



INTERNAL AUDIT DIVISION
OFFICE OF INTERNAL OVERSIGHT SERVICES

RISK ASSESSMENT

**United Nations Economic Commission
For Europe (UNECE)**

**22 October, 2007
Assignment No. AE2007/720/01 (UNECE)**

United Nations  **Nations Unies**

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

**INTERNAL AUDIT DIVISION · DIVISION DE L'AUDIT INTERNE
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TO: Mr Marek Belka, Executive Secretary
A: United Nations Economic Commission For Europe

DATE: 22 October, 2007

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

REFERENCE: AUD-File no. (07-**00649**)

SUBJECT: Assignment No. AE2007/720/01 - Risk Assessment of United Nations Economic Commission For Europe (UNECE)

1. I am pleased to present OIOS' risk assessment of United Nations Economic Commission For Europe (UNECE), which was carried out from June 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 United Nations Economic Commission For Europe 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

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 United Nations Economic Commission For Europe, to gain an understanding of existing organizational relationships, risks, controls and process issues.

Focus Area	Name and Functional Title
Strategic Management and Governance	<ul style="list-style-type: none">• Mr. Marek Belka, Executive Secretary• Mr. Paolo Garonna, Deputy Executive Secretary• Mr. Patrice Robineau, Senior Advisor to the Executive Secretary• Ms. Susan Bartolo, Chef de Cabinet and Secretary of the Commission
Programme and Project Management	<ul style="list-style-type: none">• Ms. Parisudhi Kalampasut, Chief, Programme Planning, Monitoring & Evaluation Unit• Mr. Andrey Vasilyev, Chief, Economic Cooperation and Integration Division• Mr. Kaj Ole Barlund, Chief, Environment, Housing and Land Management Division• Mr. Heinrich Brungger, Chief, Statistical Division• Mr. George Kowalski, Chief, Sustainable Energy Division• Ms. Virginia Cram-Martos, Chief, Trade and Timber Division• Mr. Jose Capel Ferrer, Chief, Transport Division• Mr. Abdur Chowdhury, Chief, Technical Cooperation Unit• Mr. Keith Bull, Chief, Pollution Prevention Section• Mr. Roumen Dobrinski, Chief, Innovative Policies Development Section• Mr. William Geoffrey Hamilton, Chief, Cooperation & Partnerships Section

Focus Area	Name and Functional Title
	<ul style="list-style-type: none"> • Mr. Jean Kubler, Chief, Global Trade Solutions Section. • Mr. Hans Hansell, Chief, Trade Policy & Governmental Cooperation Section • Mr. Christopher Prins, Chief, Timber Section • Mr. Mika Vepsalainen, Economic Affairs Officer • Ms. Monica Linn, Chief, Environment for Europe & Sustainable Development Section • Mr. Andres Vikat, Chief, Population Unit • Mr. Matti Johansson, Secretary, Effect Oriented Activities under the CLRTAP Convention • Mr. Juan Ramos-Garcia, Chief, Technology Section • Mr. Michalis Adamantiadis, Chief, Transport & Infrastructure Development Section • Mr. Martin Magold, Chief, Border Cross Facilitation Section • Mr. Olivier Kervella, Chief, Dangerous Goods & Special Cargoes Section • Ms. Sabrina Mansion, Scientific Affairs Officers • Mr. Romain Hubert, Mechanical Engineer • Mr. Miodrag Pesut, Economic Affairs Officer • Mr. Frederic Romig, Chief, Sustainable Energy Section • Mr. Alexandra Chachine, Secretary, Working Party on Gas <p>Mr. Sead Vilgorac, Senior Economic Affairs Officer</p>

Focus Area	Name and Functional Title
<ul style="list-style-type: none"> -Financial Management -Human Resources Management -Procurement & Contract administration -Logistics Management -Information Technology Management -Conference and Documents Management -Property and Facilities Management -Safety and Security 	<ul style="list-style-type: none"> • Ms. Maria Sevilla, Executive Officer • Ms. Susan Bartolo, Chef de Cabinet and Secretary of the Commission • Mr. Patrice Robineau, Senior Advisor to the Executive Secretary • Ms. Parisudhi Kalampasut, Chief, Programme Planning, Monitoring & Evaluation Unit • Mr. Frank Moser, Chief, Information Systems Unit

SUMMARY OF RISK RATINGS

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

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

RISK REGISTER

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
				Possible	High	Higher Risk	Higher Risk
1	Strategic planning and monitoring	<p>A (i) Lack of visibility at the political level that may lead to lack of support from member states and other institutions could result in reduced funding for UNECE and hamper its efforts to continue its normative work to develop norms, standards and legal instruments and assisting member states to monitor and implement them.</p> <p>A (ii) UNECE may not have the capacity to offer a platform for all stakeholders to share information, views and experience and improving the coordination of these activities that may affect the implementation of the Millennium Development Goals.</p> <p>A (iii) Attention to gender mainstreaming in programmes and activities could be inadequate and put UNECE in a negative light in the eyes of some member states and tarnish its image.</p> <p>A (iv) UNECE may not have the capacity to implement the provisions of its reform as adopted by Members States in December 2005 and endorsed by the General Assembly.</p>	<p>UNECE adopted a reform plan in December 2005 aimed at enhancing accountability, transparency and horizontal coherence of its activities with a view to enabling the organisation to better respond to the needs of its member states. The outcome of the UNECE reform was subsequently discussed and approved in the Fifth Committee and in the General Assembly in December 2005 under Agenda item 124 "Proposed Programme Budget for the biennium 2006-2007.</p> <p>UNECE applies a multi-stakeholder approach, involving governments, other international organizations, non-governmental organizations and the private sector in its activities at all levels.</p> <p>An informal intergovernmental group was recently set up to address gender-related issues</p>	<p>Strategy</p> <p>Possible</p>	<p>High</p> <p>High</p>		

Focus Area:		Strategic Management and Governance		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
1	A (v). Expected accomplishments may not be achievable because of high degree of external dependency on member states on whose activities ECE has no control.	In order to increase the impact of its work, the UNECE reinforced its cooperation with key international organizations and institutions in all relevant areas of its work, in particular FAO, OECD and UNDP. A (vi) Insufficient coordination with other UN agencies and Bretton Woods institutions could lead to duplication of efforts and limitations in the work of ECE. A (vii) Lack of open and intensive interaction between the membership and the secretariat of ECE may prevent successful implementation of reforms launched in 2005.	Strategy	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	
II	Mandate and mission		Governance	Possible	High	Higher Risk	Higher Risk	
	B (i). There is a risk of privatisation of public goods to the detriment of UNECE as some of the work is done in partnership with the private sector, which may wish to hold on to the intellectual property rights of some UNECE products.	UNECE is particularly vigilant on this matter and is continuously liaising with the UN legal office and World Intellectual Property Organisation (WIPO) in this respect.	Governance	Possible	High	Higher Risk	Higher Risk	
	B (ii) Management oversight arrangements, if inadequate, could contribute to inability to achieve objectives and expected accomplishments.	A new, more transparent governance structure, involving Member States was put in place by the 2005 UNECE reform. The programme planning, monitoring and evaluation functions were strengthened						
	B (iii) Lack of capacity/resources to implement at regional level, mandates emanating from Economic and Social Council (ECOSOC) and the General Assembly may result in loss of reputation to UNECE as a leading regional body.							
III	Policies and procedures	The security and safety is under the control of UNOG. UNECE has no control over security procedures adopted by UNOG.	Operational	Possible	Medium	Moderate Risk	Moderate Risk	
	E (1). Increased security measures at the UN, without the implementation of procedures to facilitate the prompt access of delegates to meetings, may lead to disruption of meetings and to decisions not to hold meetings in Geneva with ultimate loss of reputation to UNECE.							

Focus Area:		Strategic Management and Governance			Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk	
1	D (i) The lack of a comprehensive centralised funding strategy for extra budgetary resources meant to cover the programme of work may lead to a reduction in mandated activities and may not meet the expectations of member states. D (ii) The extra budgetary funding may not be sufficient to cover the demand for technical assistance especially in economies in transition. D (iii) The mismatch between growth in regular budget funding and activities of ECE may prevent the achievement of objectives.	The Board Of Auditors (BOA) had recommended the development and implementation of a comprehensive fund raising strategy (UNS-ECE-SWI-2005-10). As part of the reform programme, UNECE is reviewing funding strategies, relevance of subprogrammes and equitable distribution of resources. However, UNECE Management commented that Member States have found the efficiency of central funding to be low and therefore opted to continue activity based fund raising strategies. ECE has no control over growth in regular budget which has remained static over the years.	Financial	Possible	Medium	Moderate Risk	
IV	Risk Management	A (i) Lack of Enterprise Risk Management could lead to UNECE not managing its risks and opportunities adequately.	Management commented that this risk assessment will be the basis for the future UNECE risk management	Strategy	Possible	Medium	Moderate Risk
	B (i) If senior management fails to provide necessary direction and leadership, and appropriately empower staff, this may result in confusion regarding managements expectations and suboptimal effectiveness in implementing programme of work	UNECE-wide staff meetings, divisional staff meetings, team meetings, discussions within the Performance Appraisal System (PAS) process are among the tools used by UNECE to provide direction and leadership and to empower staff.	Governance	Possible	Medium	Moderate Risk	

Focus Area:		Strategic Management and Governance		Possible	High	Higher Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
v	<p>Organisation structure and functions</p> <p>B (i) UNECE organization structure, if inadequate to support the mandate, may impact on the achievement of objectives and delivery of services.</p> <p>B (ii) If delegation of authority is inappropriate, this may delay or prevent UNECE from fulfilling mandate in an efficient manner.</p> <p>B (iii) Unclear roles and responsibilities may prevent UNECE from fulfilling its mandate in an effective manner.</p> <p>B (iv) Inability to fully adapt to the changing needs and expectations of its member states, and the changing institutional architecture may result in loss of institutional relevance in the region.</p>	UNECE adopted a reform plan in December 2005 which led to structural changes reflecting the needs and priorities of its member states.	Governance	Possible	Medium	Moderate Risk

Risk Assessment of: UNECE

No	Focus Area:	Financial Management	OIOS Assessment	Risk Category	Impact	Overall Risk
2	Interview/Review Summary (Description of risk)			Possible	Medium	Moderate Risk
I	Financial management	A (i) There is a risk that since financial management functions except fund raising and results based budgeting, have been delegated to UNOG, the lack of ownership of the process makes UNECE dependent on UNOG for timely completion of accounting and financial reporting.	Lack of communication and delays in services from UNOG have been identified as risks in the previous OIOS risk profiles.	Strategy	Possible	Moderate Risk
D	D (i) Lack of centralised funding strategy may result in failure to raise sufficient extra budgetary resources to meet the member states mandated activities.	D (ii) The UN regular budget cycle is inflexible and may cause inefficiencies when allotments expire if not spent before the end of the biennial budget period.	UNECE management advised that there has been no major breakdown in IMIS but interruptions in IMIS service have been experienced from time to time. As part of the reform programme, UNECE is reviewing funding strategies, relevance of subprogrammes and equitable distribution of resources. However, UNECE Management commented that Member States have found the efficiency of central funding to be low and therefore opted to continue activity based fund raising strategies.	Financial	Remote	Low
G	G (i) Incompatibility of information technology packages including IMIS, Databases and Galaxy which are not interfaced may lead to inefficiencies in programme delivery.	UNECE management hopes the UN wide information and Communication Technology (ICT) policies will address issues of incompatibility of systems.	Information Resources	Likely	Medium	Higher Risk

Focus Area:		Financial Management		Possible	Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
2	E (i) The UN framework of rules and regulations as it relates to financial management is cumbersome and does not allow flexibility to staff and leads to inefficiencies and ineffectiveness in providing support e. g budget cycle spend or lose.	The UN policies and procedures for HR and Finance are used.	Operational	Possible	Medium	Moderate Risk

Risk Assessment of: UNECE

Focus Area:		Human Resource Management		Possible	Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	IOIS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
3	Human resources management	A (i) Human resources functions have been delegated to UNOG (except for the initiation of requests for HR related actions), the lack of ownership of the process could make UNECE dependent on UNOG's ability to provide service in a timely manner. A (ii) Frequent changes in HR staff assigned to service UNECE has had a negative impact on service provision and a consequent loss of morale.	UNECE management informed that they work well with UNOG. The main problems experienced have been delays in processing actions requested by UNECE, e. g for consultancy contracts or as related to the various actions/steps required to complete a vacancy selection process.	Possible	Medium	Moderate Risk

3	Focus Area: Human Resource Management	Possible	Medium	Moderate Risk	
No	Interview/Review Summary (Description of risk)	Risk Category	Likeli-hood	Impact	Overall Risk
	<p>E (i) Lack of clear guidelines for use by requesting Programme and Administrative Officers, particularly with regards to the recruitment of consultants may cause delays in completing personnel actions.</p> <p>E (ii) Lack of a centralised data base of consultants could lead to delays in the recruitment of consultants and individual contractors, which could further impact on programme delivery.</p> <p>E (iii) The UN framework of rules and regulations as it relates to human resource management is cumbersome and difficult and does not allow flexibility, which is time consuming and burdensome to staff and leads to inefficiencies and ineffectiveness in providing support.</p>	<p>HR action plan help monitor vacancy rates, gender and geographical distribution goals.</p> <p>OIOS audit of Consultants and Experts (AE2006/345/01) showed that UNOG needs to improve its oversight of the functions related to consultants and experts contracting in the serviced departments, offices and agencies including UNECE.</p> <p>The UN policies and procedures for HR and Finance are used.</p>	<p>Operational</p>	<p>Possible</p>	<p>Medium</p>

3	Focus Area: Human Resource Management	Possible	Medium	Moderate Risk	
No	Interview/Review Summary (Description of risk)	Risk Category	Likeli-hood	Impact	Overall Risk
	F (i) The vacancy rate of approximately 6% could impair achievement of UNECE's mandate.	Human Resources	Remote	Medium	Lower Risk
	F (ii) Failure to enforce the policy of geographical distribution in the recruitment of staff and consultants (90% of staff come from the region) may give perception that UNECE is not respecting, the UN principle of geographical balance.	UNECE is committed to promote, through human resources management, staff mobility and skill enhancement to ensure that staff members periodically change divisions and subprogrammes, encourages staff members to gain experience in other UN and international organisations as well as in the field.			
	F (iii) UN mobility programme may create loss of specialised knowledge and inefficiencies in human resources management. In particular the requirement of National Competitive Examinations (NCE) candidates to rotate after two years deprives divisions of on the job trained manpower.	The new Enterprise Resource Planning (ERP) will address some of the incompatibility concerns.	Information Resources	Possible	High
	G (i) Incompatibility of information technology packages including IMIS, Databases and Galaxy which are not interfaced may lead to inefficiencies in programme delivery.				Higher Risk

Risk Assessment of: UNECE

4		Focus Area:	Procurement and Contract Administration		Possible	Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk	
1	Procurement and contract administration						
	A (i) There is risk that since procurement functions, except initiation of requisitions and certifications, have been delegated to UNOG, the lack of ownership of the process makes UNECE dependent on UNOG for prompt completion of procurement actions.	UNOG is developing a procurement intranet site which will cover the whole procurement process and will be accessed by all staff members.	Strategy	Possible	Medium	Moderate Risk	
	E (i) Requisitioners' lack of knowledge of the UN procurement procedures could result in compromise of procurement actions, inefficiencies, incorrect decisions and could result in ordering incorrect goods.	Requisitioners are required by UNOG to prepare procurement plans in advance to ensure that needs are met.	Operational	Possible	Medium	Moderate Risk	
	E (ii) The standardization of purchase of computer equipment under the UNOG ICT systems contracts may result in the purchase of IT equipment which is not suitable to UNECE specific requirements e. g. UNECE traveling staff prefer lighter laptops than what UNOG ICTS has recommended as standard laptops.	Technology Innovation Committee (TIC) in UNOG coordinates with UNOG serviced agencies in identifying requirements for systems contract.					
	E (iii) The lack of procurement plans may result in failure by UNOG procurement unit to meet UNECE's procurement deadlines with a consequent delay in programme delivery						

Risk Assessment of: UNECE

5		Focus Area:	Logistics Management		Possible	Low	Lower Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk	
1	Logistics management	UNECE has good relations with the travel section in UNOG	Strategy	Possible	Low	Lower Risk	
	A (i) There is risk that since travel functions except initiation of travel request, and travel arrangements for delegates from outside Geneva, have been delegated to UNOG, lack of ownership of the process makes UNECE dependent on UNOG for timely completion of travel processing.	ECE has embarked on streamlining operations with UNDP field offices to improve services.	Operational	Remote	Low	Lower Risk	
	E (i) Participants from outside Geneva may not get their tickets and Daily Subsistence Allowance (DSA) in time because of lack of capacity from cooperating partners such as UNDP.	UNECE plans to use easy card after a pilot project to test its efficiency and effectiveness. The use of the card is expected to reduce carrying of cash to meeting sites.	Financial	Possible	Medium	Moderate Risk	
	D (i) Risk of loss of cash as staff members are required to hand carry cash for DSA for participants in meeting venues outside Geneva where there are no UNDP or other UN offices.						

Risk Assessment of: UNECE

No	Focus Area:	Information Technology Management	Possible	High	Higher Risk	
6	Interview/Review Summary (Description of risk)		Possible	High	Higher Risk	
No	Information Technology Management	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk
1	<p>G (i) Failure to take over ownership of an application through a formal process of user acceptance testing and sign off once it has been developed and handed over may result in systems not meeting user requirements.</p> <p>G (ii) Inadequate /non- existent procedures (security policy) for the granting of access rights to systems and applications and the administration of such rights (including user ID and password structures, control over access tables, user disciplines and control over transfers/leavers) may result in loss of data integrity.</p> <p>G (iii) Lack of policy on data retention and confidentiality may lead to loss of data, and confidentiality.</p> <p>G (iv) The back up and recovery procedures outsourced from UNOG/ICTS may not be operating as intended due to failure to carry out a periodic recovery exercises.</p>	<p>ICT strategy for UNECE was issued in December 2006. It includes strategies which if implemented would mitigate some of the risks noted under the IT focus area.</p> <p>Service Level Agreement (SLA) with UNOG ICTS is in place though it does not specify remedies for failure to perform and losses which might result from a disaster.</p> <p>OIOS UNECE ICT management report identified most of these shortcomings which are being addressed as part of the implementation of the recommendations.</p>	Information Resources	Possible	High	Higher Risk

No	Focus Area: Interview/Review Summary (Description of risk)	Information Technology Management OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk	Higher Risk
6			Information Resources	Possible	High	Higher Risk	
	G (v) Storage of back up media may be inadequate as the service level agreement does not incorporate proper security procedures over media and there are no remedies to UNECE in the event of failure to recover data. G (vi) Failure to define the mission critical functions and data may hinder the implementation of an appropriate Business Continuity Plan, which may result in failure to resume operations in the event of a disaster. G (vii) The network platform including its devices maybe vulnerable to external attacks by hackers and other intruders, with a consequent interruption of services, loss of data and damage and destruction of equipment.	The network administrators periodically assess network hosts, with oversight from the UNOG ICT Security Working Group - to ensure timely identification and mitigation of system vulnerabilities to prevent security compromises of the network.					

Risk Assessment of : UNECE

No	Focus Area:	Programme and Project Management			Risk Category	Impact	Overall Risk	Moderate Risk
		Possible	Medium	Moderate Risk				
7	Interview/Review Summary (Description of risk)	OIOS Assessment			Strategy	Possible	Medium	Moderate Risk
1	Transport	A (i) The role of UNECE in providing a forum for international safety and environmental standards for transport could be undermined by the duplication of activities with other organisations, such as, European Union (EU), World Bank, Organisation for Economic Cooperation and Development (OECD), United Nations Development Programme (UNDP), Organisation for Security and Cooperation in Europe (OSCE) etc.	The European Conference of Ministers of Transport (ECMT) reform resulted in the closure of their road safety group, whose tasks have been handed over to UNECE also in this process the European Union (EU) draws on UNECE to roll out road safety and environmental improvement beyond the EU territory. EU has replaced its type approval directives by the UN developed legal instruments;	UNECE and World Health Organisation (WHO) have established close cooperation on road safety, and some tangible results of this cooperation can already be seen;	Global Road Safety Partnership (GRSP) is becoming a global focal point for road safety policy issues, though they still have a limited scope;	The World Bank focuses on road safety improvement in the framework of investment projects and these projects draw also on the UNECE work and legal instruments;	The Committee on Inland Transport shall keep the vehicle's regulatory activity of the World Forum for Harmonization of Vehicle Regulations (WP.29), which is a coordination role in itself;	

Focus Area:		Programme and Project Management			Moderate Risk		
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Possible	Medium	Moderate Risk	
			Likeli-hood	Impact	Overall	Risk	
7	B (i) Some member states may have conflicting interests in transport issues, leading to lack of implementation of agreed norms, standards and legal instruments with a consequent potential loss of relevance of UNECE in the region. B (ii) Lack of cooperation by member to take border crossing facilitation measures, can lead to partial solutions to smooth border crossing.	All norms, standards and legal instruments are adopted through consensus or by an at least two-third majority. Thus they remain relevant for a significant part of UNECE. UNECE commented that this was a high risk beyond the control of UNECE. At the same time there is also a high reward if Member States fully implement programs.	Governance	Possible	Medium	Moderate 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	Medium Moderate Risk
7	<p>E (i) Inadequate coordination of work between ECE divisions on issues of common interest and overlapping mandates, may result in inefficiencies and waste of resources.</p> <p>E (ii) Lack of access to relevant documents due to inability of UNOG support services to produce and translate documents in a timely manner may result in delays in governing bodies decision making.</p> <p>E (iii) There is a risk that UNECE is not able to monitor the number of countries that sign and ratify the agreements because of resource constraints.</p> <p>E (iv) Late, unreliable and incomplete submission of data for research purposes from member states, may result in the development of sub standard proposals for legal instruments, norms and standards.</p> <p>E (v) Lack of resources and access to reliable data may hinder the collection of information on the implementation of norms, standards and legal instruments at country level.</p> <p>E (vi) UNECE may not have the resources and tools to fulfill its objectives of improving safety, environmental protection, energy efficiency and security in the transport sector with a consequent loss of reputation.</p>	<p>UNECE adopted a reform plan in December 2005 aimed at enhancing accountability, transparency and horizontal coherence of the activities of the organisation with a view to enabling the organisation to better respond to the needs of its member states. Multi-sectoral projects have become milestones on the road to improve internal cooperation. These projects are: the PEP initiative that addresses transport, environment and health issues; trade and transport facilitation efforts etc.</p> <p>This is an external risk and it is typical of the transition economies. The lack of reliable data is becoming an even bigger problem as liberalisation of transport services is gaining ground. Close cooperation among international organisations and particularly with Eurostat, as well as the harmonisation programs aim at mitigating this risk. In addition, the Statistics Division and the Transport Division have decided to appoint external experts who will work out a common evaluation data work.</p>	Operational	Possible	High Higher Risk

Focus Area:		Programme and Project Management					
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Possible	Medium	Moderate	Risk
			Likeli-hood	Impact	Overall	Risk	
7	E (vii) Lack of cooperation by member states and lack of resources to promote road safety campaigns, promote safety provisions in the transportation of dangerous goods and perishable food stuffs and security of transport systems, may result in complicated border crossings, incoherent infrastructure networks for road, rail and inland waterway transport and may pose a threat to the well being of the environment and its inhabitants.	Transport documents are submitted for processing in accordance with deadlines to appropriate UNG services where bottlenecks occur.	Operational	Possible	High	Higher Risk	
	E (viii) Inability to be kept up-to-date with technological advances related to manufacturing of vehicles may result in incoherent vehicle standards in the region.	Well targeted knowledge management and regular expert meetings serve to ensure that staff keep abreast of new developments.					
	F (i) UN mobility programme may create loss of specialised knowledge and inefficiencies in human resources management. In particular the requirement of NCE candidates to rotate after two years deprives divisions of on the job trained manpower.	The UN mobility programme is an opportunity. UNECE is committed to promote, through human resources management, staff mobility and skill enhancement to ensure that staff members periodically change divisions and subprogrammes, encourages staff members to gain experience in other UN and international organisations as well as in the field.	Human Resources	Possible	High	Higher Risk	
	F (ii) Lack of in-house administrative capabilities in financial, budget and human resources management may lead to delays in programme delivery.						

7		Focus Area:	Programme and Project Management		Possible	Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall Risk	Moderate Risk
II	Trade and Timber	<p>A (i) Duplication of effort across organizations within the European area in the area of Timber and Forestry policy, may lead to inefficiencies.</p> <p>A (ii) Duplication of effort across organizations globally in the area of agricultural quality standards may lead to inefficiencies.</p> <p>A (iii) Duplication of effort across organisations in the area of electronic business standards may lead to inefficiencies.</p> <p>A (iv) Taking over of some work by other organizations especially private sector groups could reduce the voice of governments in determining standards that are critical for the functioning of their administration.</p> <p>A (v) Taking over of some work by other organizations especially private sector groups could reduce the voice of governments in determining standards that are critical for the functioning of their administration.</p>	<p>Continue joint funding of work with Food and Agricultural Organisation (FAO) and joint programme of work with the FAO European Forestry Commission, work with Secretariat of the Ministerial Conference on the Protection of Forests to formalize existing cooperation. Also UNECE should work with other organizations and member states in the region in order to coordinate regional inputs to the UN Forum on Forests.</p> <p>Consultations with OECD have been initiated, at the request of member States, in order to concentrate the activities in the field of agricultural quality standards in UNECE, discussions now need to be initiated with the FAO to further improve coordination in this area.</p> <p>Continue close cooperation with other organizations in the context of the ISO/IEC/ITU/UNECE MoU on electronic business standards and continue to work to engage industry associations as partners in the work.</p>	Possible	Possible	Medium	Moderate Risk

Focus Area:		Programme and Project Management			Possible	Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Likeli-hood	Impact	Overall	Risk
7	F (i) Lack of adequate staff resources with the right competencies could result in failure to develop and maintain high quality electronic data interchange norms, standards, guidelines, recommendations and tools and related activities (extending to electronic codes, new e-business standards).	A concerted effort needs to be launched to obtain extra-budgetary resources for this work, with support from UNECE administration, the UNOG training section and, possibly, specialised consultants.	Human Resources	Possible	Medium	Moderate Risk	
	E (i) Lack of analytical and monitoring tools related to sustainable forest management, including sound, legal use of wood, forest products and services in the region may result in poor forest management and eventual forest destruction. E (ii) Production of inaccurate statistics, information and analysis, could result in suboptimal decision making and eventually loss of reputation to the work of the UNECE	UNECE management commented that this is more a risk at the country level. UNECE management commented that, "this risk is inherent in all analytical work and may be minimised by normal quality control (e.g. the Timber Sections quality guidelines, already in use) and by actively seeking feedback from users and not UNECE Secretariat.	Operational	Possible	Medium	Moderate Risk	

Focus Area:		Programme and Project Management		Possible		Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment		Risk Category	Likeli-hood	Impact	Overall Risk
7	F (i) Institutional constraints in the recruitment of consultants and the filling up of vacant posts may result in failure to achieve the objective of promoting sustainable forest management, development of agricultural quality standards, research in trade policy areas and reduction of barriers to trade and integrate transitional countries in the global economy.	OIOS audit of consultants and experts (AE2006/345/01) pointed out the need for improved selection of consultants including measures to ensure competitiveness, transparency and improved response times.	Human Resources	Remote	Medium	Lower Risk	
	F (ii) Lack of competent, experienced staff as a result of the mobility policy, may lead to poorly conceived standards and regulatory frameworks.	G (ii) Lack of IT software and hardware tools could result in failure to develop and maintain high quality electronic data interchange norms, standards, guidelines, recommendations and tools and related activities (extending to electronic codes, new e-business standards).	Information Resources	Possible	Medium	Moderate Risk	
	III Environment Housing and Land Management	E (i) Failure to implement commitments and recommendations in Eastern Europe, the Caucasus and Central Asia mainly because of funding and technical expertise constraints in the countries may result in loss of relevance for UNECE.	Operational	Possible	Medium	Moderate Risk	
		E (ii) Performance indicators may not be realistic because the work of the Division is government driven. Outputs may therefore change at the request of governments and successes, especially at the national level, and may not be reflected in the performance indicator achievements.					

Focus Area:		Programme and Project Management				Possible	Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment		Risk Category	Likeli-hood	Impact	Overall Risk	Moderate Risk
	F (i). The UN Mobility policy could have negative impact on a highly technical Secretariat. Similarly the policy of rotation of NCE candidates after a period of two years have had negative impact in that movement is mandatory at the time when staff become technically competent.	While UNECE is committed to promote, through human resources management, staff mobility and skill enhancement, there remain risks from increased mobility due to possible loss of skills and knowledge in areas that are highly technical	Human Resources	Possible	Medium			Moderate Risk
	D (i) The expansion of programme of work has not been accompanied by a similar increase in regular budget funding, in particular to support activities under the conventions, which may result in failure to meet expectations of member states with a consequent loss of reputation	Management explained that the Division of Environment, Housing and Land management has been able to meet much of the shortfall in funding through active fund raising	Financial	Possible	Medium			Moderate Risk
	B (i) The UN framework of rules and regulations as it relates to HR and Finance is cumbersome and difficult and does not allow flexibility, which is time consuming and burdensome to staff and leads to inefficiencies and ineffectiveness in providing support e. g budget cycle spend or lose, RB cannot be rolled over etc.	The UN policies and procedures for HR and Finance are used, but the division finds that the system does not always operate effectively and efficiently.	Governance	Possible	Medium			Moderate Risk
IV	Sustainable Energy	UNECE follows up on committed funds through the various subprogrammes directly with donors.	Financial	Possible	Medium			Moderate Risk
	D (i) Funds committed by member states and other donors may not be transmitted in a timely manner to UNECE, leading to delays in programme delivery.			Possible	Medium			Moderate Risk

Focus Area: Interview/Review Summary (Description of risk)		Programme and Project Management		
No	OIOS Assessment	Risk Category	Possible Likelihood	Medium Impact
			Overall Risk	Moderate Risk
	<p>E (i) Implementation of recommended energy policy reforms that are not fully adopted in the regulatory processes such as the pricing policies in the countries concerned may result in loss of reputation for UNECE.</p> <p>E (ii) Inadequate intergovernmental mandates may prevent member states from participating fully in activities to promote energy security and better infrastructure.</p> <p>E (iii) Duplication of effort with other international organisations such as EU, World Bank, OECD, UNDP, OSCE and intergovernmental bodies in particular the International Energy Agency and the Energy Charter in dealing with energy matters may result in inefficient utilisation of resources.</p>	<p>Governments of member States are responsible for formulating recommendations of the Committee on Sustainable Energy and its expert groups and for follow-up at the national level.</p> <p>The UNECE secretariat seeks to ensure that each activity undertaken with regular budget or extra-budgetary funds is supported by an approved intergovernmental mandate.</p> <p>The Committee on Sustainable Energy carefully defines its activities to meet the needs of member States and seeks to find synergies with other relevant international organisations including joint activities, MOU, participation of members of other relevant organisations in the activities of the sub-programme.</p>	<p>Possible</p> <p>Operational</p>	<p>Medium</p> <p>Moderate Risk</p>
	F (i). The UN Mobility policy if not implemented properly could have negative impact on a highly technical Secretariat.	UNECE is committed to promote, through human resources management, staff mobility and skill enhancement to ensure that staff members periodically change divisions and subprogrammes, encourages staff members to gain experience in other UN and international organisations as well as in the field.	<p>Possible</p> <p>Human Resources</p>	<p>Medium</p> <p>Moderate Risk</p>

Focus Area:		Programme and Project Management			OIOS Assessment			Risk Category			Likeli-hood			Impact			Overall Risk			Moderate Risk		
No	Interview/Review Summary (Description of risk)	Possible	Medium	Medium	Possible	Medium	Medium	Possible	Medium	Possible	Possible	Medium	Medium	Possible	Medium	Medium	Moderate Risk					
v	<p>Statistics</p> <p>E (i) Failure to set up and maintain an appropriate database on Millennium Development Goal Indicators using the data base and dissemination infrastructure of the statistical subprogramme may affect the contribution to the implementation of the Millennium Development Goals.</p> <p>E (ii) Lack of formal agreements on data sharing with international organisations such as Eurostat, ILO, WHO Europe, World Bank, UNESOM, OCED, IMF, CIS and National Statistical Offices may prevent UNECE from achieving an increased availability of reliable, timely and comparable macroeconomic, social and demographic statistics.</p> <p>E (iii) Member states may opt for other locations to hold conferences and meetings because of the security rules which results in long delays to obtain access to the Palais des Nations in Geneva.</p> <p>E (iv) Member states may opt for other locations to hold conferences and meetings because of use of outdated forms, procedures and work methodology in the publications unit of the UNOG Division of Conference Services</p>	UNECE management informed OIOS that a database for millennium development goals has been setup.	Operational	Possible	Possible	Possible	Possible	Operational	Possible	Possible	Possible	Possible	Possible	Possible	Possible	Possible	Moderate Risk					

7		Programme and Project Management		Focus Area: Interview/Review Summary (Description of risk)		OIOS Assessment		Risk Category	Likeli-hood	Impact	Overall Risk	Moderate Risk
No								Possible	Medium	Medium	Moderate	
	D (i) Lack of sufficient funding may lead to a reduction in mission travel and consequent failure to coordinate international statistical work in the UNECE region and to cooperate with other Regional Commissions.			As part of the reform programme, UNECE is reviewing funding strategies, relevance of subprogrammes and equitable distribution of resources. However, UNECE Management commented that Member States have found the efficiency of central funding to be low and therefore opted to continue activity based fund raising strategies.		Financial	Possible	Medium	Moderate			
	D (ii) Lack of transparency in the use of administrative overhead charge on donor fund (overhead support costs) and the rate applied may result in UNECE losing its competitive advantage.			UNECE management informed OIOS that the lack of compatibility is a UN wide problem and should be addressed as part of the UN wide strategy.		Information Resources	Possible	High	Higher	Risk		
	G (i) The lack of compatibility of IT tools between UN agencies and the lack of a common data portal makes it difficult to share data and research on what information is available in other sites in order to avoid duplication of effort.			G (ii) The lack of resources devoted to IT infrastructure may render UNECE less competitive when compared to regional institutions and sub regional groupings.								
	F (i). The UN Mobility policy if not implemented properly could have negative impact on a highly technical Secretariat. Similarly the policy of rotation of NCE candidates after a period of two years have had negative impact in that movement is mandatory at the time when staff become technically competent.			UNECE is committed to promote, through human resources management, staff mobility and skill enhancement to ensure that staff members periodically change divisions and subprogrammes, encourages staff members to gain experience in other UN and international organisations as well as in the field.		Human Resources	Possible	Medium	Moderate	Risk		

7		Focus Area: Programme and Project Management		No		OIOS Assessment		Risk Category	Likeli-hood	Impact	Overall Risk	Moderate Risk
No	VI	Interview/Review Summary (Description of risk)						Possible	Medium	Moderate	Risk	Moderate Risk
		A (I) High expectations from member states, in particular from countries with economies in transition, may not be matched by limited resources of UNECE, especially extra budgetary resources needed for capacity-building activities which may ultimately lead to dissatisfaction among some member states.		The UNECE's Technical Cooperation shall concentrate on the sectors where UNECE has in-house expertise and comparative advantage over other organizations. It has to focus on the countries with economies in transition and has to be demand driven.		Strategy	Remote	Medium	Medium	Lower Risk		
		D (i) Limited possibilities to build relevant capacity in member states through technical cooperation activities as a result of insufficient resources.		D (ii) The use of UNECEs regional advisors in capacity building may deviate resources from other activities of the programme of work		Strategy on Technical cooperation (E/ECE/1411/Add.1) endorsed by the Commission at its annual session 2004.	Financial	Possible	Medium	Medium	Moderate Risk	
		E (i) Challenges related to the need to closely coordinate UNECE activities with those of other parts of the UN system and other international organizations to achieve complementarities of efforts and avoid possible duplication and the resultant inefficiencies.		E (ii) The need to further develop and maintain broad networks of experts may not be matched by available staff resources with a consequent impact on programme delivery.		UNECE applies a multi-stakeholder approach, involving governments, other international organizations, non-governmental organizations and the private sector in its activities at all levels.	Operational	Possible	Medium	Medium	Moderate Risk	

Focus Area: Interview/Review Summary (Description of risk)		Programme and Project Management		
No	OIOS Assessment	Risk Category	Possible	Medium Moderate Risk
		Likeli-hood	Impact	Overall Risk
	F (i). The UN Mobility policy if not implemented properly could have negative impact on a highly technical Secretariat.	Human Resources	Remote	Medium Lower Risk
VII	Programme Planning, Monitoring and Evaluation A (i) Performance indicators in the strategic framework maybe ambitious and may not be achievable as they are reliant on performance by member states	Substantive Divisions, in cooperation with the UNECE Programme Planning, Monitoring and Evaluation (PPME) Unit, draw up the draft expected accomplishments and related indicators of achievement. They are then reviewed by the relevant Sectoral Committees and finally by the UNECE Executive Committee before submission to Headquarters. The external factors are also identified and included in the proposed programme budget for a given biennium.	Strategy Possible	Low Lower Risk
	A (ii) Lack of a harmonised programme planning process among divisions may result in imbalances in accomplishments between divisions and consequently confusion and inconsistencies in decision making.	UNECE strengthened its programme planning, monitoring and evaluation resources and trained its managers and PPME focal points in the application of the pertinent skills.		
	A (iii) Inadequate performance metrics and inability to gather relevant information for measurement purposes may impair management's ability to assess project and programme performance.	The UNECE developed and streamlined its monitoring and evaluation functions and practices in conformity with the relevant decisions of the Commission (document E/ECE/1415/Add.1 and E/ECE/1434/Rev.1) and in compliance with the instructions of OIOS.		

Focus Area:		Programme and Project Management			
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Possible	Medium Moderate Risk
			Likeli-hood	Impact	Overall Risk
7	E (i) Failure to carry out subprogramme self evaluations due to lack of resources dedicated for the purpose may result in outputs that are not intended.	ECE-wide and divisional resources needed to carry out and manage mandatory self-assessments and discretionary self-evaluations have been committed. Managers and staff involved have been trained.	Operational	Possible Low	Lower Risk
	E (ii) Failure to up date UNECE data on implementation of outputs in IMDIS system may deprive management the information needed to assess performance on delivery of the programme of work.	The UNECE PPME Unit monitors the entry of data on implementation of outputs by subprogramme in IMDIS regularly at the 6, 12, 18 and 24 month-marks.			
	E (iii) Excessive administrative procedures, bureaucratic and lengthy decision-making processes reduce cost-effectiveness and efficiency of programme/project execution.	The in-house and intergovernmental governance structures responsible for programme planning and evaluation were streamlined and are now transparent for staff and representatives of UNECE member States			
	F (i) Lack of a training programme in the application of pertinent skills in programme planning, monitoring and evaluation for managers may result in poorly conceived evaluation results.	UNECE recently trained its Division chiefs, project managers and PPME focal points in planning and carrying out mandatory self-assessments and discretionary self-evaluations.	Human Resources	Possible Medium	Moderate Risk

Risk Assessment of: UNECE

No	Focus Area:	Conference and Documents Management	Possible	Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Risk Category	Impact	Overall Risk
1	Conference and Documents Management	Meetings are held regularly with management of Conference and Document management services to discuss issues of common interest.	Strategy	Possible	Moderate Risk
	A (i) There is a risk that since conference and document management functions, except initiation of conferences and related documents have been delegated to UNOG, the lack of control in the production of documents may result in undue delays, which may impact negatively on the implementation of programme of work. E (i) Rigid UN publication rules which does not permit partners logos to appear on documents may result in partners seeking other organisations who would allow their logos to be published on outputs resulting in loss of funding. E (ii) Inefficient coordination and servicing of meetings, inefficient planning and coordination of the programme of meetings, improper establishment of accurate conference workload forecasts may lead to delays in the provision of meetings.		Operational	Possible	Moderate Risk

Risk Assessment of : UNECE

No	Focus Area:	Property and Facilities Management	Possible	Low	Lower Risk	
1	Property and Facilities Management		OIOS Assessment		Risk Category	
1	E (i) There is a risk that since property and facilities management has been delegated to UNOG the roles and responsibilities in property management may not be clear between UNECE and UNOG and this could lead to lack of control over property.	UNOG has only four staff to carry out property management and inventory control functions. UNOG accepted a prior OIOS recommendation to delegate day to day property management and Inventory control functions further to serviced agencies. Training courses will be provided to property custodians. UNOG also accepted a prior OIOS recommendation to improve the property and inventory tracking system.	Financial	Possible	Low	Lower Risk

Risk Assessment of: UNECE

10		Focus Area:	Safety and Security		Risk Category	Possible	Medium	Moderate Risk
No	Interview/Review Summary (Description of risk)	OIOS Assessment	Likeli-hood	Impact	Overall Risk			
1	Safety and Security	A (i) Security checks of delegates which may take too long causing long queues and delays start of meetings or even cancellation of meetings could ultimately effect UNECEs ability to hold events in UNOG premises.	There is need for more information to be provided by UNOG to the delegates in advance of meetings on what is needed to ensure prompt clearance at the gates.	Strategy	Possible	Low	Lower Risk	Moderate Risk
	E (i) Absence of or untested security plan to respond to emergencies/contingencies may endanger the lives of staff and clients. E (ii) The lack of a programme to instill security consciousness/awareness to staff, in general, and individuals in charge of protecting staff may endanger the lives of staff and clients.	Staff have been attending annual fire drills and senior UNECE management officials take part in security briefings by the designated official. However management advised that there maybe a need for a regular forum with UNOG to discuss rules and ways to improve service.	Operational	Remote	High			Moderate Risk

Focus Areas

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

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

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

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

Risk Categories

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

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

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

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.

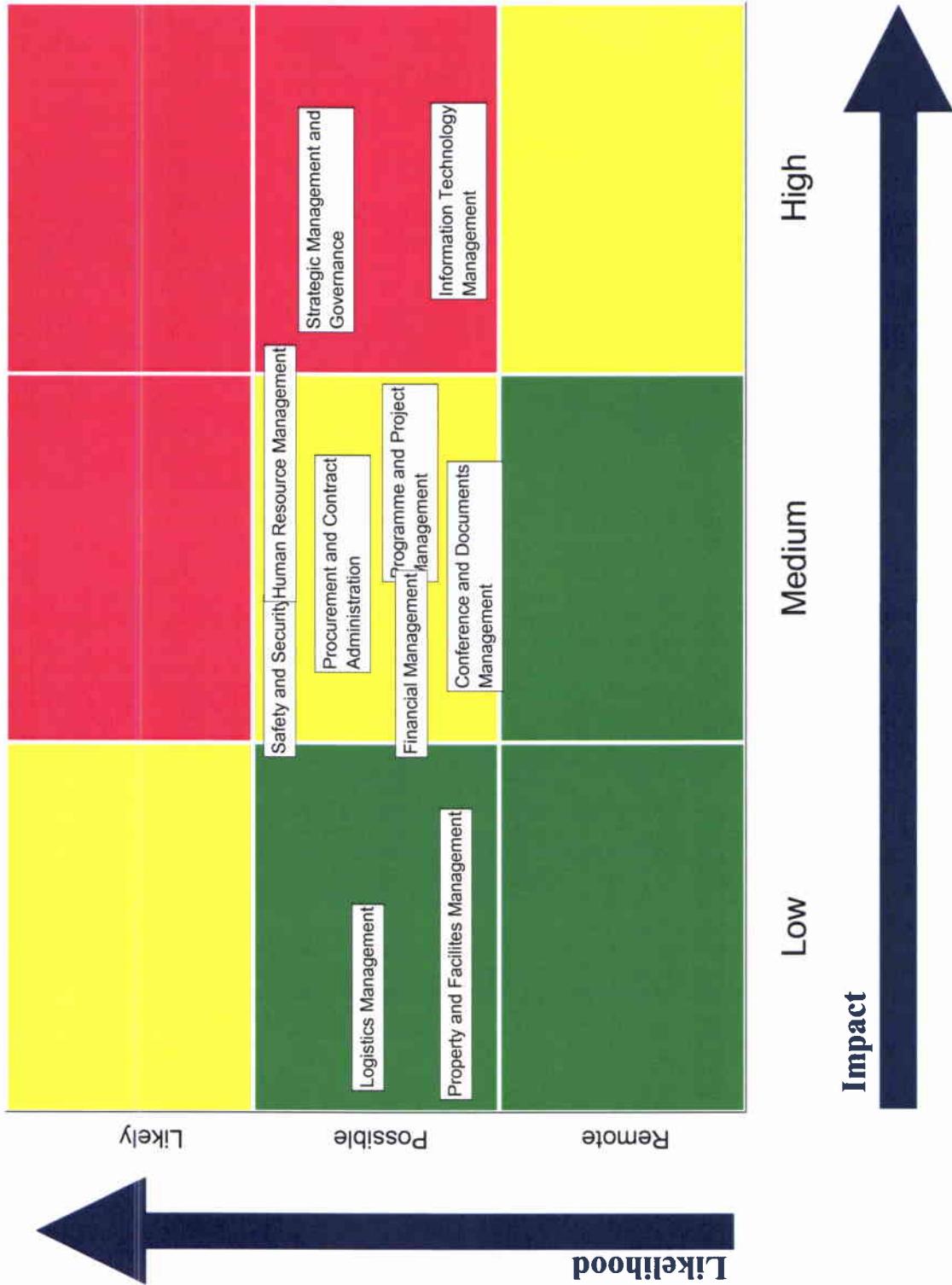
Risk Assessment Ratings

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		Overall Risk Combinations Impact and Likelihood		
Risk Impact				
Likely	Conditions within our environment indicate that an event is expected to occur in most circumstances	Higher Risk	The identified issue represents the following likelihood and impact combinations: <ul style="list-style-type: none">• Likely and high• Likely and medium• Possible and high	The identified issue represents the following likelihood and impact combinations: <ul style="list-style-type: none">• Likely and low• Possible and medium• Remote and high
Possible	Conditions within our environment indicate that an event will probably occur in many circumstances	Moderate Risk	The identified issue represents the following likelihood and impact combinations: <ul style="list-style-type: none">• Possible and low• Remote and low• Remote and medium	The identified issue represents the following likelihood and impact combinations: <ul style="list-style-type: none">• Possible and low• Remote and low• Remote and medium
Remote	Conditions within our environment indicate that an event may occur at some time	Lower Risk		

RISK SUMMARY PROFILE (Focus Area)



RISK SUMMARY PROFILE (Sub Focus Area)

