b>  F(i)The selection process for consultants may not have been competitive such that the most qualified candidates are not selected.	In the Regional Office for Central Asia (ROCA,) the BOA's review of consultants contracts showed that 8 of 17 consultants were selected without competitive bidding . The IEU evaluation noted that HRMS is tasked to maintain a consultancy roster, but the details are outdated and consultants' past performances have not been assessed. Thus, FOs rely on word of mouth. OIOS has not audited a horizontal audit of consultants and individual contractors at UNODC.	Compliance	Possible	High	Higher Risk
III	<b>Recruitment activities in Headquarters</b>  F(i)The entry medical examinations may not have captured pre-existing chronic conditions of selected candidates who become sick most times.  F(ii)The best qualified candidate may not have been selected because reference checks are not accurate or information provided is wrong  F(iii)There may be allegations that the best qualified candidate was not selected such that there would be appeal cases for non-selection for a post	OIOS audit of the Country Office in Nigeria (CONIG) revealed that consultants were paid honoraria over and above UNDP rates. Apart from the CONIG audit, other past audits have not mentioned honoraria payments.  HR ensures that complete medical examination is made with classification "fit for duty" before issuing a letter of appointment.  HRMS ensures fairness and transparency of the recruitment process. However, responsibility for determining a candidate's suitability for the post rests with the programme managers.  In the case of appeals, HRMS' role is to draft the respondent's reply on behalf of the Administration.	Financial	Possible	Medium	Moderate Risk

3		Focus Area: Human Resource Management	Possible	High	Higher Risk	
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
	<p>F(iv) There may be delays in the recruitment process caused by external factors to HRMS (pending medical results, CR body endorsement, availability of candidate to report for duty),</p> <p>F(v) Time critical information (PCO announcement of selected candidate prior to DH selection) and the selection process itself (classified or sensitive information, medical condition), may be disseminated prematurely to unauthorized persons who will use of such information to sow discontent and intrigue among staff</p>	While the control mechanisms are considered adequate by HRMS, in the event that risks become real, their impact is high since these will usually result in loss of organizational reputation and financial losses.	Operational	Remote	High	<b>Moderate Risk</b>
IV	<b>Recruitment activities in the field</b>	D(i) Staff contracts are shortened or not renewed due to the decline in general purpose funds. Losing key staff due to contractual uncertainties could adversely effect the programme delivery of UNODC in the near future.	Financial	Possible	High	<b>Higher Risk</b>

Focus Area:		Human Resource Management		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
3	<p>F(i) A strong field office network may not be possible because of the lack of staff in the regional sections who will continually maintain close links and collaboration with the field offices and the headquarters.</p> <p>F(ii) Project activities may not be implemented or are not implemented on time leading to decreased UNODC credibility in delivering assistance because of delays in filling vacancies.</p> <p>F(iii) Field office recruitments of local staff and professionals on ALDs made by UNDP and UNOPS in behalf of UNODC are done outside the control of the UNODC HRMS. Recruitment procedures and mechanisms may not be in accordance with established UNODC guidelines.</p> <p>F(iv) Since 90% of field staff is considered as UNDP or UNOPS hired personnel, with only 10% considered as UNODC staff, UNODC HRMS may not be able to ensure staff efficiency and effectiveness in the field.</p> <p>F(v) Delivery of mandated tasks and accountability to governing bodies may suffer because of increased reliance on project staff rather than on professional staff.</p>	<p>The OIOS audit report on PDB noted that many Regional sections are understaffed vis a vis their workload. Managers with personnel decision responsibilities are reminded of need for succession planning for specific cases.</p> <p>MOUs between UNODC and UNDP/UNOPS provide recruitment and administration of local staff and professionals on ALDs in all field offices. These individuals have a contractual status with UNOPS/UNDP but are supervised by UNODC Managers in the field.</p> <p>Gratis personnel and consultants are covered by bilateral agreements made with member states. While HRMS has no control over issues such as ethics, performance, behaviour or possible conflicts of interests , it is called upon to deal with often contentious issues related to them.</p> <p>Ratio between earmarked (SP) funds and unearmarked (GP) funds developed from 73:27 (1992-2005) to 82:18 (2006-2007), leading to increased reliance on project (L) staff rather than professional (P) staff.</p>	Operational	Possible	High	Higher Risk

3	<b>Focus Area:</b> Human Resource Management	Possible	High	Higher Risk	
No	Interview/Review Summary (Description of risk)	Risk Category	Likeli-hood	Impact	Overall Risk
V	<b>Training</b> D(i) Delay in the receipt of training funds impacts on the programme delivery as Staff Development Unit cannot pursue the trainings until the funding arrives.	The vast majority of the training budget of SDU is financed through the regular budget of OHRM New York. The financial means for the centrally run programmes are received via OBMOs for each programme, the means for upgrading of substantive and technical skills are received as an allotment to their local accounts. The OBMOs and the allotments usually arrive with a delay of several weeks or months.	Financial	Likely	High Higher Risk
E	E(i) Training activities are planned and financial commitments are made with trainers based on a preliminary list of participants. Last minute cancellations may lead to a reduced number of participants or eventual cancellation of courses.  E(ii) Majority of field staff may not be technically prepared to take on the substantive activities required to be performed particularly on methodological tools related to crime, drugs, and terrorism because of the lack of substantive skills training.	HRMS follows up to ensure that participants attend courses for which they have registered. A waiting list is established to allow SDU to fill gaps of last minute withdrawals. Additionally, every enrolled participant who cancels at the last minute must provide written justification from the supervisor.  The HRM Director recognizes this but acknowledges the lack in training funds for field staff. She also noted the absence of budgetary provisions for HRMS staff to travel to field locations on monitoring and training missions. No audits have been done to evaluate staff technical qualifications vis a vis their posts' qualifications.	Operational	Possible	High Higher Risk
VI	<b>Performance Appraisal system</b> G(i) HRMS does not have independent access to the ePAS system and its reporting facilities, resulting in HR's inability to capture possible rebuttals and noncompliance with recording of performance management early enough to be able to intervene timely and effectively.	HRMS receives the lists of all pending and incomplete cases with an average delay of six months from OHRM and is only reacting to issues instead of proactively capturing difficulties and taking action. No other control mechanisms are available.	Information Resources	Possible	High Higher Risk

3		Focus Area:	Human Resource Management		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall	Risk
	F(i) Staff performance may be adversely affected by inconsistencies in personnel conditions of service of field staff (compensation, skills improvement, staff rules and regulations ).	HRMS recognizes this problem and is in fact looking for ways and means to integrate field staff. The lack in HRMS funds for field staff related activities (monitoring, travel, training) impedes the HRMS efforts.	Human Resources	Possible	High	Higher Risk	

## Risk Assessment of: UNODC

4		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	
1	<b>Procurement process in the field</b>  C(i) Procurement activities in field offices may not have been undertaken on a competitive and transparent basis because field procurement rules and regulations are not formally documented.	The GSS is still in the process of preparing field procurement guidelines. A GSS report supporting this initiative noted that "requests DM/GSS/COU now receives indicate a somewhat freewheeling approach to procurement or result in expressions of surprised bewilderment when we query procurement authority for the respective office."  Procurement audits in the field indicated non-compliance with Procurement Manual provisions.	Compliance	Possible	High	Higher Risk	
	E(i) Bad inventory control system may lead to over-ordering, losing items and damaged inventory and thus, wastage of resources.  E(ii) Delays in procurement activities may adversely affect programme delivery schedules, usage of funds, quality of services and equipment, and vendor relations.  E(iii) The financial and technical aspects of the offers may not be properly evaluated so that the contractors selected are not those which can offer the best services or equipment at the prices specified.	PDB has raised many of these issues in its report to senior management and are awaiting endorsement to enter into specific discussions with sections concerned. Impact of support services' delivery to technical assistance is being evaluated by IEU.	Operational	Possible	High	Higher Risk	

## Risk Assessment of: UNODC

No	Interview/Review Summary (Description of risk)	Focus Area:	Logistics Management	Remote	Medium	Lower Risk
		OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
		Operational	Remote	Medium	Lower Risk	
1	<b>Travel services in field offices</b>  D(i) Scarce organization funds may be spent for travel activities which are unnecessary.  D(ii) A travel claim may be overpaid based on wrong rates or miscalculations or is more than the obligated amount. Moreover, wrong allotments may be charged and/or the claims may be posted to the wrong ledgers due to manual input of these entries.  E(i) Booking beyond entitlements, extra stopovers or missing the least cost routing may cause overspending.	Audit findings on travel expenditures in country programmes and field office operations did not involve material amounts.  Payments are made against certified documents and in accordance with the obligation. Association to travel authorization with the correct dates of travel will allow the system (IMIS) to calculate DSA entitlements accurately. A manual calculation based on ICSC DSA rates are made on F10 forms with the amounts verified and input in the IMIS.  After the examiner calculates and inputs the amounts and prepares the voucher, the approving officer verifies the entitlements and recalculates to avoid over/under payments. In the unlikely event of an overpayment, recovery action in IMIS will be made. If underpaid, balance settlement will be paid. The allotment accounts are certified and the general ledgers are checked by the examiner and approving officer.  Booking instructions are supervised by the Travel office with least cost routing mandatory and rates negotiated with airlines.	Financial	Remote	Low	Lower Risk

5		Focus Area: Logistics Management					
No	Interview/Review Summary (Description of risk)	OIOS Assessment		Risk Category	Likeli-hood	Impact	Overall Risk
I	E(ii)Official shipments and shipments of staff members' personal effects may be lost, misrouted or damaged in shipment.	Processing of shipment entitlements land requisitions for shipment service include ensuring that the IMIS approval sequence is followed and that dealings are done only with established shipping companies minimize risks of shipment losses and overspending.	Operational	Remote	Medium	Lower Risk	
II	<b>UNLP</b> E(i)Unauthorized use of UNLPs particularly those which should have been surrendered to the UNODC/UNOV may occur because of the failure to control issuance and confiscation of expired UNLPs.	There are a number of ways one might use to subvert the system but for each there are countermeasures:  - a LP is declared lost or stolen: such occurrences are reported to Interpol for distribution to the immigration authorities of its member nations. Even a bogus extension signature will not remove the LP from the hot-list. - a LP is not returned to UNOV at the end of a contract or at retirement: Funds are retained from final payments until the document is returned or the document is declared stolen or lost and the above procedure applies.  - a LP is extended by an unauthorised person while the holder of the LP is still employed by the United Nations: The violation is technical, because the holder is still entitled to the LP. However, a signature does not end the process because LPs need visas to enable the holder to enter specific countries.	Operational	Remote	Medium	Lower Risk	

5		Focus Area: Logistics Management		Remote	Medium	Lower Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
III	<b>Fuel administration in the field offices</b>  E(vii) Fuel used or provided to partner agencies in the field may not be properly controlled allowing for unchecked misappropriation.	The BOA's audit of the ROCA showed that members of the government control agency may have misappropriated petrol vouchers provided to them by the UNODC since the vehicle odometer readings did not match quantities of fuel consumed. The BOA has recommended the development of a fraud prevention plan and the referral of the case to the OIOS for further investigation.	Operational	Possible	Medium	<b>Moderate Risk</b>

## Risk Assessment of: UNODC

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

6		Focus Area: Information Technology Management		IOIS Assessment		Risk Category	Likeli-hood	Impact	Overall Risk	Moderate Risk
No	Interview/Review Summary (Description of risk)									
	<p>G(i) Mail, file or other critical service may be unavailable or experiencing problems such that people are unable to communicate, use networked files or launch applications (which may partially reside on network drives).</p> <p>G(ii) Improper labelling and/or incorrect logging of current server status (e.g. Physical location) in ITS servers database may cause additional delays during an outage or even cause the incorrect server, routers, cable or storage unit to be physically manipulated.</p> <p>G(iii) A lack of a suitable Backup/Disaster-recovery mechanism may pose risk of losing valuable information in servers more so because each field-office (approx 40) has its own file-server to serve its users and some of these file-servers are not up to ITS standards.</p> <p>G(iv) In case of a server crash, all web services and applications for UNODC as well as a number of organizations may stop and the websites would be unavailable-</p>	While the likelihood is almost certain and impact high, the monitoring system in place reduces the time and frequency of the outages to an absolute minimum at most. General availability of critical services is now over 99.5%.	Information Resources	Remote	High	Impact	High	Impact	High	Moderate Risk
		ITS is assisting offices in installing the standard hardware and software with reliable backup option. Regular checks on data consistency and replication to backup locations as well as disaster recovery test for field offices are done.	ITS/EAU/WDT runs web services and applications for a number of organizations. In particular UNODC and the Information for Member States website, but also for UNOV, INCB, IMOLIN, UNIS, OOSA, UNCITRAL, UNSCEAR, UNOZEK, etc.							

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

6		Focus Area: Interview/Review Summary (Description of risk)		Information Technology Management			
No	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk	Moderate Risk	
	<p>G(i)The procurement system may require almost identical data to be entered in up to three different systems thereby increasing the potential for confusion and inaccuracy .</p> <p>G(ii)The UN exchange rate is not available in FOML by first day of each month such that payment requests generated during the first few days of the month may show wrong exchange rates resulting in numerous exchange rate adjustment entries.</p> <p>G(iii) Delays in message delivery by the Lotus-based email system may result in delays in implementing projected tasks.</p> <p>G(iv)Some patches and new reviews of software applied by the Helpdesk may negatively affect the workstation of a particular user (developer) leading to loss in productivity particularly during the end-phase of a project.</p>	Information Resources	Remote	High	High	<b>Moderate Risk</b>	

6		Focus Area: Information Technology Management		IOIS Assessment			
No	Interview/Review Summary (Description of risk)	Risk Category	Likeli-hood	Impact	Overall Risk	Moderate Risk	
	<p>E(i) Staff responsible for some servers or services have not been designated for specific IT maintenance problems such that the systems problems may not be checked and corrected.</p> <p>E(ii) Users may not be properly trained or oriented of new applications or updates to the Windows OS so that HelpDesk are overloaded with calls for assistance.</p> <p>E(iii) ITS workteams may not be properly distributed which makes it difficult to attend to requests for assistance from users.</p>	Operational	Possible	Medium	<b>Moderate Risk</b>		
III	<b>IT Security</b>				<b>Remote</b>	<b>High</b>	

6		Focus Area: Interview/Review Summary (Description of risk)		Information Technology Management			
No	Focus Area:	IOIS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk	Moderate Risk
	E(i) The lack of clearcut instructions and training on actions necessary to deal with threats ( bombs / terror etc.) received at the UN Switchboard may cause serious damage to persons and buildings.  E(ii)Cluttered offices/Untidy desks---Papers, possibly containing passwords or other sensitive information, left lying around may pose a security risk if they find their way into the hands of unscrupulous persons.	The Crisis Management Plan maintained by the UNSSS should anticipate this risk.  Clean-desk policy (meaning staff should clear their desks and not leave confidential documents on their desks unattended). This could be a dedicated attempt to penetrate the system or a disgruntled staff-member who may have had his/her contract terminated.	Operational	Remote	High	<b>Moderate Risk</b>	
IV	<b>Software development</b>	G(i)New IT systems launched to replace old systems or update changes in real workflow of the organisation may not present any significant real-world improvement over the old system.	ITS notes that "In the very few cases where the functionality of new computer applications may not have been substantially changed.... these tools now correspond to the latest technical standard...."	Information Resources	Remote	High	<b>Moderate Risk</b>
	F(i)The organization may be unable to properly maintain productive services because of the lack of dedicated support staff or developers.	ITS recognizes the need for direct communication between developers and end-users and not only at the management level to ensure effective use of IT supported systems.	The ITS recognizes the need for having staff with the required qualifications, but also notes the difficulty in having additional manpower due to delays in recruitment, very low posts offered, among others.	Human Resources	Remote	High	<b>Moderate Risk</b>

6		Focus Area: Information Technology Management		OIQS Assessment		Risk Category		Likeli-hood	Impact	Overall Risk	Moderate Risk
No	Interview/Review Summary (Description of risk)										
No	E(i) UNODC/UINOV may not be able to purchase hardware and software requirements because of HQ's tendency to dictate on field hardware and software requirements without determining the UNODC/UINOV's real needs.  E(ii) New software licenses may not be acquired on time such that softwares cannot be used immediately affecting staff productive time.	The ITS contends that this risk can only be reduced once UN Headquarters recognizes UNODC ITS' right to determine its own IT needs.  ITS contends that this is a procurement and funding issue which affects their work considerably. An action done to mitigate this is the modification of software license verification until license can be purchased.	Operational	Remote	High						Moderate Risk
	D(i) The timeliness and completeness of data on drug enforcement and monitoring may not be ensured because the National Drug Control System for the International Narcotics Control Board cannot be fully developed due to lack of funds.	The National Drug Control system project lacks funding so that systems developers and more staff in the implementation team cannot be employed.	Financial	Remote	High						Moderate Risk
V	<b>Management of ICT Infrastructure</b>  E(i) lack of office space for IT staff may affect staff efficiency.	Unless more office space is provided to ITS staff, this risk cannot be addressed.	Operational	Possible	Medium						Moderate Risk
	G(i) Documentation of source code, modules, maintenance procedures etc. may not be maintained by the ITS resulting in temporary downtime of development or to a lower service level if the responsible staff member familiar with an undocumented process is absent or has resigned.  G(ii) A major power surge may damage equipment.	Manuals, plans and documentations are collected in various locations. Most of them are kept up to date but are not located in central location. There is a need for a centralized storage for the updated versions.  Constructions, renovations or refurbishments going on often result in power surges. Surge control protector at the mains for floors or for the main distributors to the building.	Information Resources	Remote	High						Moderate Risk
V	<b>Communication services</b>  E(i) Incorrect cost sharing and calculations by ITS, particularly of telephone billings may result in disputes among UN agencies based at the VIC.	Team leader for ITS Communications checks flow of data daily, calculates costs of own data (CDRs) to match bills received by Finance Offices.	Operational	Possible	Medium						Moderate Risk

6		Focus Area:	Information Technology Management			Remote	High	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Remote	High	Overall Risk
	<p>G(i) Communications servers for BlackBerry, OneBridge, TopCall Server may be down and may lead to users, particularly senior management, not being able to send and receive fax via Lotus Notes. As such major decision making through these IT equipments may be delayed.</p> <p>G(ii)Missing or wrong information/telephone numbers for an audio conference may result in waste of time and credibility on VIC's ITC and conference management services.</p> <p>G(iii)Many parts of the UNODC (inside the building) have no cellphone reception such that in the event of an emergency, staff assigned in these locations may not be immediately aware of the danger.</p>	<p>Notification is done via SMS or email from the Big Brother monitor or via calls by users for every day problems. However if the communication server experiences serious hardware problems which cannot be fixed by a server restart, then the impact may be heavy.</p> <p>Communication with requesting unit is maintained by contacting the conference parties.</p> <p>There is need to install signal repeaters inside the building.</p>	Information Resources	Remote	High			Moderate Risk

## Risk Assessment of: UNODC

No	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
1	<b>Partnership with donors and other organizations</b>	<p>Donors have free rein over projects which they can pursue outside of the regular budget. These projects may not necessarily dwell on UNODC's priority thematic areas.</p> <p>The overlapping mandates between UNODC and other UN agencies/international organizations such as UNDP are often cases of competition for funding resources and projects. There is an MOU between UNODC and UNDP but this covers only administrative (mainly financial) aspects , not substantive technical cooperation issues or strategic partnership.</p> <p>Regional sections are closely linked with field offices to ensure proper coordination and communication with government and donor partners . Capacity building components are built into project design to a limited extent. Projects are designed to increase absorption capacity and government partnership/ownership based on realistic assessment to be imbedded in programme strategy.</p>	Strategy	Possible	High	Higher Risk

Focus Area: Interview/Review Summary (Description of risk)		Programme and Project Management		
No	Focus Area: Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Possible High Likeli-hood Impact Overall Risk
7	B(i) Fund raising and peripheral functions performed by field and regional offices personnel may not be commensurate with their qualifications and their functions.  B(ii) Delays in project formulation and approval procedure may result in delayed implementation of project activities, negative impression by donor (when funds are already pledged) and eventually to the loss of donor funding support. These may also cause great frustration in the field, damaging HQ-field working relationship.	This risk has been cited in various audit and evaluation reports. Improvements were suggested in the audit of Desk Operations in 2005.  The PDB notes that delays of reviews and approval by Headquarters is often due to one or a combination of the following factors: (i) low quality of field project documents which necessitates major redrafting before submission to PPC (ii) lack of timely response from the appraising sections (iii) lack of adequate staffing in RSSs vis-a-vis the workload to help alleviate the impact caused by the first two problems which were also noted in the OIOS audit report on PDB. Top management has to decide on the review and approval levels for project proposals to address delays.	Governance	Possible High Impact Overall Risk

Focus Area:		Programme and Project Management					
No	Interview/Review Summary (Description of risk)	OIOS Assessment		Risk Category	Possible Likeli-hood	High Impact	Higher Risk Overall Risk
7	<p>E(i) Remittances to cover cash requirements of projects executed by IGOs/NGOs may be withheld because mandatory audit reports on such projects are not submitted on time for audit to the BOA.</p> <p>E(ii) Projects may not be undertaken as planned due to political instability in the field which may also endanger the lives of staff and beneficiaries in the field.</p> <p>E(iii) Project implementations may be delayed because of delayed administration support services to field operations (including financial, project staff recruitment and procurement).</p> <p>E(iv) Field office projects may not be consistent with the organization's strategic direction and medium term plan because of the Branch's failure to review projects' relevance.</p> <p>E(v) Reports on the implementation of field projects may not be reliable because of the limited supervision by headquarters and regional sectionsHQ and regional sections.</p> <p>E(vi) Detailed review and "micromanagement" by donors and senior management may result in more delays, low implementation rate and low credibility.</p>	<p>A qualified opinion may be rendered by the BOA due to the absence of these mandatory audit reports. Delays in the audit by private auditors of projects were reported by the BOA.</p> <p>In some field locations (such as Afghanistan) deterioration of security conditions may severely delay/hamper project activities to be implemented as planned.</p> <p>Impact of support services' delivery to technical assistance has been the subject of an IEU evaluation.</p> <p>IEU interviewees note that inputs given by the HQ are largely limited to editorial comments. HQ on the otherhand contends that timely and substantive reports are not received from Field offices regarding implementation of specific projects.</p>	<p>Operational</p>	<p>Possible</p>	<p>High</p>	<p>Impact</p>	<p>Higher Risk</p>

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><b>Human security</b></p> <p>A(i)) The HIV/AIDS programme may not be properly pursued because of lack of competent technical knowledge on comprehensive HIV/AIDS prevention by both HQ and field offices; the weak dissemination strategy and lack of updated materials and publications.</p> <p>A(ii) The pace of regional sections' work in terms of planning, managing and implementing projects as well as the staff's morale are affected by the lack of clear direction over human security activities.</p>	<p>UNODC's mandate on HIV-AIDS relates to reduction of drug use through injections in prison and potential and actual human trafficking. There is need for clear internal policy direction, support and advocacy to prevent duplication and to ensure that activities address the mandated tasks.</p> <p>HIV/AIDS is a cross cutting issue so it should not be located within a section but should be independently reporting direct to the Chief, Human Security Branch.</p> <p>There is as yet no clear decision on decentralization/redeployment and on their direction and timing. Stakeholders trust in ODC may be reduced if no decision is being taken on what direction it will take within a reasonable period of time.</p>	Strategy	Possible	High	Higher Risk

Focus Area: Interview/Review Summary (Description of risk)		Programme and Project Management		Possible	High	Higher Risk
No	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk	
7	<p>B (i) The failure to properly delineate functions and responsibilities of divisions over certain thematic areas may result in overlaps/duplication; internal conflicts and failure to enhance programme delivery and project improvement:</p> <p>B(ii) Collaboration between Human Security Branch and the field offices may not be close so that tension exists between this unit and the field offices</p>	<p>There is however a need for senior management to clarify internal roles and functions and enforce existing terms of reference:</p> <p>(1) the function of technical assistance and analysis on drug abuse which is claimed by both the Division for Operations (Human Security Branch PTRU) and the Division for Treaty Affairs.</p> <p>(2) the function of performing sustainable livelihood projects which is performed by both the Sustainable Livelihood Unit (SLU) of the Human Security Branch and some field offices . Possible duplications and overlaps may reduce the capacity towards enhancing programme delivery.</p> <p>The IEU study notes that most field offices view HSB as disrespecting their strategic programme frameworks by doing projects on its own without involving them. The HSB believes that its terms of reference mandates it to not only support the field office network but to directly implement programmatic activities in regional offices.</p>	Governance	Possible	High	Higher Risk
	D(i) Identified programmes which may not be pursued fully due to lack of funds are anti-corruption, criminal justice reform, anti-human trafficking, anti-organized crime and law enforcement; HIV-AIDS and sustainable livelihoods.	Since lack of funds can only be addressed through the donors themselves, implementation of some projects has to be deferred.	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	F(i) The lack of adequate human resources has been cited as cause for the inability to fully pursue human security mandates related to anti-money laundering; prevention, treatment and rehabilitation; and sustainable livelihood.	There is a recognized need to raise more funds as well as to eliminate the distinction between core, regular budget posts allocate to normative work and non-core extra-budgetary posts allocated to technical assistance work.	Human Resources	Possible	High	Higher Risk

7		Focus Area: Programme and Project Management				Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment		Risk Category	Likeli-hood	Impact	Overall	Risk
III	<b>Terrorism prevention</b>	The Division of Management (DM), recognizes the need to building on established relations; sustain political will; and buy-in by way of briefings, follow-up meetings; promoting regional and national information sharing and good practices to foster trust between states within the regions. The work of the Secretariat is ongoing to support the work of extended bureaus, intercessional and regular meetings of policy making bodies.	Operational	Possible	High	High	Higher Risk	
	A(i) Universal legal instruments against terrorism as a result of projects undertaken may not be ratified and implemented by member states because affected governments lack commitment to ratify and implement such .							
	A(ii) Knowledge and expertise obtained during trainings for candidates from various countries may not be properly disseminated because member states have not properly screened training participants.							
	A(iii) Short and or intermediate outcomes may not be achieved because of the lack of performance indicators and tools for sustainability once the projects are completed.							
	D(i) Budgetary constraints on the part of beneficiary governments may ultimately impinge on sustainability of project activities	The DM recognizes the need to continually coordinate with relevant financial institutions and bilateral service providers.	Financial	Possible	High	Higher Risk		
	F(i) Conference management related services may not be adequate particularly in preparing parliamentary documentation (including editing and translation) and interpreting intersessional meetings of the CND and CCPCJ due to the lack of conference staff.	Though requests for additional manpower are made; approvals are subject to funds availability, amendments and redeployments.	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
IV	<p><b>Legal affairs</b></p> <p>A(i) Specific conventions initiated by the Crime Convention Section may not be ratified and implemented because of the member states' lack of political will, and lack of participation of member states and lack of responses to questionnaires.</p> <p>D(i)The lack of steady and predictable voluntary funding may limit participation of least developed countries during the sessions of the Commission on Crime Prevention and Criminal Justice (CPCJ) and the Conference of the Parties in the TOC and UNCAC.</p> <p>D(ii)The database for legislation and publication of legislative index and the publication of competent authorities under the drug convention programme may not be adequate to monitor implementation rate because of insufficient funds to upgrade and update such.</p> <p>D(iii)Fund raising activities to increase insufficient extrabudgetary funding may limit the amount of time spent for mandated activities.</p> <p>D(iv) The lack of steady and predictable voluntary funding may limit the ability of the Legal Advisory Section to respond to increasing requests for technical assistance in areas of competence and to pursue functions mandated by the GA, COP, COSP, ECOSOC, among others.</p>	<p>The Section recognizes the need to involve all relevant role players in promoting specific crime conventions.</p> <p>The Section recognizes the need for continuous requests to member states to increase their voluntary contributions and a consistent set of actions to build and sustain confidence.</p>	<p>Strategy</p> <p>Financial</p>	<p>Possible</p> <p>Possible</p>	<p>High</p> <p>High</p>	<p>Higher Risk</p> <p>Higher Risk</p>	

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
V	<p><b>Policy analysis</b></p> <p>A(i) UNODC may not be able to assess whether it was able to fulfill its mandated task particularly related to crime, corruption and trafficking because of the lack of indicators, inadequate data collection and reporting system; low response rate of member states to crime surveys and very low research and analysis capacity in UNODC on crime topics.</p> <p>B(i) Confusion about responsibilities and overlaps in activities, responsibilities and mandates between Division/branches may result in duplication of work, fragmentation and inefficient use of resources (staff &amp; funding), inconsistency of products, lower productivity.</p> <p>B(ii) Fund raising activities may not have been fully successful because of the overall lack of coordination by the divisions and offices involved.</p>	<p>Some projects aim to help Member States and UNODC perform these activities. However reliance on self reporting questionnaires and lack of Member States capacity to supply adequate data are major obstacles.</p>	Strategy	Possible	High	Higher Risk
		<p>Terms of reference were defined for various units/divisions during the reorganisation</p> <p>The Co-Financing and Partnership Section (CPS) under the Policy Analysis and Public Affairs Office is responsible for coordinating fund-raising initiatives with Partnerships and Development Branch, Human Security Branch , Division of Treaty Affairs and Financial Resources Management Service.</p> <p>CPS has been blamed for its lack of ability to share information and for controlling instead of facilitating resource mobilization. On the otherhand, CPS notes that it has done an excellent job in developing a fund raising strategy which if followed should create the necessary climate for coordination and collaboration.</p>	Governance	Possible	High	Higher Risk
		<p>G(i) Transparency &amp; accountability are key components for successful fundraising activities of the Co-Financing and Partnership Section. While the present "ProFi System" is an excellent IT tool in this regard, the failure to continually maintain and develop systems may affect fundraising activities.</p>	Information Resources	Remote	High	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
VI	Field operations	Various audit reports on UNODC field operations noted existence or probable existence of these risks.		Operational	Possible	High	Higher Risk	Higher Risk
7	E (i) Reported accomplishments may not have been validated in the field or are not the intended accomplishments per the project proposals because of the lack of monitoring officers trained to perform their functions.  E(ii) Projects undertaken may not contribute towards UNODC's achieving its priority mandates because these are donor driven instead of mandate-driven.  E(iii) Projects undertaken by NGOs/IGOs may not have been audited as required or audits may not have covered the more important areas to ensure that funds are for the purposes intended and that accomplishments are valid.							
	D(i) Field disbursements may not be for the purposes intended and may not be authorized by the UNODC since these are done by the UNDP and UNOPS.  D(ii) Field budgets may not be properly controlled mainly because UNDP reports on disbursements made are not furnished on time to UNODC.  D(iii) Cash on hand may not be properly controlled such that cash advances are for personal purposes and are not liquidated on time.  D(iv) Cash in bank may not be properly monitored and controlled by way of monthly reconciliations.	The audit by the BOA noted deficiencies related to financial management in its audit of the ROCA. Other field audits indicated deficiencies in terms of segregation of duties and approval procedures, among others.		Financial	Possible	High	Higher Risk	Higher Risk

7	Focus Area: Interview/Review Summary (Description of risk)	Programme and Project Management OIOS Assessment	Risk Category	Likeli-hood	Possible	High	Higher Risk
No	<p>F(i)Field staff may not be qualified for the posts occupied because hirings are done mainly by UNOPS/UNDP.</p> <p>F(ii)Field staff may not be properly trained for the functions they are expected to perform because of the lack of trainings on issues they are required to advocate: anti-crime, anti drugs, anti-terrorism, among others.</p> <p>F(iii) Staff morale may be affected by the differing employment conditionalities offered-meaning UNOPS/UNDP hired staff may have contractual conditions differing from those of UNODC hired staff.</p>	<p>The most recent evaluation made by the Internal Evaluation Division on UNODC support services as well as interviews with the various divisions including the HRM Director pointed to the existence of these risks.</p>	Human Resources	Possible	High	Higher 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		
I	<b>Records Management in the field</b>  E(i)Records -be these paper or electronic- emanating from the organizational especially from the field offices may not be properly managed and archived because of the lack of an established records management and archiving system.  E(ii)Inaccurate registration could route documents to the wrong destinations; incompetent operation could lead to lost documents. These will result in missed deadlines, bad projection of UN with member nations and funding agencies, among others.	A centralized archiving system is not in place. The GSS Chief expressed concern over the volume of paper files stored in the divisions and the need to introduce electronic files as was done with the Registry team. He noted that his section handles the records for UNODC and the Office of the Executive Director/Director General, FRMS, HRMS and Conference Management Services manage their own documents and records.  Electronic and rapid documentation routing is done.	Operational	Possible	Medium	<b>Moderate Risk</b>		
II	<b>Mailing operations In the field</b>  E(i)Wrong franking, misrouted pouches, lost mail, late delivery, unauthorized shipments could interfere with operations and lead to higher costs.  E(ii)Misrouted/lost pouches/lost mail/late delivery. sending important materials to the wrong destinations, losing pouches in transit could impede program delivery and lead to missed deadlines.  E(iii)Unauthorized shipments or illegal materials could be included in the diplomatic pouches and also be billed to the United Nations	No negative observations have been recorded in the course of the field audits done. Future audits should cover whether mailing activities are done efficiently and economically.	Operational	Remote	High	<b>Moderate Risk</b>		

## Risk Assessment of: UNODC

9		Focus Area:	Property and Facilities Management		OIQS Assessment		Risk Category	Possible Likeli-hood	Medium Impact	Overall Risk	Moderate Risk
No	Interview/Review Summary (Description of risk)		Operational	Possible	Medium	Impact	Medium	Medium	Medium	Moderate Risk	
I	<b>Property management in UNODC-HQ</b>	E(i)Non-expendable property in UNODC headquarters is not properly accounted for in terms of quantities and present condition because management's continuous refusal to conduct a physical inventory of their assets. Management contends that there is no value-added to conducting physical checks since accountable staff are held accountable and liable for losses.  E(ii)Physical and recording functions related to property are not segregated such that questionable transactions cannot be counterchecked.	The OIOS audit (AE2006/321/01) found controls over non-expendable property at the Headquarters as adequate. The BOA and the OIOS both reported on the failure of management to conduct physical inventories (at least on a test check basis) of existing items to check on their whereabouts, physical condition and utilization.  The OIOS audit found that property management functions were handled interchangeably by only two persons. The audit recommended the designation of an appropriate number of property custodians for specific types of items.	Operational	Possible	Medium	Medium	Medium	Medium	Moderate Risk	
II	<b>Property management in the field offices</b>	E(i)The Property Survey Board based in UNODC HQ must approve the write-offs of all items above the threshold (US\$1,500 or special items). Initially this function was performed by the UNDP but it was decided that the UNOV/UNODC PSB would have this responsibility. Since the PSB is based in the HQ, reported field write-offs may not have been properly verified to ensure propriety.  E(ii)T Non-expendable assets may not be properly accounted for in the field offices.	Field audits revealed inadequate controls on handover/disposal of project/field NEP non-expendable assets.  A Lotus Notes based inventory system resulted from a PSB recommendation to address problems in accounting properties in the Afghanistan field office. The field offices are responsible for all input into the Lotus Notes based program to record and track their inventories. This system was done only three years ago and is not supervised by UNODC HQ.	Operational	Possible	Medium	Medium	Medium	Medium	Moderate Risk	

## Risk Assessment of: UNODC

		Focus Area:	Safety and Security	Remote	High	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
10	<b>Security of UN staff and Installations in the field</b>  E(i) Safety and security of field personnel may be at risk considering the locations and the nature of work performed.	MOSS compliance in field offices are not monitored from UNODC headquarters but, instead, by DSS on the ground. The Deputy Executive Director noted that " if a UNODC Representative were negligent in her/his security-related responsibilities, DSS - alerted by the respective Designated Official - would bring this to our attention." No audit has been done to cover MOSS field compliance.	Operational	Possible	High	Higher Risk

Focus Area:		Safety and Security		OIOS Assessment		Risk Category		Remote Likeli-hood	High Impact	Overall Risk	Moderate Risk
No	Interview/Review Summary (Description of risk)					Operational	Remote	High	High		Moderate Risk
10	<b>Security of the Vienna International Center</b>	E(i) A vehicle borne improvised explosive device (VBIED) may go off at a vehicular gate or within the VIC because of non-installation of crash barriers and bollards and may result in serious loss of lives/injuries and major structural damages to targeted areas in the VIC.	Implementation of security enhancement projects (H-MOSS) is taking time and facing VBO (Vienna Based organizations) coordination challenges. It is considered urgent to fast-track the reinforcement of gates and installation of delta barriers and bollards and introduce new security enhancement measures to improve the current CCTV and perimeter fence alarm systems.	SSS Officers continue to carry out vehicle screening and searches as per UNSSS SOPs. Counter surveillance Teams in civilian clothes are deployed around the VIC as and when necessary as part of proactive measures at mitigating the risk. All UNSSS personnel have undergone security awareness training.	H-MOSS is an ongoing project managed jointly by the VBOs under the Security Advisory Group (SAG) and the Consultative Committee on Common Services (CCCS).						

10	<b>Focus Area:</b> <b>Safety and Security</b>	<b>Remote</b>	<b>High</b>	<b>Moderate Risk</b>	
No	Interview/Review Summary (Description of risk)	Risk Category	Likeli-hood	Impact	Overall Risk
	<p>E(vi) Lost or stolen UNID cards may be used by unauthorized persons access inside the VIC for ignoble reasons.</p> <p>E(vii) With staff and delivery vehicles arriving at the same time, a VBIED may be inside delivery vehicles which may go off causing fatalities and injuries.</p> <p>E(viii) Given the overall threat against the UN, the executive heads may be attractive targets of assassination attempts.</p> <p>SSS Officers can check and ensure that UNID cards match the person(s) wearing the cards through a new system currently in use by ITS in conjunction with the global access control system. The VIC is able to remotely close/lock access to the 153 -3 levels access points and the 30 plus other OE level from the Plaza and P-1. Current lockdown mechanism and procedures are in place but wear and tear means that systems have to be replaced.</p>	Operational	Remote	High	<b>Moderate Risk</b>

## **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.

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

## Risk Categories

Risk categories are common concerns or events, grouped together by the type of risk that will result.  
The seven (7) risks used in OIOS Risk Assessment methodology is as follows:

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

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

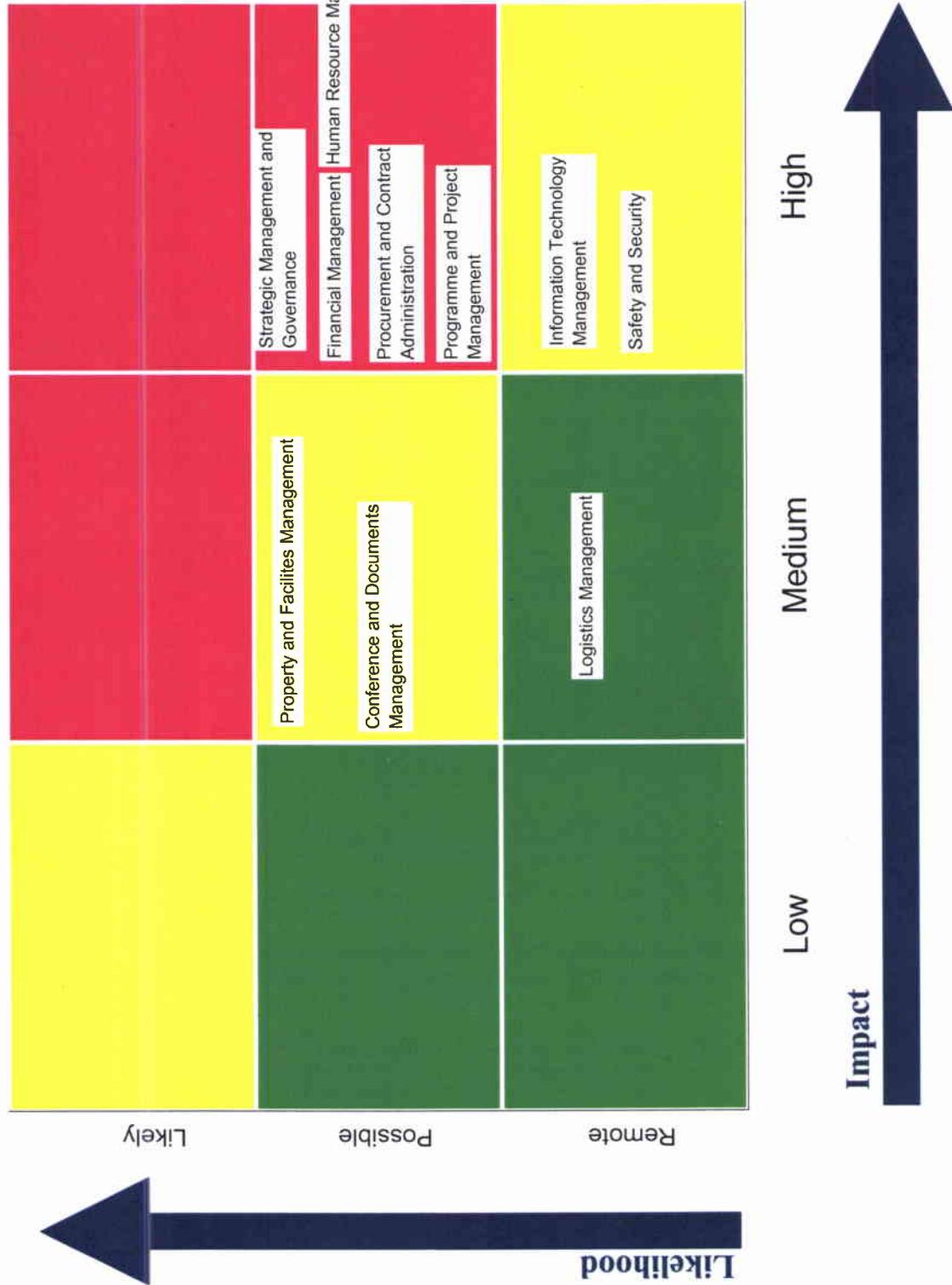
## Risk Assessment Ratings

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

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

Risk Likelihood		Risk Impact		Overall Risk Combinations Impact and Likelihood	
Likely	Conditions within our environment indicate that an event is expected to occur in most circumstances	High	Serious impact on operation, reputation, or funding status	Higher Risk	The identified issue represents the following likelihood and impact combinations: <ul style="list-style-type: none"><li>Likely and high</li><li>Likely and medium</li><li>Possible and high</li></ul>
Possible	Conditions within our environment indicate that an event will probably occur in many circumstances	Medium	Significant impact on operations, reputation, or funding status	Moderate Risk	The identified issue represents the following likelihood and impact combinations <ul style="list-style-type: none"><li>Likely and low</li><li>Possible and medium</li><li>Remote and high</li></ul>
Remote	Conditions within our environment indicate that an event may occur at some time	Low	Less significant impact on operations, reputation, or funding status	Lower Risk	The identified issue represents the following likelihood and impact combinations <ul style="list-style-type: none"><li>Possible and low</li><li>Remote and low</li><li>Remote and medium</li></ul>

## RISK SUMMARY PROFILE (Focus Area)



## RISK SUMMARY PROFILE (Sub Focus Area)

