



## INTERNAL AUDIT DIVISION

# REPORT 2015/185

---

Audit of resilience management at the  
United Nations Office at Vienna

Overall results relating to implementation of the Organizational Resilience Management System were initially assessed as partially satisfactory. Implementation of six important recommendations remains in progress.

FINAL OVERALL RATING: PARTIALLY  
SATISFACTORY

18 December 2015  
Assignment No. AE2015/320/02

# CONTENTS

|  | <i>Page</i> |
|--|-------------|
| I. BACKGROUND                                | 1-2         |
| II. OBJECTIVE AND SCOPE                      | 2-3         |
| III. AUDIT RESULTS                           | 3-7         |
| A. Strategic planning and risk assessment    | 3-5         |
| B. Project management                        | 5-7         |
| IV. ACKNOWLEDGEMENT                          | 7           |
| <br>   |             |
| ANNEX I      Status of audit recommendations |             |
| APPENDIX I   Management response             |             |

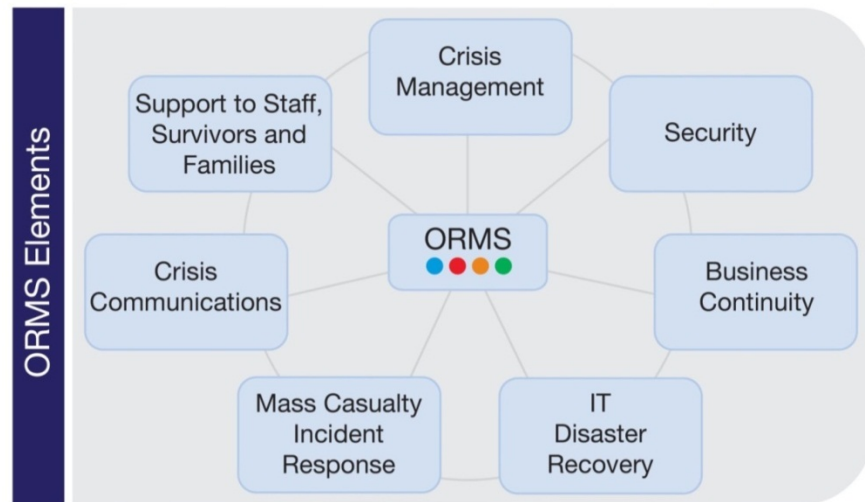
# **AUDIT REPORT**

## **Audit of resilience management at the United Nations Office at Vienna**

### **I. BACKGROUND**

1. The Office of Internal Oversight Services (OIOS) conducted an audit of resilience management at the United Nations Office at Vienna (UNOV).
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. During recent years, United Nations personnel and property have become targets of increasing violence and malicious acts and have also suffered from natural disasters. Considering the number of victims of malicious acts and natural disasters and taking into consideration lessons learned from the incidents in Baghdad in 2003, Algiers in 2007, Kabul in 2009, the earthquakes in Haiti and Santiago in 2010, storm Sandy in New York in 2012 and the Ebola epidemic in West Africa in 2014, it became imperative for the Organization to put in place a proactive, comprehensive and coordinated system with central capacity to assist the United Nations duty stations, country offices and security management teams in enhancing emergency preparedness.
4. In June 2013, the General Assembly in its resolution 67/254 approved the Secretary-General's proposal to adopt the Organizational Resilience Management System (ORMS) as the Organization's emergency management framework system. ORMS aims at linking actors and activities across preparedness, prevention, response, and recovery to enhance resilience in order to improve the Organization's capacity to effectively manage the risks of disruptive events. Prior to the implementation of ORMS, emergency management efforts at the Secretariat were comprised of separate planning initiatives led by different departments. There was no framework under which these different initiatives could be coordinated from the planning to the response and recovery phases.
5. The ORMS policy approved by the Chief Executives Board (CEB) in its High Level Committee on Management Meeting of 8 October 2014 describes ORMS principles, core elements, process of implementation and governance. The policy is applicable to all entities of the United Nations. According to the policy, the implementation of ORMS includes the following five areas: policy development; establishment of a governance mechanism; conduct of a comprehensive risk assessment; development of the core elements of ORMS; and implementation of the maintenance, exercise and review regime. Key performance indicators that outline how to achieve each the five areas were developed and approved by CEB on 8 October 2014. The United Nations Secretariat requires funds and programmes to apply the key performance indicators that are appropriate to their particular context.
6. The core elements that constitute ORMS are detailed in Figure 1 below.

**Figure 1 – Core elements of ORMS**



7. Comments provided by UNOV are incorporated in *italics*.

## **II. OBJECTIVE AND SCOPE**

8. The audit was conducted to assess the adequacy and effectiveness of UNOV governance, risk management and control processes in providing reasonable assurance regarding the **effective implementation of ORMS at UNOV**.

9. The audit was included in the OIOS 2015 risk-based internal audit work plan for UNOV because effective implementation of ORMS is essential to ensure that UNOV has the appropriate capacity to effectively respond and recover from emergencies.

10. The key controls tested for the audit were: (a) strategic planning and risk assessment; and (b) project management. For the purpose of this audit, OIOS defined these key controls as follows:

(a) **Strategic planning and risk assessment** - controls that provide reasonable assurance that strategic planning and risk assessment processes for ORMS at UNOV are in place and working effectively.

(b) **Project management** - controls that provide reasonable assurance that there are adequate mechanisms in place for implementing the various aspects of ORMS in accordance with applicable policies and procedures to achieve its objectives.

11. The key controls were assessed for the control objectives shown in Table 1. Certain control objectives shown in Table 1 as “Not assessed” were not relevant to the scope defined for this audit.

12. OIOS conducted the audit from July to October 2015. The audit covered the period from 1 January 2013 to 30 June 2015.

13. 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

14. The UNOV governance, risk management and control processes examined were initially assessed as **partially satisfactory**<sup>1</sup> in providing reasonable assurance regarding the **effective implementation of ORMS at UNOV**. OIOS made six recommendations to address issues identified in the audit.

15. Strategic planning was assessed as partially satisfactory because there was a need for UNOV to: (a) clarify the roles and responsibilities of key players in ORMS implementation including the ORMS Project Manager, Focal Point and crisis management groups; (b) ensure that the crisis management groups hold the recommended number of meetings; and (c) strengthen the arrangements for conducting and updating risk assessments. Project management was assessed as partially satisfactory because there was a need to: (a) ensure that emergency management plans for all core areas are prepared and approved; (b) strengthen the arrangements for testing and updating the emergency plans; and (c) develop staff training programmes on ORMS.

16. The initial overall rating was based on the assessment of key controls presented in Table 1 below. The final overall rating is **partially satisfactory** as implementation of six important recommendations remains in progress.

**Table 1: Assessment of key controls**

| Business objective                                  | Key controls                               | Control objectives                 |  |                        |   |
|---|--|------------------------------------|--|------------------------|---|
|   |  | Efficient and effective operations | Accurate financial and operational reporting | Safeguarding of assets | Compliance with mandates, regulations and rules |
| Effective implementation of ORMS at UNOV            | (a) Strategic planning and risk assessment | Partially satisfactory             | Partially satisfactory                       | Not assessed           | Partially satisfactory                          |
|   | (b) Project management                     | Partially satisfactory             | Partially satisfactory                       | Partially satisfactory | Partially satisfactory                          |
| <b>FINAL OVERALL RATING: PARTIALLY SATISFACTORY</b> |  |                                    |  |                        |   |

#### A. Strategic planning and risk assessment

Need to clarify roles and responsibilities for key players in ORMS implementation and ensure that the crisis management groups hold regular meetings

17. According to the ORMS policy, the establishment of a governance mechanism is one of the five key areas in the implementation of ORMS. The policy identifies six performance indicators relating to governance: (i) availability of a designated programme manager for ORMS; (ii) coordination structure for crisis management; (iii) senior level chair of the crisis management structure; (iv) clarity of roles and

<sup>1</sup> A rating of “**partially satisfactory**” means that important (but not critical or pervasive) deficiencies exist in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

responsibilities; (v) inclusion of all relevant United Nations entities in the crisis management coordination structure; and (vi) a minimum of two meetings per year of the crisis management structure.

18. UNOV had established an ORMS governance mechanism comprising of a Project Manager, and a crisis management structure as recommended in the ORMS policy. On 1 September 2015, the Director-General of UNOV appointed the Deputy Director-General as the Project Manager for ORMS. The crisis management structure comprised of four governing bodies (groups): a Vienna International Centre (VIC) Crisis Management Team Core Group and Expert Members Group; and a UNOV Crisis Management Group and Crisis Operations Group. The groups were chaired by senior officials and included representatives from other VIC-based entities as indicated in the ORMS performance indicators. The terms of reference of the two VIC and two UNOV groups were documented in the VIC Crisis Management standard operating procedures (SOP) and the UNOV Business Continuity Plan, respectively.

19. However, none of the groups had held any meetings. Further, the groups' terms of reference did not clearly differentiate the roles and responsibilities of the VIC and UNOV groups or the types of emergencies that each group was expected to oversee. Crisis management and ORMS issues were also being dealt with by the UNOV Executive Committee and the VIC Committee on Common Services. For example, the UNOV Executive Committee discussed the business continuity plan in the aftermath of storm Sandy. Clearly differentiating the roles and responsibilities of the various groups could help avoid confusion at the time of a crisis and could also enhance accountability. In addition, the roles and responsibilities of the ORMS Project Manager and Focal Point on key aspects of ORMS implementation had not been clarified and documented. The roles and responsibilities of offices responsible for each of the seven core elements of ORMS had also not been formally assigned.

**(1) UNOV should: (i) clarify the roles and responsibilities for key players in ORMS implementation including the Project Manager, ORMS Focal Point and the various crisis management groups; and (ii) ensure that the groups meet at least twice a year as recommended in the ORMS policy.**

*UNOV accepted recommendation 1 and stated that all crisis management plans would be reviewed to ensure the roles and responsibilities of the various management groups are clarified. A meeting schedule will be established to ensure the groups meet a minimum of twice per year. The review will also clarify the roles and responsibilities of all key players in ORMS implementation. Recommendation 1 remains open pending receipt of evidence that: roles and responsibilities of key players in ORMS implementation have been clarified; and at least two meetings of the crisis management groups have been held in 2016.*

#### Need to strengthen arrangements for conducting and updating risk assessments

20. General Assembly resolution 67/254 emphasized the importance of ORMS in managing operational risks to the United Nations under an all-hazards approach. ORMS intended to contribute to effective operational risk management by prioritizing threats through a joint assessment of risk. The ORMS key performance indicators included four indicators under risk management, including: (i) availability of documented risk assessments, such as security risk assessment; (ii) the need for risk assessments to be updated annually; (iii) the need for risk assessment to include security risks, medical risks, information technology disaster recovery risks, and business continuity risks; and (iv) the need for risks to be identified, assessed, treated and managed. Risk management included the identification of owners for key risks.

21. The Security and Safety Service (SSS) of UNOV had prepared a security risk assessment that was reviewed and updated on an annual basis. The risk assessment contained a risk analysis table, which

recommended mitigation measures for identified security risks. In addition, UNOV had a risk map in its draft 2015 business continuity plan which included various risk areas, such as information technology (IT) disaster recovery and medical risks. However, the risk map in the business continuity plan did not recommend mitigation measures and did not identify risk owners. It was also not clear when the risk map had been prepared, and the risk assessments had not been updated annually as required. Annual updating of risk assessments is necessary to ensure that strategies are established to mitigate any new or evolving risks, such as those relating to disease outbreaks.

22. In addition, UNOV had not clearly defined how the joint ORMS risk assessment would be carried out. It was unclear whether the required ORMS risk assessment would be represented by: (a) separate risk assessments that would then be reviewed to ensure that they were harmonized; or (b) combined risk assessment exercises by the different offices. There was a need to establish a mechanism to ensure that risks were managed using appropriate methodologies and that the various risk assessments are harmonized.

**(2) UNOV should: (i) clarify the approach for conducting joint risk assessments; and (ii) establish review mechanisms to ensure that mitigation strategies are developed, risk owners are identified for all risks, and risk assessments are updated on an annual basis.**

*UNOV accepted recommendation 2 and stated that consultations would be held with the UNOV/UNODC Enterprise Risk Management (ERM) Focal Point to determine the best approach. Risk assessments and mitigation strategies will be formulated and monitored following the ERM Risk Register example. Recommendation 2 remains open pending receipt of evidence that: (i) an approach for conducting joint risk assessments has been established; and (ii) review mechanisms have been put in place to ensure that mitigation strategies are developed, risk owners identified for all risks, and that risk assessments are updated on an annual basis.*

## **B. Project management**

### Need to prepare emergency plans for support to staff, survivors and families

23. The ORMS performance indicators recommended the need to have in place emergency plans for all the seven core elements, and for the plans to be harmonized and frequently reviewed and updated. However, UNOV had not prepared an emergency plan for support to staff, survivors and families. The ORMS policy described staff support as the provision of essential human resources support for staff, survivors and families comprising a multitude of services for those affected by malicious acts, natural disasters or other critical incidents. UNOV Human Resources Management Service (HRMS) had a draft SOP for medical evacuation and used several reference documents, such as the Handbook for Action in cases of death in service and materials from Emergency Preparedness and Support Team, in emergency cases. Nonetheless, HRMS did not have an all-hazards plan for its role in managing the operational risks to UNOV. The absence of a staff support plan could prevent UNOV from achieving the objectives of ORMS.

**(3) UNOV should ensure that the emergency plan for support to staff, survivors and families is prepared and presented to senior management for approval.**

*UNOV accepted recommendation 3 and stated that it would request copies of the emergency plans of UNOG, UNON and Headquarters and formulate the UNOV emergency plan accordingly. Recommendation 3 remains open pending preparation and approval of the UNOV emergency plan for support to staff, survivors and families.*

Need to ensure that all emergency plans are approved and endorsed by senior management

24. The maintenance, exercise and review regime of ORMS required that emergency management plans are updated and approved in order to identify deficient plans, policies and procedures. The regime also required executive endorsement of emergency management plans. At UNOV, six out of seven required plans had been prepared. SSS had prepared the security plan as well as the plans for mass casualty and crisis management. These three plans were approved by the Chief, SSS.

25. However, the plans relating to IT disaster recovery, business continuity and crisis communications plans which had been prepared by the Information Technology Service, General Service Section and United Nations Information Service, respectively, had not been formally approved by the heads of these units. In addition, none of the plans had the endorsement of executive management or the crisis management groups as recommended in the ORMS policy. This could be attributed to the fact that UNOV had not clearly defined the review and approval process for emergency plans. As a result, there was a risk that deficiencies in emergency plans may not be identified and addressed.

**(4) UNOV should clarify the review and approval process for emergency plans and ensure that all the plans are approved by senior management.**

*UNOV accepted recommendation 4 and stated that a matrix would be established to determine the appropriate senior management entities that should approve each of the emergency plans. Once this is determined, the plans will be approved at the appropriate senior level. Recommendation 4 remains open pending receipt of evidence that the review and approval process for emergency plans has been clarified and all the plans have been approved.*

Testing of the emergency plans of the core elements of ORMS needed strengthening

26. The maintenance, exercise and review regime of ORMS required that: (i) functional tests of the plans should be performed annually; and (ii) after-action reviews should be conducted after each event and exercise. These actions were intended for executive endorsement and validation of emergency plans and procedures, and identification of deficiencies for appropriate corrective action.

27. At UNOV, SSS regularly tested the emergency procedures and contingency plans and had a system in place for reporting the drills and exercises conducted. Included in such reports were lessons learned and areas for improvement. The internal crisis communications procedure had also been tested. However, the emergency plans for mass casualty, crisis management, external crisis communications and business continuity had not been tested. The IT disaster recovery plan had also not been tested in its entirety. OIOS attributed this to inadequate oversight, as well as gaps in overall planning.

**(5) UNOV should establish a mechanism to monitor that all offices responsible for ORMS core elements test the emergency plans and conduct after-action reviews as required by the ORMS policy.**

*UNOV accepted recommendation 5 and stated that the work plan for the ORMS Focal Point would include oversight of the ORMS maintenance, exercise and review regime. Recommendation 5 remains open pending receipt of evidence that a mechanism is in place to monitor the testing of emergency plans and conduct of after-action reviews.*



## Need to develop training programmes on ORMS

28. The ORMS key performance indicators recommended that training programmes should be available to staff, including members of the crisis management structure. ORMS-related training was not available to staff because no training materials or programmes had been developed. Since all United Nations staff need to be trained on ORMS, centralizing the development of training materials would be more cost effective than having each duty station develop its own materials. The ORMS Working Group had discussed in July 2014 the idea of creating online training courses. The Business Continuity Management Unit at United Nations Headquarters also indicated that it was planning to organize a meeting of the ORMS Global Working Group to discuss the issue of developing training materials. There was no concrete plan of action for developing the training materials, which increased the risk of further delays in prioritizing this initiative. OIOS is also of the view that the need to make the training mandatory for all staff should be explored when the issue of developing training materials is discussed by the ORMS Global Working Group.

**(6) UNOV should liaise with the Business Continuity Management Unit at Headquarters, New York regarding the development of ORMS training materials and the need to consider making ORMS training mandatory for all staff.**

*UNOV accepted recommendation 6 and stated that it was an active member of the ORMS Global Working Group that is chaired by the Business Continuity Management Unit (BCMU) at Headquarters. UNOV will continue to work closely with BCMU on the development of ORMS training materials. Recommendation 6 remains open pending receipt of evidence that necessary steps have been initiated to develop training materials on ORMS.*

## **IV. ACKNOWLEDGEMENT**

29. OIOS wishes to express its appreciation to the Management and staff of UNOV 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 resilience management at the United Nations Office at Vienna

| Recom. no. | Recommendation   | Critical <sup>2</sup> /<br>Important <sup>3</sup> | C/<br>O <sup>4</sup> | Actions needed to close recommendation  | Implementation date <sup>5</sup> |
|------------|--|---|----------------------|---|----------------------------------|
| 1          | UNOV should: (i) clarify the roles and responsibilities for key players in ORMS implementation including the Project Manager, ORMS Focal Point and the various crisis management groups; and (ii) ensure that the groups meet at least twice a year as recommended in the ORMS policy. | Important   | O                    | Receipt of evidence that: roles and responsibilities of key players in ORMS implementation have been clarified; and at least two meetings of the crisis management groups have been held in 2016.   | 30 June 2016                     |
| 2          | UNOV should: (i) clarify the approach for conducting joint risk assessments; and (ii) establish review mechanisms to ensure that mitigation strategies are developed, risk owners are identified for all risks, and risk assessments are updated on an annual basis.                   | Important   | O                    | Receipt of evidence that: (i) an approach for conducting risk assessments has been established; and (ii) review mechanisms have been put in place to ensure that mitigation strategies are developed, risk owners identified for all risks, and that risk assessments are updated on an annual basis. | 30 June 2016                     |
| 3          | UNOV should ensure that the emergency plan for support to staff, survivors and families is prepared and presented to senior management for approval.   | Important   | O                    | Preparation and approval of the UNOV emergency plan for support to staff, survivors and families.   | 30 June 2016                     |
| 4          | UNOV should clarify the review and approval process for emergency plans and ensure that all the plans are approved by senior management.   | Important   | O                    | Receipt of evidence that the review and approval process for emergency plans has been clarified and all the plans have been approved.   | 31 March 2016                    |
| 5          | UNOV should establish a mechanism to monitor that all offices responsible for ORMS core elements test the emergency plans and conduct after-action reviews as required by the ORMS policy.   | Important   | O                    | Receipt of evidence that a mechanism has been put in place to monitor the testing of emergency plans and conduct of after-action reviews.   | 30 November 2016                 |
| 6          | UNOV should liaise with the Business Continuity Management Unit at Headquarters, New York regarding the development of ORMS training   | Important   | O                    | Receipt of evidence that necessary steps have been initiated to develop training materials on ORMS.   | 31 December 2016                 |

<sup>2</sup> Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

<sup>3</sup> Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

<sup>4</sup> C = closed, O = open

<sup>5</sup> Date provided by UNOV in response to recommendations.

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of resilience management at the United Nations Office at Vienna

| Recom. no. | Recommendation   | Critical <sup>2</sup> /<br>Important <sup>3</sup> | C/<br>O <sup>4</sup> | Actions needed to close recommendation | Implementation date <sup>5</sup> |
|------------|--|---|----------------------|--|----------------------------------|
|            | materials and the need to consider making ORMS training mandatory for all staff. |   |                      |  |                                  |

# **APPENDIX I**

## **Management Response**

## Management Response

## Audit of resilience management at the United Nations Office at Vienna

| Rec. no. | Recommendation   | Critical <sup>1</sup> /<br>Important <sup>2</sup> | Accepted?<br>(Yes/No) | Title of<br>responsible<br>individual   | Implementation<br>date | Client comments  |
|----------|--|---|-----------------------|---|------------------------|--|
| 1        | UNOV should: (i) clarify the roles and responsibilities for key players in ORMS implementation including the Project Manager, ORMS Focal Point and the various crisis management groups; and (ii) ensure that the groups meet at least twice a year as recommended in the ORMS policy. | Important   | Yes                   | Chief, General Support Section in coordination with the Chief, Security and Safety Service  | 30 June 2016           | All crisis management plans will be reviewed to ensure the roles and responsibilities of the various management groups are clarified. A meeting schedule will be established to ensure the groups meet a minimum of twice per year.        |
| 2        | UNOV should: (i) clarify the approach for conducting joint risk assessments; and (ii) establish review mechanisms to ensure that mitigation strategies are developed, risk owners are identified for all risks and the risk assessments are updated on an annual basis.                | Important   | Yes                   | Chief, General Support Section in coordination with the respective Chiefs of the Security and Safety Service and the Information Technology Service | 30 June 2016           | Consultations will be held with the UNOV/UNODC Enterprise Risk Management Focal Point to determine the best approach. Risk assessments and mitigation strategies will be formulated and monitored following the ERM Risk Register example. |
| 3        | UNOV should ensure that the emergency plan for support to staff, survivors and families is prepared and presented to senior management for approval.   | Important   | Yes                   | Chief, Human Resources Management Service   | 30 June 2016           | UNOV will request copies of the emergency plans of UNOG, UNON and UNHQs and will formulate UNOV's emergency plan accordingly.  |
| 4        | UNOV should clarify the review and approval process for emergency plans and  | Important   | Yes                   | Director, Division for  | 31 March 2016          | A matrix will be established to determine the appropriate senior   |

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

<sup>2</sup> Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

## Management Response

## Audit of resilience management at the United Nations Office at Vienna

| Rec. no. | Recommendation  | Critical <sup>1</sup> /<br>Important <sup>2</sup> | Accepted?<br>(Yes/No) | Title of<br>responsible<br>individual   | Implementation<br>date | Client comments  |
|----------|---|---|-----------------------|---|------------------------|--|
|          | ensure that all the plans are approved by senior management.  |   |                       | Management                              |                        | management entities which should approve each of the emergency plans. Once this is determined, the plans will be approved at the appropriate senior level.   |
| 5        | UNOV should establish a mechanism to monitor that all offices responsible for ORMS core elements test the emergency plans and conduct after-action reviews as required by the ORMS policy.                            | Important   | Yes                   | Director,<br>Division for<br>Management | 30 November<br>2016    | The work plan for the ORMS Focal Point will include oversight of the ORMS Maintenance, Exercise and Review (ME&R) regime.  |
| 6        | UNOV should liaise with the Business Continuity Management Unit at Headquarters, New York regarding the development of ORMS training materials and the need to consider making ORMS training mandatory for all staff. | Important   | Yes                   | Chief, General<br>Support<br>Section    | 31 December<br>2016    | UNOV is an active member of the ORMS Global Working Group that is chaired by the Business Continuity Management Unit (BCMU) at Headquarters. We will continue to work closely with BCMU on the development of ORMS training materials. |