



## INTERNAL AUDIT DIVISION

### REPORT 2014/037

---

Audit of the weapons of mass destruction subprogramme of the United Nations Office of Disarmament Affairs

Overall results relating to the effective and efficient management of its weapons of mass destruction subprogramme were initially assessed as partially satisfactory. Management has implemented the recommendation satisfactorily.

FINAL OVERALL RATING: SATISFACTORY

12 May 2014

Assignment No. AN2013/530/01

# CONTENTS

	<i>Page</i>
I. BACKGROUND	1
II. OBJECTIVE AND SCOPE	1-2
III. AUDIT RESULTS	2-4
Regulatory Framework	3-4
IV. ACKNOWLEDGEMENT	4
ANNEX I      Status of audit recommendations	
APPENDIX I   Management response	

# AUDIT REPORT

## Audit of the weapons of mass destruction subprogramme of the United Nations Office of Disarmament Affairs

### I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the weapons of mass destruction subprogramme of the United Nations Office of Disarmament Affairs (UNODA).
2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.
3. UNODA is structured into five branches: (1) Conference on Disarmament Secretariat and Conference Support Branch, (2) Weapons of Mass Destruction (WMD) Branch, (3) Conventional Arms Branch, (4) Regional Disarmament Branch, and (5) Information and Outreach Branch.
4. The focus of this audit was on the Weapons of Mass Destruction subprogramme, which was implemented by the WMD Branch. The subprogramme's objective was to promote and support the efforts for nuclear disarmament and non-proliferation in all its aspects and to assist Member States, at their request, in supporting existing treaties related to weapons of mass destruction. The branch provided substantive support in the area of the disarmament and non-proliferation of weapons of mass destruction (nuclear, chemical and biological weapons), and participated in multilateral efforts to strengthen the non-proliferation of WMD, including global efforts against terrorism. It cooperated closely with the International Atomic Energy Agency, the Organization for the Prohibition of Chemical Weapons and the Comprehensive Nuclear-Test-Ban Treaty Organization Preparatory Conferences, as well as research and academic institutions and non-governmental organizations working in the field.
5. The subprogramme's 2012-2013 activities covered two elements: (1) programme budget section 4; and (2) special political mission under Security Council resolution 1540 on the non-proliferation of all weapons of mass destruction. Resources from programme budget section 4 included \$2.70 million from the regular budget and \$1.88 million from extrabudgetary funds. The proposed programme budget for the Special Political Mission for the 2012-2013 biennium included \$3 million from the regular budget and \$3 million from extrabudgetary funding. The subprogramme had eight posts all funded from the regular budget under budget section 4.
6. Comments provided by the Office of Disarmament Affairs are incorporated in *italics*.

### II. OBJECTIVE AND SCOPE

7. The audit was conducted to assess the adequacy and effectiveness of the Office of Disarmament Affairs governance, risk management and control processes in providing reasonable assurance regarding **the effective and efficient management of the Office's weapons of mass destruction subprogramme**.
8. The audit was included in the 2013 OIOS risk-based work plan due to operational risks in the management of the weapons of mass destruction subprogramme.

9. The key control tested for the audit was regulatory framework. For the purpose of this audit, OIOS defined this key control as one that provides reasonable assurance that policies and procedures: (i) exist to guide the preparation of a consolidated work plan linked to funding sources, and the management of financial and human resources; (ii) are implemented consistently; and (iii) ensure reliability and integrity of financial and operational information, including programme performance against established performance indicators.

10. The key control was assessed for the control objective shown in Table 1. One control objective (shown in Table 1 as “Not assessed”) was not relevant to the scope defined for this audit.

11. OIOS conducted this audit from 22 April to 1 October 2013. The audit covered the period from January 2010 to December 2012.

12. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls in mitigating associated risks. Through interviews, analytical reviews and tests of controls, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

### **III. AUDIT RESULTS**

13. The UNODA governance, risk management and control processes examined were initially assessed as **partially satisfactory** in providing reasonable assurance regarding **the effective and efficient management of the Office’s weapons of mass destruction subprogramme**. OIOS made one recommendation to address the issue identified in the audit. The monitoring of expenses was adequately carried out at the subprogramme level in close coordination with the Executive Office of UNODA. Four out of five programme performance indicators were measurable and specific for programme performance reporting purposes. However, the indicator related to the degree of satisfaction obtained by stakeholders on the facilitation of negotiation processes was not measurable as “satisfaction” was not quantified or clearly defined and the mechanism to capture feedback from stakeholders was not established. Therefore, the performance reporting did not provide the necessary information to support the subprogramme’s outcome results relating to the fifth indicator.

14. The initial overall rating was based on the assessment of the key control presented in Table 1 below. The final overall rating is **satisfactory** as the recommendation made by the audit has been implemented satisfactorily.

**Table 1: Assessment of key control**

Business objective	Key control	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective and efficient management of weapons of mass destruction subprogramme	Regulatory framework	Partially satisfactory	Partially satisfactory	Not assessed	Partially satisfactory
<b>FINAL OVERALL RATING: SATISFACTORY</b>					

## **Regulatory framework**

### Controls over the monitoring of expenses and the staffing table were adequate

15. According to the United Nations financial rules, certifying officers are responsible for managing the utilization of resources, including posts, in accordance with the purposes for which those resources were approved. Certifying officers must maintain detailed records of all obligations and expenditures against the accounts for which they have been delegated responsibility. They must be prepared to submit any supporting documents, explanations and justifications requested by the Under-Secretary-General for Management. For the disarmament programme, UNODA's Executive Office performed certifying functions for the resources appropriated to budget section 4 and to special political mission under the Security Council resolution 1540. The UNODA's Executive Office, in collaboration with the WMD Branch, maintained records of cost plans, allotments and expenses against those allotments. Furthermore, WMD Branch and the Executive Office regularly monitored inter-office vouchers against financial authorizations. OIOS selected at random object of expenditure codes, and reviewed budget estimates and traced related allotments and expenditures against those codes for both elements of the subprogramme covering: (1) budget section 4; and (2) special political mission under Security Council resolution 1540. The audit results showed that supporting documents maintained at the UNODA Executive Office and the WMD Branch for the allocation and use of funds from different sources were adequate. In addition, the review of controls over the subprogramme's staffing table showed that the UNODA Executive Office regularly reviewed post incumbency reports and vacancies to ensure that the authorized posts for the subprogramme were filled in accordance with the United Nations regulations and rules. OIOS concluded that controls over monitoring of expenses against allotments for both regular budget and extrabudgetary resources and over the staffing table were adequate.

### Four out of five indicators were measurable and specific for programme performance reporting purposes

16. The expected accomplishments of the WMD subprogramme as defined in the Strategic Framework related to the effective facilitation of the process of negotiations and the enhanced knowledge and multilateral cooperation within the existing mandate. These were to be measured by five indicators of achievement which were further detailed in the programme budget for 2012-2013 approved by the General Assembly. OIOS reviewed control mechanisms over the collection, analysis, and reporting of the WMD Branch's performance against the five performance indicators established for the subprogramme to determine whether the indicators themselves were specific and measurable and if the systems captured

outcome results in the database as stated in the Strategic Framework. Among these five indicators of achievements, four were measurable and specific as they were quantified with the baseline information. The remaining indicator related to degree of satisfaction with the quality of the services provided regarding the facilitation of negotiation processes; it was not measurable without a feedback mechanism to capture the degree of satisfaction on the services provided. In order to test the performance against this indicator, OIOS reviewed letters sent to UNODA by several stakeholders acknowledging various support services provided by UNODA. This did not constitute, however, a measure of the degree of satisfaction as the feedback was not related to the overall quality of service provided by the WMD Branch but was related to the delivery of particular activities or outputs. Therefore, UNODA did not compile any information related to the indicator on the degree of satisfaction provided to stakeholders because there was no mechanism to systematically obtain documented evidence of the degree of satisfaction on the quality of service provided by the WMD Branch.

**(1) The Weapons of Mass Destruction subprogramme should: (1) review its indicator of performance related to the degree of satisfaction with the quality of specific services provided and ensure that it is specific and measurable; and (2) periodically send out surveys to assess stakeholders' satisfaction on the quality of its services.**

*WMD Branch accepted recommendation 1 and stated that the current wording of the indicator for the proposed 2015-2016 programme budget cycle has undergone some adjustment with the addition of "as expressed by Member States". The Branch further explained that surveys related to specific activities such as a United Nations Security Council resolution 1540 event in Vienna in April 2014 have been undertaken which resulted in 100 per cent satisfactory rating. A survey will also be undertaken in May 2014 at the end of the Branch's servicing of the third session of the Preparatory Committee for the 2015 Nuclear Non-Proliferation Treaty Review Conference. Based on the action taken by UNODA, recommendation 1 is closed.*

#### **IV. ACKNOWLEDGEMENT**

17. OIOS wishes to express its appreciation to the Management and staff of UNODA for the assistance and cooperation extended to the auditors during this assignment.

(Signed) David Kanja  
Assistant Secretary-General for Internal Oversight Services

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of the weapons of mass destruction subprogramme of the United Nations Office of Disarmament Affairs

Recom. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
1	The Weapons of Mass Destruction subprogramme should: (1) review its indicator of performance related to the degree of satisfaction with the quality of specific services provided and ensure that it is specific and measurable; and (2) periodically send out surveys to assess stakeholders' satisfaction on the quality of its services.	Important	C	Action complete	April 2014

<sup>1</sup> Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

<sup>2</sup> Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

<sup>3</sup> C = closed, O = open

<sup>4</sup> Date provided by UNODA in response to the recommendation.

# **APPENDIX I**

## **Management Response**



United Nations  Nations Unies  
INTEROFFICE MEMORANDUM MEMORANDUM INTERIEUR

TO: Ms. Carmen Vierula, Chief, New York Audit Service  
A: Internal Audit Division, OIOS  
Accounts Division, OPPBA

CONFIDENTIAL  
DATE: 02 May 2014

FROM: Ms. Angela Kane  
DE: High Representative  
Office for Disarmament Affairs



SUBJECT: Response to the report on the audit of the Weapons of Mass  
OBJET: Destruction Branch in the Office of Disarmament Affairs  
(Assignment No. AN2013/530/01)

1. I refer to your interoffice memorandum containing the overall results relating to the audit of the weapons of mass destruction subprogramme of the Office for Disarmament Affairs (ODA), dated 28 April 2014.
2. Please find attached the completed Annex I. It includes comments clarifying how the first recommendation does not take into account the practical aspects related to the activities undertaken by ODA in supporting implementation of UN Security Council resolution 1540 (2004). The completed appendix also contains comments on the acceptance of the second recommendation, including the information requested and initial reports on survey activities undertaken to fulfill the recommendation.
3. The opportunity to comment on the recommendations is much appreciated.

cc:

Ms. Gabriele Kraatz-Wadsack, ODA

Mr. Thomas Markram, ODA

Ms. Margaret Ross, ODA

Ms. Anna Halasan, Professional Practices Section, Internal Audit Division, OIOS

## Management Response

## Audit of the weapons of mass destruction subprogramme of the United Nations Office of Disarmament Affairs

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The Weapons of Mass Destruction subprogramme should include in its consolidated work plan the funding sources at the activity level for each activity and reconcile the work plan to total available funding sources to demonstrate that the plan reflects all sources of funding.	Important	No			This recommendation does not take into account practical aspects of ODA's 1540 related activities. Under the approved 1540 special political mission budget, there is no allocation of funds for specific events. The budget provides for broad categories of expenditure, for example, funds in support of outreach activities, communication costs, etc. Further, 1540 workshops and country specific activities organized by ODA are based on invitations of interested States who usually send such invitations two to three months in advance of the specific event. ODA works in parallel with several prospective host countries and it could not be predicted which country will offer to host an event and the scope of the event. Thus these specifics could not be included in the Branch's annual work plan, but are included into event's activity plans when such activities are formulated. Once the host country agreement is obtained, a work plan including

<sup>1</sup> Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

<sup>2</sup> Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

APPENDIX I

Management Response

Audit of the weapons of mass destruction subprogramme of the United Nations Office of Disarmament Affairs

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>defined performance indicators and budget are prepared for each event. This exercise is performed when the location, scope of participants and speakers, availability of conference facilities, need for interpretation etc., are determined.</p> <p>It should be noted that meetings and workshops organized by the subprogramme are funded from extrabudgetary resources. Therefore, the activity may be included in the subprogramme's work plan for planning purposes based on expression of interest of donors and/or interaction with donors and other stakeholders but the actual break down of tasks takes place once the activity is confirmed, the funds are received and the agreement of the host country obtained.</p>
2	<p>The Weapons of Mass Destruction subprogramme should: (1) review its indicator of performance related to the degree of satisfaction with the quality of specific services provided and ensure that it is specific and measurable; and (2) periodically send out surveys to assess stakeholders' satisfaction on the quality of its services.</p>	Important	Yes	Chief, WMD Branch	Periodic surveys related to specific events and results tabulated for end of respective budget cycles	<p>(1) This indicator in question was approved by the General Assembly for 2011-2013, as well as for 2014-2015. The current wording for the proposed 2015-2016 cycle has undergone some adjustment but only with the addition "as expressed by Member States".</p> <p>(2) Surveys related to specific activities have been initiated. A survey undertaken for a UNSCR 1540 event in Vienna in April 2014</p>

## Management Response

## Audit of the weapons of mass destruction subprogramme of the United Nations Office of Disarmament Affairs

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						resulted in a 100% satisfactory rating with 60% rating of excellent and 40% good. A survey will also be undertaken in May 2014 at the end of the Branch's servicing of the third session of the Preparatory Committee for the 2015 NPT Review Conference.