



INTERNAL AUDIT DIVISION
OFFICE OF INTERNAL OVERSIGHT SERVICES

RISK ASSESSMENT

**United Nations Interim Force In
Lebanon (UNIFIL)**

**14 February 2008
Assignment No. AP2007/672/06**

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: Major General Claudio Graziano
A: Force Commander
UNIFIL

DATE: 14 February 2008

REFERENCE: AUD-7-5:3 (078-01004)

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



SUBJECT: Assignment No. AP2007/672/06 - UNIFIL Risk Assessment
OBJET:

1. I am pleased to present OIOS' risk assessment of UNIFIL which was carried out by the OIOS Resident Audit Office in October 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 UNIFIL 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. Marcel Savard, Director, Division of Mission Support, UNIFIL

PARTICIPANTS

In order to gain understanding of existing organizational relationships, risks, controls and process issues, OIOS:

- Sent two separate sets of questionnaires to: (a) the UNIFIL senior management; and (b) the heads of substantive and support units.
- Attended the Section Chiefs Meeting and explained in a PowerPoint presentation the purpose of the risk assessment exercise and provided guidance to fill out the questionnaires.
- Held a meeting with the UNIFIL senior management on the risk assessment exercise.

The team held meetings and/or conducted interviews with the following UNIFIL staff members.

Focus Area	Name and Functional Title
Strategic Management and Governance	<ul style="list-style-type: none">• Major-General Claudio Graziano, Force Commander/Head of Mission• Brig-General Jai Prakash Nehra, Deputy Force Commander• Mr. Marcel Savard, Director of Administration• Mr. Milos Strugar, Director of Political and Civil Affairs• Mr. Wayne Hayde, Chief Conduct and Discipline• Mr. Stephen Talugende, Chief HIV/AIDS
Financial Management	<ul style="list-style-type: none">• Mr. Robin Sellers, Chief of Administrative Services• Ms. Elizabeth Morrin, Chief Budget Officer• Mr. Adang Sanusi, Chief Finance Officer
Human Resources Management	<ul style="list-style-type: none">• Mr. Robin Sellers, Chief of Administrative Services• Ms. Francesca Boaron, Chief Civilian Personnel Officer
Procurement and Contract Administration	<ul style="list-style-type: none">• Mr. Robin Sellers, Chief of Administrative Services• Mr. Christian Gronnerod, Chief Procurement Officer
General Services	<ul style="list-style-type: none">• Mr. Robin Sellers, Chief of Administrative Services• Mr. Alfred Podritschnig, Chief General Services

Focus Area	Name and Functional Title
Information Technology Management	<ul style="list-style-type: none"> • Mr. Anthony O'mullane, Chief of Communications and IT Section
Logistics Management	<ul style="list-style-type: none"> • Mr. Henry Thompson, Chief of Integrated Support Services • Mr. Kofi Johnson, Chief of Supply • Mr. Phillip Harris, Chief Aviation Officer • Mr. Neil Gray, Chief of MOVCON • Mr. Peter Hornsby, Chief of Logistics Operations Centre • Mr. Fayyaz Asghar, Chief Engineer • Dr. Koka Rao, Chief Medical Officer • Mr. Andrew Collingwood, Chief of Transport
Programme and Project Management	<ul style="list-style-type: none"> • Mr. Milos Strugar, Director of Political and Civil Affairs • Major-General Claudio Graziano, Force Commander/Head of Mission • Brig-General Jai Prakash Nehra, Deputy Force Commander
Property and Facilities Management	<ul style="list-style-type: none"> • Mr. Anton Antchev, Chief Property Management
Safety and Security	<ul style="list-style-type: none"> • Mr. Bruno Denais, Chief Security Officer

OIOS analyzed the information collected and presented the interim outcome of the risk assessment exercise to the Chief Administrative Officers' Conference in Beirut on 18 October 2007, which was attended by the following participants:

Mission	Name and Functional Title
UNDOF	<ul style="list-style-type: none"> • Mr. Patrick Devaney, Chief Administrative Officer
UNIFIL	<ul style="list-style-type: none"> • Mr. Marcel Savard, Director of Administration • Mr. Henry Thompson, Chief of Integrated Support Services • Mr. Robin Sellers, Chief of Administrative Services
UNFICYP	<ul style="list-style-type: none"> • Mr. Francis Clancy, Chief Administrative Officer
UNTSO	<ul style="list-style-type: none"> • Ms. Cecilia McGill, Chief Administrative Officer
UNSCO	<ul style="list-style-type: none"> • Mr. Wolfgang Weiszegger, Chief Administrative Officer
UNIIC	<ul style="list-style-type: none"> • Mr. Farrakh Shah, Chief Administrative Officer

SUMMARY OF RISK RATINGS

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

Focus Area	Overall Risk
i. Strategic management and governance ii. Property and facilities management iii. Safety and security iv. Logistics management v. Human resources management vi. Procurement and contract administration vii. Information technology management viii. Programme and project management	Higher Risk
i. Financial management	Moderate Risk
	Lower Risk

RISK REGISTER

Risk Assessment of : UNIFIL

No	Focus Area:	Strategic Management and Governance		Risk Category	Likelihood	Impact	Overall Risk
		Interview/Review Summary (Description of risk)	OIOS Assessment				
1	Mandate and mission	B(i) The Mission may not be adequately structured to implement UNIFIL's expanded mandate under Security Council resolution 1701. B(ii) The lack of benchmarks to measure and report performance to the Security Council could lead to the inadequate monitoring of activities.	Security Council resolution 1701 significantly expanded UNIFIL's mandate. New functions such as civil affairs and contract management had been added. UNIFIL also has a presence in Beirut. In its last audit, OIOS found that UNIFIL had not properly structured these functions. UNIFIL has not established benchmarks against which its quarterly reports are submitted to the Security Council. Benchmarks are important for the Security Council to monitor whether the main stakeholders in Lebanon are fulfilling their commitments.	Governance	Likely	High	Higher Risk

Focus Area:		Strategic Management and Governance		Likely	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
II	<p>Strategic planning and monitoring</p> <p>A(i) The lack of action on the information gathered regarding the implementation by all stakeholders of Security Council resolution 1701 provisions may result in the failure to monitor the achievement of the Mission's mandate/objectives.</p> <p>A(ii) The Mission may not have contingency plans for evacuation, safe haven and casualties, as a result, the Mission management may not be prepared for the impact of a possible escalation of conflict on its programme of work, security and logistics.</p> <p>A(iii) Missions in the Middle East region may not be exploring the opportunity to consolidate and complement, where possible, intelligence gathering mechanisms, security services, political efforts, and support functions between UNIFIL, UNDOF and UNTSO.</p>	<p>Although the Force Commanders of UNIFIL, UNTSO and UNDOF regularly meet to share their experiences and concerns, these exchanges and concerns are not translated into an action plan.</p> <p>There was a war in Lebanon in 2006. UNIFIL personnel was evacuated to Cyprus. This experience has prompted UNIFIL to establish mechanisms for security, evacuation and shadow administration in Cyprus. However, these mechanisms are currently not formalized into a comprehensive contingency plan.</p> <p>Although the Force Commanders of UNIFIL, UNTSO and UNDOF regularly meet to share their experiences and concerns, these exchanges and concerns are not translated into an action plan.</p>	Strategy	Possible	High	Higher Risk
III	<p>Control environment</p> <p>B(i) The lack of a proper control environment in the Mission could result in weak governance, lack of accountability and weak ethical environment.</p>	The UN code of conduct and the UN Charter require UN staff to commit themselves to the highest standards of efficiency, competence and integrity. The SG has issued several bulletins and administrative instructions regarding accountability and ethics, but a comprehensive enterprise risk management framework that includes governance and accountability mechanism has yet to be put in place in the Secretariat.	Governance	Possible	High	Higher Risk

Risk Assessment of : UNIFIL

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
I	Accounting and financial reporting D(i) Cost centre managers may not be effectively using the allotment control system, resulting in unused allotments.	The existing controls that the cost centre managers exercised to monitor allotments and expenditures appeared weak as there were instances of underutilized allotments and expenditures incurred through direct expenses.	Financial	Possible	Medium	Moderate Risk
	C(i) Prior year unliquidated obligations may be carried forward to the next budget period without a valid commitment/claim resulting in blocking funds unnecessarily.	There were instances of non-compliance by the certifying officers to review unliquidated obligations on a regular basis to ascertain for their validity before carrying them over to the next budget period.	Compliance	Possible	Medium	Moderate Risk
	C(ii) Service requests from the Office of the Special Coordinator for Lebanon may not be compliant with UN regulations, rules and procedures. This situation could result in questionable or unauthorized expenses.	UNIFIL provides administrative support to the Office of the Special Coordinator for Lebanon. There was no mechanism in place at UNIFIL for the certification and approval of expenses to ensure that they are incurred in compliance with UN Regulations and Rules.				
II	Cash management D(i) There may be delayed payments and additional bank charges for returned payments because not all bank signatories use the JP Morgan Chase Insight (bank transfer) system for cash disbursements. D(ii) Should there be a renewed conflict in Lebanon, banking services could be interrupted, which could hamper the payment process to UN personnel, vendors, and other payees.	The UNIFIL Administration intends to require all bank signatories in UNIFIL to use the JP Morgan Insight system. UNIFIL intends to make alternative arrangements for banking facilities in order to ensure that there is no interruption in the payment process.	Financial	Possible	Medium	Moderate Risk

Risk Assessment of: UNIFIL

No	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	Recruitment A(i) The inadequate level of succession planning and vacancy management may result in high vacancy rate and poor human resources management.	Prior OIOS audit noted that UNIFIL did not establish a HR Action Plan together with DPKO and OHRM. The Mission's HR Action Plan is under development in cooperation with DFS.	Strategy	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
	<p>F(i) Critical posts may not be filled on time due to delays at UN Headquarters, resulting in poor management of programmes and resources.</p> <p>F(ii) New appointees and long-serving staff may not integrate, resulting in low staff morale and poor performance.</p> <p>F(iii) The recruitment and deployment of inexperienced staff members or staff members who are new to the Organization, new to the Mission, or new to the function, with inadequate training and supervision, may adversely affect the performance of tasks.</p> <p>F(iv) The long-held tradition of children or relatives inheriting national posts occupied by a parent or relative upon retirement from UNIFIL may lead to (i) the negative image of UNIFIL as a biased employer, and (ii) the selection of candidates who are not best qualified to fill the post.</p>	<p>UNIFIL does not have access to the Nucleus human resources information system in DFS in order to follow up human resources actions regularly.</p>	Human Resources	Possible	High	Higher Risk
		<p>Under its expanded mandate, UNIFIL has come through the stage of rapid deployment of personnel in October 2006 – June 2007 with 620 new international and national posts established. As of May 2007, UNIFIL had a vacancy rate of 38 per cent for international staff with an expectation that it would be reduced to 15 per cent by September 2007. OIOS' last audit identified weaknesses in UNIFIL's staff selection process, which lacked transparency and did not take into account the balance required in the mix of experienced and new staff so that functions are carried out smoothly.</p> <p>Currently, UNIFIL makes efforts to phase out the practice of allowing children or relatives inheriting national posts. It is anticipated, however, that this effort may be resisted by the national staff. There was no evidence that UNIFIL staff representatives were engaged to explain the improper practice.</p>				

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
	E(i) There may be an improper design of functional work plans, which are important for distributing work between the new appointees and long-serving staff.	No controls observed.	Operational	Possible	Medium	Moderate Risk
	C(i) Pressure to fill posts on an accelerated basis may lead to (a) control overrides; and/or (b) the selection of candidates who are not best qualified to fill a post.	Under its expanded mandate, UNIFIL has come through the stage of rapid deployment of personnel in October 2006 – June 2007 with 620 new international and national posts established. As of May 2007, UNIFIL had a vacancy rate of 38 per cent for international staff with an expectation that it would be reduced to 15 per cent by September 2007. OIOS' last audit identified weaknesses in UNIFIL's staff selection process, which lacked transparency and did not take into account the balance required in the mix of experienced and new staff so that functions are carried out smoothly.	Compliance	Possible	Medium	Moderate Risk
	C(ii) Individual contractors may be used as a staffing mechanism, resulting in the violation of human resources management principles.	In its report A/59/736/Add.3 on UNIFIL, ACABQ requested that future budget submissions contain detailed performance information on individual contracts and projected use of this arrangement. Since the General Assembly's approval of 36 posts for the regularization of individual contractors, UNIFIL had refrained from employing individual contractors.				
II	Performance appraisal system			Possible	Medium	Moderate Risk
	F(i) Staff performance may not be linked to the respective organizational unit work plan, and may not be managed in accordance with the Organization's established procedures.	In August 2007, UNIFIL conducted a training session on e-PAS for newly arrived civilian personnel. UNIFIL's first reporting officers have not been ensuring that the staff member's individual goals are linked to the goals stated in the respective Sections' work plans.	Human Resources	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
III	Conduct and discipline B(i) Conduct and discipline issues, particularly sexual exploitation and abuse (SEA), may not be given adequate attention by the Mission management, resulting in serious reputation risk to the Organization.	There is an SEA policy in place. DPKO/DFS has established conduct and discipline teams at headquarters and in peacekeeping missions to monitor and report on misconduct issues, particularly SEA cases.	Governance	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
IV	Medical services	The UNIFIL Medical Section intends to review its existing resources in anticipation of additional needs, and propose new resource requirements in the next budget period.	Financial	Possible	High	Higher Risk
	D(i) Financial resources for medical services may not be adequate to meet the needs of an expanding mission, resulting in inadequate medical facilities.	There were weaknesses in adhering to existing administrative and security instructions of the Mission.	Operational	Possible	Medium	Moderate Risk
	E(i) Delays in the acquisition of equipment and other medical equipment and services may negatively affect the delivery of medical services.	UNIFIL indicated instances of an unnecessary patient transfers and lacked focus on self-sustainment and increased reliance in-house capacities.				
	E(ii) The political instability in the host country may affect the mobility of patients.					
	E(iii) Increased security threats and armed hostilities could negatively affect the Medical Section's operations.					
	A(i) Varied national policies within the multinational groups (of troop contributing countries) could affect the effectiveness of the Medical Section's operations.	UNIFIL intends to promote and further improve civil-military coordination and humanitarian activities within the local population.	Strategy	Likely	High	Higher Risk

Risk Assessment of: UNIFIL

No	Focus Area: Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
4	Procurement and Contract Administration					
1	Procurement and contract administration	Cost centre managers do not prepare properly justified acquisition plan and use this plan to raise requisitions. Requisitioning offices and the Procurement Section do not adequately coordinate the preparation of the acquisition plan and its implementation. There is no adequate training for key requisitioners.	Operational	Possible	High	Higher Risk
	E(i) The Mission may not have an acquisition plan to control and monitor requisitions, resulting in the uncoordinated or unplanned procurement of goods and services. E(ii) Requisitions may not be in line with the acquisition plan. E(iii) Delays in the HCC approval process could seriously affect procurement activities. E(iv) Procurement information leaks could compromise the integrity and transparency of the procurement function. E(v) Vendors may collude and fix prices, resulting in inflated prices for goods or services. E(vi) The selection of unprofessional vendors may result in poor quality of services or poor performance.	There were instances of delays in HCC caused by both internal HCC proceedings and untimely presentations by UNIFIL Administration. Staff members sign a declaration of independence and are subject to the UN code of conduct, in case of unauthorized disclosure of privileged/confidential information. UNIFIL has not established procedures to conduct the vendor review/registration and suspension of vendors, if warranted. UNIFIL has not established procedures to conduct the vendor review/registration and suspension of vendors, if warranted.		Possible	Medium	Moderate Risk

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	
	C(i) Controls over the procurement of goods and services may be overridden due to exigencies. This situation could compromise the integrity and transparency of the procurement process.	Cost centre managers do not prepare properly justified acquisition plan and use this plan to raise requisitions. Requisitioning offices and the Procurement Section do not adequately coordinate the preparation of the acquisition plan and its implementation. There is no adequate training for key requisitioners.	Compliance	Possible	High	Higher Risk		
	C(ii) Specification of goods and services may be proprietary or non-generic, violating the principles of fair competition, transparency and necessary checks and balances.	UNIFIL's application of administrative measures, including the use of Conduct and Discipline Team is not effective to control possible collusion with vendors.	Compliance	Possible	High	Higher Risk		
	C(iii) Collusion between staff member and vendors could compromise the credibility of the procurement function and lead to fraudulent activities.	UNIFIL intends to conduct continuous follow-up of human resources activities with concerned offices/officials to speed up staff recruitment.	Human Resources	Likely	High	Higher Risk		
	F(i) Recruitment delays and inadequate staffing could impair procurement activities.							

Risk Assessment of: UNIFIL

No	Focus Area: Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
5	Logistics Management		Likely	Medium	Higher Risk	
1	Travel and transportation E(i) UNIFIL may not achieve best value for money in air travel services due to the lack of a comprehensive travel agreement.	Prior OIOS audit recommended to explore the possibility of entering into a comprehensive travel agreement for its air travel needs. UNIFIL is in the process of a competitive bidding exercise for the provision of travel services.	Operational	Likely	Medium	Higher Risk
2	E(ii) The unavailability of spare parts may result in high vehicle-off-road rate.	For ground transportation, the average benchmark of the expected spare parts holding is estimated by the Surface Transportation Section, DFS at five per cent of vehicle inventory value. The 2007/08 budget for spare parts is \$1,523,000 or 3.45 per cent of the current vehicle inventory value \$44,180,000, which is \$686,000 lower than the five per cent benchmark or \$2,209,000.				
3	E(iii) The increase in the number of accidents may reduce the number of transport assets available for use.	UNIFIL's policies defining rules & regulations governing use of vehicles are weak and are not reviewed periodically to ensure their effectiveness.				
4	E(iv) Controls over travel operations may be weak, resulting in the processing of invalid claims.	UNIFIL supervisory controls over processing of travel claims are weak.				

5		Focus Area: Logistics Management		Likely	Medium	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Possible	High	Higher Risk
II	Air operations E(i) Due to the usage on secondary tasks like the transportation of passengers and VIP visits, UNIFIL aircraft may not be readily available for air patrolling and operational needs. E(ii) The security situation in the area of operations may negatively affect air patrolling. E(iii) Aircraft maintenance may not be regularly performed, increasing air safety risks.	UNIFIL operates nine rotary-wing aircraft that are utilized for air patrolling, limited air transportation between UNIFIL locations, VIP visits and medical evacuation. Seven aircraft (Italian and Russian) are based in UNIFIL HQ in Naqoura, while two are located in Sector East HQ (Spanish). On a number of occasions, there seemed to be a lack of cooperation from Spanish Battalion on utilization of Spanish helicopters outside of Sector East. There are weaknesses in UNIFIL's current system to regularly monitor the security situation through the Joint Operations Centre. There were instances that UNIFIL did not comply with regular maintenance schedules and did not conduct Aviation Safety checks.	Operational	Possible	High	Higher Risk
III	General services F(i) The General Services Section may not be able to effectively discharge its functions because its resources were not adjusted along with the expansion of UNIFIL. D(i) The Mission may not be able to exercise the authority delegated to it to administer staff lump-sum travel. This situation could result in inefficiencies and errors in the processing of lump-sum travel entitlements.	The General Services Section indicated that it lacks the required level of resources. The General Services Section indicated that it lacks the required level of resources.	Human Resources	Possible	High	Higher Risk
IV	Contingent-related issues F(i) The turnover of military logistics staff officers due to troop contributing countries' (TCCs) different rotation policies may affect the economy, efficiency and effectiveness of logistics services.	UNIFIL intends to propose to DPKO a standard one-year rotation period for the military logistics staff officers.	Human Resources	Likely	High	Higher Risk

5		Focus Area: Logistics Management				Likely	Medium	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment		Risk Category	Likeli-hood	Impact	Overall Risk	
E(i)	During troop rotations, TCCs may also rotate contingent-owned equipment (COE). This situation could negatively affect the implementation of the Memorandum of Understanding provisions and reimbursements to TCCs concerned.	There were instances that COE in- and out-surveys were not performed in a timely manner, especially during the initial deployment of contingents.	Operational	Likely	Medium	Higher Risk		
E(ii)	Language difficulties of contingent staff officers assigned to joint logistics operations may affect the efficiency of logistics services.	Some staff officers do not have the necessary language skills.						
C(i)	Inaccurate Chief Military Personnel Officer (CMPO) monthly reports on troop strength may result in financial losses to the Organization.	CMPO monthly troop strength reports serve as the basis for payment of some TCC entitlements. Prior OIOS audit indicated weaknesses in UNIFIL's procedures to record troop strength at the start-up period of troop deployment.	Compliance	Remote	High	Moderate Risk		
V	Assets management and property control	UNIFIL has not established procedures for COE and PCIU operations during security crises.	Operational	Possible	Medium	Moderate Risk		
E(i)	The lack of established procedures for COE and PCIU operations during security crises may negatively affect the COE Unit and the Property Control and Inventory Unit's ability to conduct its activities.			Possible	High	Higher Risk		
F(i)	The significant increase in UN-owned equipment (UNOE) and COE in UNIFIL may affect the quality of reporting on verification and control activities, considering that the current staffing levels were not significantly changed.	Follow-up actions with the Personnel Section are not done in a timely manner, delaying the recruitment of selected personnel. PCIU activities are not adequately planned to optimize the use of existing resources.	Human Resources	Likely	Medium	Higher Risk		

5		Focus Area: Logistics Management		Likely	Medium	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
	G(i) Delays in capturing changes in property records in the Galileo inventory system may result in an increased workload for follow-up actions.	UNIFIL's self accounting units do not always have strong supervisory controls to capture changes in property records in a timely manner.	Information Resources	Possible	Medium	Moderate Risk
	G(ii) Formed military units may not accurately report the operating status of COE. This situation could result in inaccurate COE records and erroneous COE reimbursements.	Rotating military units are not always properly instructed and trained on COE procedures.				
	C(i) Asset owners (end-users) may not accurately report their asset accountabilities and asset location. This situation could result in inaccurate asset records or lost assets.	Due to the lack of staff, PCIU did not have a capacity to conduct regular spot-checks of assets at end-user locations during the initial phase of the Mission's deployment. The situation had improved toward the end of 2007.	Compliance	Possible	Medium	Moderate Risk

Risk Assessment of: UNIFIL

No	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
1	IT activities	<p>UNIFIL operates a communication network consisting of 8 satellite Earth station, 28 telephone exchanges, over 100 VHF repeater stations and over 1,000 two-way radios. UNIFIL also runs a wide area network of 70 servers, over 1,750 desktop and laptop computers and 550 printers and digital senders. UNIFIL is developing its information technology strategy to ensure the efficient use of ICT resources.</p> <p>G(i) Information and communication systems and infrastructure may not be set up to accommodate the surge in military and civilian personnel.</p> <p>G(ii) The Mission may not have an adequate and detailed disaster recovery plan regarding its communication and information technology services, resulting in loss of vital information.</p> <p>E(i) Long delays in the procurement of IT requirements especially in cases where the requisitions are identified as immediate operational requirements may result in the loss of funds and unavailability of critical equipment.</p>	Information Resources	Possible	Medium	Moderate Risk
			Operational	Likely	High	Higher Risk

Risk Assessment of : UNIFIL

No	Focus Area: Interview/Review Summary (Description of risk)	Programme and Project Management OIOS Assessment	Risk Category	Likeli-hood	Possible	High	Higher Risk
1	Military operations A(i) The withdrawal of units by one or more troop contributing countries could negatively affect military operations.	The unplanned repatriation of the Ukrainian Battalion in April 2006 and its subsequent replacement with the Chinese Battalion at an unbudgeted cost of \$2 million raised concerns on contingency planning for similar events. Should a similar situation arise in the future, UNIFIL intends to adjust operational responsibilities/ tasks with remaining assets, analyze impact on the Mission and inform UNHQ immediately and approach DPKO for replacement troops.	Strategy	Possible	Possible	High	Higher Risk
	A(ii) The reduction/withdrawal of the Lebanese Armed Forces (LAF) units from the UNIFIL area of operations may negatively affect UNIFIL's ability to implement its mandate.	UNIFIL intends to put in place liaison and coordination mechanisms to monitor LAF deployment, including regular meetings with the Lebanese political leadership and the LAF hierarchy.					
	A(iii) UNIFIL may be the target of terrorist attacks, resulting in increased staff safety and security risks.	UNIFIL is reinforcing the exit/entry points at its Naqoura headquarters. UNIFIL intends to continue to undertake enhanced security measures, including conducting security drills and developing security procedures.					
	A(iv) The security crisis in the region could result in staff evacuation.	UNIFIL has a contingency plan in place.					
	A(v) Incursions or violations of the Blue Line (line of separation of opposing forces) by IDF/LAF may result in the escalation of tension.	UNIFIL intends to reinforce intelligence gathering. All efforts are being made to prevent/stop the use of force by maintaining dialogue with the LAF and IDF. UNIFIL is also taking necessary protective me					
	A(vi) Rocket attacks by armed elements may result						

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>in the escalation of tension.</p> <p>A(vii) The smuggling of weapons inside the area of operations may result in arms proliferation and incursions.</p> <p>A(viii) The curtailment of freedom of movement may result in the weakening of UNIFIL's ability to carry out its mandate.</p> <p>E(i) The local population may have a hostile attitude toward the UN. This situation could increase staff safety and security risks.</p> <p>E(ii) The lack of testing of the contingency plan may increase staff safety and security risks.</p>	<p>UNIFIL intends to enforce tighter control measures, in coordination with the LAF for Litani river checkpoints, and is establishing measures to check incoming LAF vehicles.</p> <p>UNIFIL intends to make attempts at peaceful resolution of the situation by requesting LAF to remove the obstacle/deal with the situation. Use of force to remove obstacles is considered as a last resort.</p> <p>The Mission intends to enhance activities to support the military troops' activities pertaining to the local population.</p> <p>There is a plan to conduct rehearsals to test the adequacy and effectiveness of the contingency plan.</p>	<p>Operational</p>	<p>Possible</p>	<p>High</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							
II	Political and civil affairs activities						
	A(i) There may be a lack of coordination of activities and resources between UNIFIL and the UN Office of the Special Coordinator for Lebanon (UNSCOL).	UNIFIL has its own political and civilian affairs component. At the same time UNSCOL, a special political mission, has a presence in Lebanon which mirrors the political activities of UNIFIL. In his report A/61/525, the UN Secretary-General had commented on the need for the further development of synergies and complementarities of special political missions administered by DPA with other United Nations departments and missions.	Strategy	Possible	High	Higher Risk	
	A(ii) The Mission's humanitarian efforts may be hindered by the unstable political and security environment in Lebanon.	Despite the current situation in Lebanon, UNIFIL intends to proceed with its humanitarian projects. The Mission also intends to maintain continuous contact with various political and religious leaders to ensure neutrality among all communities and religions.	UNIFIL has mechanisms in place to monitor the political and security situation in Lebanon in the Middle East.	Information Resources	Possible	High	Higher Risk
	A(iii) The tense political and security situation in Lebanon and in the region could hamper the Mission's ability to carry out its mandate.	UNIFIL does not have an information strategy that outlines a coordinated approach to inform the public of the UN's role and activities in Lebanon.	UNIFIL does not have an effective liaison and coordination mechanism with the government and media.				
	G(i) The Mission may not have a coordinated public information strategy, leading to inconsistencies in disseminating public information, such as the promotion of the UN's role in Lebanon.						
	G(ii) The local media may have a negative view of the Mission, which could mislead the local population on UNIFIL's mandate and activities.						

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
		Possible	Possible	Possible	Possible	Moderate	Moderate	Risk
III	Logistical and administrative support	UNIFIL intends to maintain food reserves equivalent to 14-day food provision at all posts and resort to the delivery of supplies by air during periods of heightened security situation. UNIFIL also intends to strengthen operational measures to restore freedom of movement, in case of restrictions.	Operational	Possible	Possible	Moderate	Moderate	Risk
	E(i) The curtailment of freedom of movement of essential supplies within the area of operations may result in UNIFIL's inability to provide essential supplies to troops.	UNIFIL is establishing a policy to ensure built-in redundancy at all posts and to reinforce an effective chain of troop and equipment replacement.						
	E(ii) The malfunctioning of major support equipment like generators, water pumping sets, helicopters, etc., may negatively affect Mission's operations.	UNIFIL has not established measures to arrange for alternative supply sources through international contractors.						
	E(iii) The lack of cooperation by local contractors with the Mission in providing essential supplies may negatively affect the provision of such supplies to troops in a timely manner.	UNIFIL has not impressed upon DPKO to have a standard time between turnovers of minimum six months. UNIFIL intends to put the newly inducted units through well-coordinated induction training to maintain optimum operational efficiency.						
	E(iv) The frequent and irregular turnover of contingents within 3 to 6 months may result in operational inefficiencies.							
IV	Quick impact projects	UNIFIL 2007/08 budget (A/61/870 and Corr. 1) included \$500,000 as provision for quick-impact projects, reflecting an increase of \$288,600 or 136 per cent, in comparison with the 2006/07 budget. In its report A/61/852/Add. 16 on UNIFIL budget, ACABQ recommended that an analysis of results achieved through such projects be made.	Compliance	Possible	Possible	Moderate	Moderate	Risk

Risk Assessment of : UNIFIL

No	Focus Area:	Property and Facilities Management	Likely	High	Higher Risk	
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
9	Engineering activities A(i) Facilities and infrastructure may not be set up to accommodate the surge in military and civilian personnel. This situation could negatively affect the Mission's operations.	UNIFIL is renovating its Naqoura headquarters, which is scheduled to be completed in 2008. UNIFIL provides maintenance and repair services to 63 military positions, including maintenance of 100 km of access roads, 21 helipads and 120 fuel storage facilities. UNIFIL is responsible for the provision of water supply to contingents, sewage collection and disposal services and operation and maintenance of 300 UN-owned generators. A 2007 OIOS audit showed internal control weaknesses relating to the administration of contracts at the UNIFIL Engineering Support Section, which affects the construction of facilities and infrastructure.	Strategy	Likely	Medium	Higher Risk

Focus Area:		Property and Facilities Management		Likely	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
	E(i) Controls over the deployment or construction of facilities and infrastructure may be overridden due to exigencies, leading to loss and wastage.	A 2007 OIOS audit showed internal control weaknesses relating to the administration of contracts at the UNIFIL Engineering Support Section, which affects the construction of facilities and infrastructure.	Operational	Likely	Medium	Higher Risk
	E(ii) Prolonged procurement processes and the unavailability of materials in the local market may hamper engineering services.	UNIFIL has not established long-term agreements for materials and spare parts.				
	E(iii) There could be inadequate or lack of controls in the receipt, storage and use of construction materials. This situation could result in losses to the Organization.	UNIFIL intends to establish proper internal controls systems regarding the receipt, storage and use of construction materials.				
	E(iv) Contractors may not have adequate project management skills, which could negatively affect the Engineering Support Section's operations.	Contractor performance reports are not prepared in sufficient detail.				
	F(i) The shortage of skilled/technical national staff could negatively affect the Engineering Support Section's operations.	The number of acceptable candidates to fill skilled/technical posts may be low due to the prevailing conditions in the local labor market.	Human Resources	Likely	High	Higher Risk

Focus Area:		Property and Facilities Management		Likely	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
II	Supply activities E(i) The unstable political situation in Lebanon may negatively affect the acquisition and distribution of supplies. E(ii) Delays in the placement of contracts and procurement action for supplies could negatively affect the provision of rations, fuel and other supplies. E(iii) Mechanical problems with road and air transportation assets, and unrest in the country may disrupt the movement of goods and personnel.	UNIFIL intends to prepare a contingency plan to provide for reserve supplies. UNIFIL intends to prepare a contingency plan for the provision of essential supplies. The Mission has yet to find the most suitable means of meeting the Mission's transport requirements.	Operational	Possible	High	Higher Risk

Risk Assessment of: UNIFIL

Focus Area:		Safety and Security	Likely	High	Higher Risk	
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
10	<p>Safety and security activities</p> <p>A(i) The uncertainty of the political environment and security situation in the country and in the Middle East region increase staff safety and security risks.</p> <p>B(i) The coordination of security activities among UN agencies in Lebanon may not be adequate, increasing staff safety and security risks.</p> <p>B(ii) Security plans of UN agencies in Lebanon may not be harmonized resulting in duplication of efforts.</p> <p>B(iii) The role and responsibilities of the Security Management Team may not be sufficiently clarified for the current situation in the Middle East resulting in lack of accountability.</p> <p>B(iv) Preparations for security emergency may not be adequate, resulting in a chaotic evacuation or other response to emergencies.</p> <p>B(v) The office premises may not be adequately secured resulting in intrusion and attacks as so risk staff safety.</p>	<p>Although UNIFIL has a contingency plan for emergencies, its rehearsal is still in the planning stage as of October 2007.</p> <p>The conflict of July-August 2006 highlighted several deficiencies in the security and safety arrangements at UNIFIL at the time of the conflict, namely:</p> <ul style="list-style-type: none"> • There was no security coordination among UN agencies in Lebanon, and each agency had developed its own security plan; • The role and responsibilities of the Security Management Team were not clarified; • Preparation for security emergencies was conducted only on an ad hoc basis; • The zone warden system was inefficient; • The zone wardens were not trained; • There was no periodic review of the staff and dependents list. <p>In addition, a recent OIOS noted that:</p> <ul style="list-style-type: none"> • UNIFIL nationally-recruited staff was not fully integrated in the UNIFIL security and safety provisions, and did not receive mandatory security awareness training; • UNIFIL database on staff and their dependent was not fully integrated with check-in and check-out processes, FPMS and the Movement of Personnel system. 	Strategy	Likely	High	Higher Risk

10	Focus Area: Safety and Security	Focus Area: Safety and Security	Likely	High	Higher Risk	
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
	(continuation of the above) To date, UNIFIL had made some progress toward establishing proper security and safety mechanisms, in accordance with DSS guidelines on security management. Security coordination meetings of UN agencies take place on a regular basis. The UNIFIL Security Section and zone wardens conducted several security exercises. Security awareness training was provided to national staff. The UNIFIL Pass and ID function was handed over from the Personnel Section to the Security Section and integrated with the staff and dependents database. However, the coordination between the Designated Officials in the north and in the south of Lebanon needs to be further improved.					
	D(i) Adequate resources may not be available to adequately deal with all the security issues at the mission.	The resources issues are being addressed	Financial	Possible	High	Higher Risk
	C(i) The zone warden system may not be fully functional at the mission resulting in security deficiencies.	The zone warden system was inefficient; The zone wardens were not trained; The UNIFIL Security Section and zone wardens conducted several security exercises.	Compliance	Possible	High	Higher Risk

Focus Areas

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

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

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

No.	Focus Areas	Examples of Sub Focus areas relating to principal focus
1	Strategic Management and Governance	Strategic planning and monitoring, Mandate and mission, Organisational 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 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.

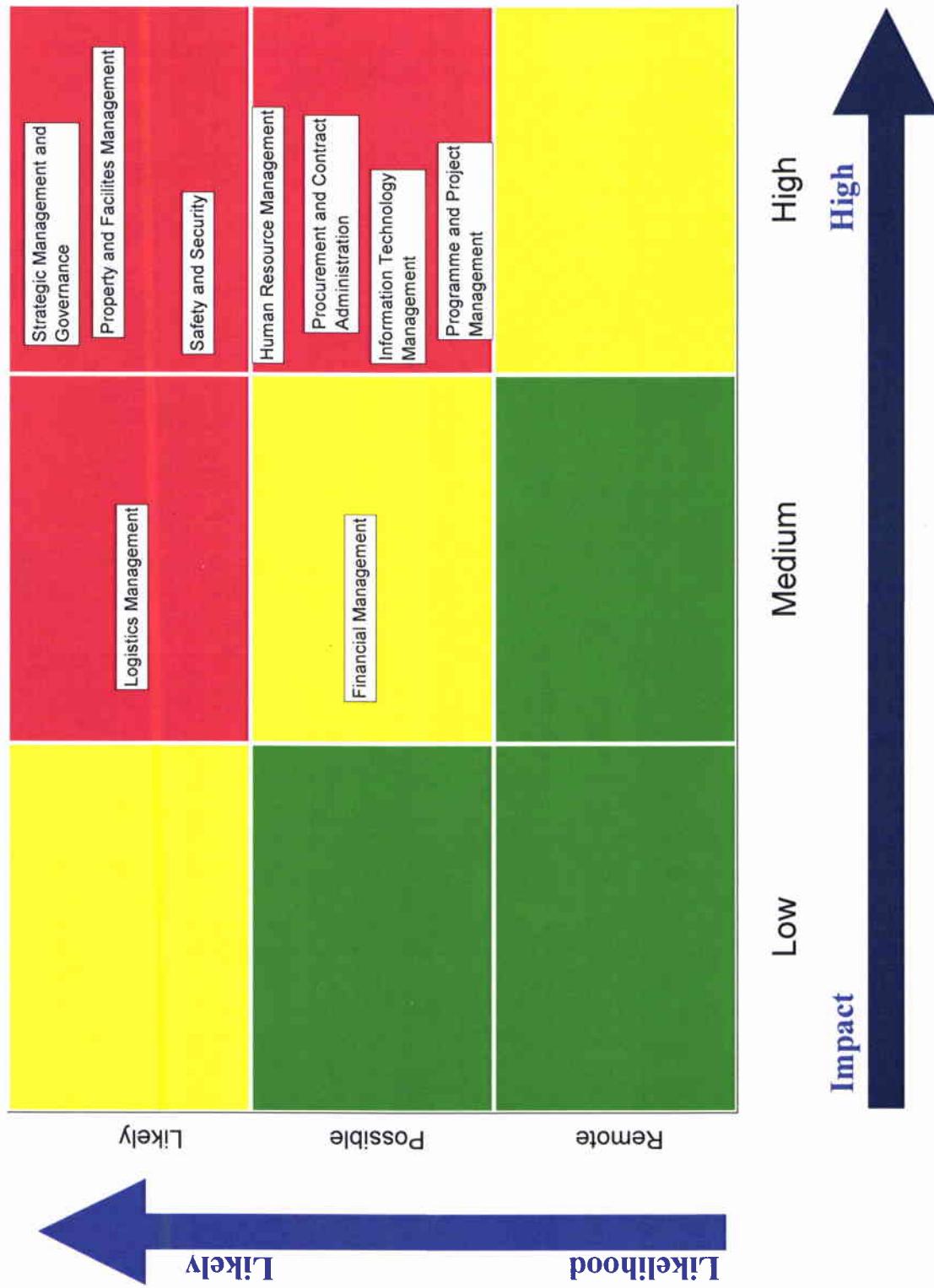
Risk Assessment Ratings

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		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 operations, reputation, or funding status	Higher Risk	The identified issue represents the following likelihood and impact combinations: <ul style="list-style-type: none">Likely and highLikely and mediumPossible and high
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">Likely and lowPossible and mediumRemote and high
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">Possible and lowRemote and lowRemote and medium

UNIFIL RISK SUMMARY PROFILE (Focus Area)



UNIFIL RISK SUMMARY PROFILE (Sub Focus Area)

