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INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

OFFICE OF INTERNAL OVERSIGHT SERVICES BUREAU DES SERVICES DE CONTRÔLE INTERNE
INTERNAL AUDIT DIVISION DIVISION DE L'AUDIT INTERNE

TO Mr. John Holmes, Under-Secretary-General
A and Emergency Relief Coordinator, Office for the
Coordination of Humanitarian Affairs

DATE 17 June 2009

FROM Ms. Fatoumata Ndiaye, Acting Director
DE Internal Audit Division, OIOS



REFERENCE IAD: 09- 02567

SUBJECT **Assignment No. AN 2009/590/01 Inter-agency risk assessment of Myanmar**
OBJET

1. I am pleased to forward the report on the UN system-wide coordinated Interagency Risk Assessment of Emergency Operations in Myanmar led by OIOS and conducted by an inter-agency team consisting of UNDP, UNICEF, FAO, UNESCO and WFP. This has been completed as a part of a UN Representatives of Internal Audit Services (RIAS) Operational Sub Group initiative and is being shared with the participating Heads of Internal Audit Services, UNCT Myanmar and UNDG members. The UN RIAS Operational Sub Group consists of Heads of Internal Audit Services from the UN Secretariat, Funds and Programmes and Specialized Agencies.

2. General Assembly resolution 59/272 states that original versions of OIOS reports not submitted to the General Assembly are, upon request, made available to any Member State. However, the resolution also provides the Under-Secretary-General for Internal Oversight Services with the discretion to withhold the report under extraordinary circumstances. Since this report summarizes the inter-agency risks and does not solely relate to OCHA, the Under-Secretary-General for Internal Oversight Services has decided to withhold such access by Member States to this report. In this regard, we request that you treat this report as confidential.

cc: Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Ms. Maria Gomez Troncoso, Officer-in-Charge, Joint Inspection Unit Secretariat
Mr. Moses Bamuwamye, Chief, Oversight Support Unit, Department of Management
Mr. Byung-Kun Min, Programme Officer, OIOS
Mr. William Petersen, Chief, New York Audit Service, OIOS

Inter-Agency Risk Assessment for Myanmar

Risk Assessment of : Governance and Strategy

Sub heading	Interview/Review Summary (Description of gross risk)	Source of information	Risk mitigation strategies/ actions (controls) as identified by the clients	Status of control test	Applicable to which organization	Likelihood	Impact	Overall Risk
Overall Assessment						Likely	High	Higher Risk
Ineffective governance	UN's role in TCG limited because it did not speak with one voice and did not agree upon its priorities before coming to the TCG discussions;	Field visit	UN represents a large number of agencies with different individual interests.	Pre testing of control	Cross functional	Likely	High	Higher Risk
	NGOs perception that their voice was not recognized because they were not represented on the TCG directly but only through the UN;	Field visit	UN representation was to include the views of NGOs.	Pre testing of control	Cross functional	Likely	High	Higher Risk
	Donors perception that their voice was not directly represented on the TCG or in the Inter agency standing committee (IASC);	Field visit	UN representation was to include the views of donors.	Pre testing of control	Cross functional	Likely	High	Higher Risk
	Duplication in coordination structures between emergency and early recovery.	Field visit	Different UN agencies and different departments within the agencies are responsible for emergency and developmental activities.	Pre testing of control	Cross functional	Likely	High	Higher Risk
	Governance activities were constrained by there being no single overarching authority. The UN Agencies can work with but cannot 'manage' coordination work with NGOs.	Field visit	At the immediate moment of the cyclone there was no RC in Myanmar, and it was some time before OCHA established its offices and good working relationships with agencies and NGOs to cooperate productively.	Pre testing of control	Cross functional	Likely	High	Higher Risk
	Inefficiencies in coordination due to unclear roles of partners in Tripartite Core Group (TCG) (Association of South East Asian Nations (ASEAN), UN and Government of Myanmar (GOM));	Field visit	The TCG mechanism comprising of representatives from ASEAN, GOM and the UN was formed for the first time in dealing with an emergency.	Pre testing of control	Cross functional	Likely	High	Higher Risk
	Delayed TCG coordination at hubs due to delayed establishment of hubs;	Field visit	TCG coordination at hubs was dependent on establishment of agency offices in hubs which were delayed.	Pre testing of control	Cross functional	Likely	High	Higher Risk
	Transition from emergency to the early recovery operation was not smooth due to uncertainties relating to TCG's own existence (currently up to July 2009);	Field visit	TCG's continuance was approved until July 2010 in March 2009.	Pre testing of control	Cross functional	Likely	High	Higher Risk
Ineffective governance	High numbers of organisations increased complexity, risk of duplication and inefficiency of coordination of activities.	Field visit	Multiple stakeholders include UN agencies, NGOs, GOM departments and donors.	Pre testing of control	Cross functional	Possible	Medium	Moderate Risk
	Donor funding restrictions on GOM officials (for travel for example) as funds flowed through ASEAN to GOM;	Field visit	Sanctions from certain countries due to the political conditions in Myanmar restricted the flow of funds directly to GOM.	Pre testing of control	Cross functional	Possible	Medium	Moderate Risk

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Excessive GOM controls	Limited movements of agencies into and within Myanmar due to Government restrictions on access; Visas were not granted easily for the first 3 weeks;	Field visit	The Tripartite Core Group, with representatives from the Government of Myanmar, ASEAN and the UN was formulated to mediate the visa and access situation.	Pre testing of control	Cross functional	Likely	High	Higher Risk
	Impediments to efficiencies due to civilian departments within GOM having no real decision making authority;	Field visit	TCG's establishment was to aid the communication and approval process with the GOM.	Pre testing of control	Cross functional	Likely	High	Higher Risk
	Delayed medical evacuation from field/hubs in non-delta region because GOM permission required.	Field visit		Pre testing of control	Cross functional	Likely	High	Higher Risk
	Uncertainty caused by delays in finalization of revision of MOUs between GOM and INGOs;	Field visit	MOUs were pending due to lack of clarity on TCG continuance.	Pre testing of control	Cross functional	Likely	Medium	Higher Risk
	GOM structures were bureaucratic and access to information was limited or did not exist. Decision making was centralized and seeking approval or even information on how to get approval was limited. Meeting government officials and field missions required prior permission from the government. For example Ministry of Education allowed only UNICEF to work in the education sector in Myanmar. International NGOs (INGOs) were allowed to work in limited affected areas and only in the informal sector.	Desk review	TCG's establishment was to aid the communication and approval process with the GOM.	Pre testing of control	Cross functional	Likely	Medium	Higher Risk
Excessive GOM controls	International organizations may have restricted mobility and operational capacity. In February 2006, the Ministry of National Planning and Economic Development issued guidelines for UN Agencies, International Organizations, NGO/INGOs on cooperation programs in Myanmar. The guidelines included restrictions on travel, handling funds, and hiring national staff members.	Field visit	Government of Myanmar had not enforced the new guidelines.	Post testing of control	Cross functional	Remote	Medium	Lower Risk
Conflicting strategies	GOM agenda, Humanitarian agenda and development agenda may not be synchronized resulting in conflicting strategies;	Field visit	TCG's establishment was to aid the harmonization of the strategic objectives between all parties.	Pre testing of control	Cross functional	Likely	High	Higher Risk
Conflicting strategies	Emergency needs of children may require prioritisation of strategic interests or actions that might potentially conflict with UNICEF principles such as working with a partner.	Field visit	The issue here concerns working relationship with the government. Not raised as a significant issue by agency staff, but seen as high risk by international NGO staff.	Pre testing of control	Cross functional	Possible	Low	Lower Risk

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Planning deficiencies	Agencies not alerted with information on an organized basis (no early warning system); non-existence of disaster risk reduction strategy or contingency plan; Impediments due to lack of capacity of global clusters to support with tools/guidelines; At the time of the cyclone the UNCT had started planning for a country emergency strategy/plan, but this was only at an early stage. There was therefore a risk of delay and uncoordinated action. There was also a lack of government prepared contingency plans for such events.	Field visit	Contingency planning process for Myanmar began in 2007 with the supporting role of OCHA ROAP, focusing on complex emergency rather than natural disaster. The process was put on hold as a result of the political events in October 2007 in Myanmar followed by the cyclone Nargis. The process was restarted by OCHA country office requesting support from OCHA ROAP again and the first meeting was held on 27 Jan 2008 in Yangon and chaired by the RC/HC. A workshop was conducted on 23-24 March by the humanitarian community in Myanmar.	Pre testing of control	Cross functional	Likely	High	Higher Risk
Beneficiary identification weaknesses	External development assistance may not address developmental needs. In late 2007, the Ministry of Agriculture did not have an adopted development plan that identified developmental needs throughout the country. The government expressed preferences for assistance in the central part of the country and was reluctant to approve projects on the periphery where most of the minority groups including the most vulnerable populations lived.	Field visit	FAO Representative will offer assistance to government on preparation of development plan.	Pre testing of control	FAO	Likely	Medium	Higher Risk
	The UN Organizations may not have identified and selected the beneficiaries appropriately. In some cases, FAO has planned assistance to regions or affected areas without identifying specific beneficiaries within the area. This created opportunities for other agents to divert assistance. As a result, beneficiaries receiving assistance may not be the most needy and the assistance may not achieve project objectives.	Desk review		Pre testing of control	FAO	Likely	Medium	Higher Risk
Reputational damage	Inefficiencies in operations due to UN staff sometimes lacking cultural sensitivity to the local work environment and causing mis-understandings;	Field visit	UN staff do avail of training opportunities in their respective agencies.	Pre testing of control	Cross functional	Possible	Medium	Moderate Risk
	Risk that FAO will not play a leading role in food and agriculture development assistance. Again, the lack of access to donor consultation meetings held outside Myanmar limits FAO's opportunity to participate in discussions and development assistance planning.	Field visit	FAO would seek permission and funding to travel to donor consultation meetings	Pre testing of control	FAO	Possible	Medium	Moderate Risk
Reputational damage	Agency organizational image may be affected when direct assistance is given to government rather than targeting the funds for capacity building and policy advice.	Field visit	Agencies recognize the sensitivities in planning future projects.	Pre testing of control	Cross functional	Remote	Medium	Lower Risk

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	Programme or emergency objectives may require partnerships with entities that may in turn adversely affect other partner relationships. Hard decisions may also have to be made in turns of prioritising programme activities with scarce resources.	Desk review	Shared information through clusters informed the agencies of the emergency needs.	Pre testing of control	Cross functional	Remote	Low	Lower Risk
Unreliable information	Action to reach affected population hindered due to GOM maps not being up-to-date indicating parts of the affected area as forest reserve;	Field visit	MIMU updated maps as new information emerged.	Pre testing of control	Cross functional	Likely	High	Higher Risk
	The lack of up to date census and population movement data can adversely affect effective strategic decision making.	Field visit	MIMU updated maps as new information emerged.	Pre testing of control	Cross functional	Likely	Medium	Higher Risk
Funding shortages	FAO may not be able to provide planned assistance. According to the FAO emergency operations officer and the country representative, donors have provided 23 percent of the funds committed at a donor conference last year. The commitments were for projects to be completed by June 2009.	Desk review	FAO's emergency coordination office in Rome is in continuous contact with donors about meeting funding commitments.	Pre testing of control	FAO	Likely	High	Higher Risk
Slow government assistance	There may be additional difficulties in securing government assistance or agreement for action plans, either through a conflict of interests or simply because an emergency has adversely effected the efficiency of government.	Field visit	This was raised by all parties and although the government did lack an efficient response mechanism and means to 'manage' aid relationships, progress was quick on this issue.	Pre testing of control	Cross functional	Likely	High	Higher Risk
Reduced monitoring	Monitoring of existing and emergency projects may be made more difficult or prevented by travel and other restrictions.	Field visit	Monitoring is essential as data is needed to plan transition activities, but an inability to monitor should not stop high risk mitigation activities. Preparedness needs to take into account reduced evaluation capacities.	Pre testing of control	Cross functional	Likely	Medium	Higher Risk
Non-sustainable projects	Programmes may lack sustainable development impacts. Some projects and programmes are designed to provide immediate outputs. Project achievements are measured by spending efficiency but without information on outcomes. The need for immediate relief may not be fully established.	Desk review	Shared information through clusters informed the agencies of the emergency needs.	Pre testing of control	Cross functional	Likely	Medium	Higher Risk
Low absorptive capacity	The government may assign higher priority to projects with known funding sources rather than meet developmental needs. The government and ministry officials were familiar with the buzzwords that appealed to the donors, such as food security and climate change, and regularly included these terms into their conversations to show a perceived need for funding for related projects. However, the government or ministry staff members were not able to provide in-depth discussion of the issues.	Field visit	FAO Representative will closely examine project formulation for use of government staff and the government's capacity to assist. In addition, the FAO Representative will ask the regional office for assistance on preparation of the National Medium-Term Priority Framework.	Pre testing of control	FAO	Possible	Medium	Moderate Risk

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Internal political tensions	Tension within army as Regional Commanders had also become important and GOM wanted to demonstrate that they could handle the emergency due to the upcoming referendum in May 2008; For example, regional military commanders could disrupt project operations. Regional military commanders have control over all the operations within their regions and have the authority to override ministerial decisions. The Department of Agriculture signed a project agreement with FAO for seed distribution on a development project near Mandalay, but when trucks approached the regional border the military commander would not allow the trucks to enter and would not permit the farmers in the region to participate in the project.	Field visit	FAO officials attempts to contact the regional military commander about coordination on future projects did not yield a response from the commander.	Pre testing of control	Cross functional	Possible	Medium	Moderate Risk
Weak agency coordination	FAO programme may lack coherence. In Myanmar, FAO operates the development programme under the authority of the country Representative, while the emergency programme operates under the authority of the emergency office in HQ. Programme planning and implementation are managed and executed by separate staff. As a result, there is a potential for poor coordination among the two efforts.	Desk review	The emergency office in HQs, has assigned an emergency coordinator to Yangon to work closely with the FAOR.	Pre testing of control	FAO	Possible	Medium	Moderate Risk
Fragmented donor coordination	Donors may duplicate efforts or miss gaps in development needs. According to the former FAO Representative, FAO was unable to coordinate with donors in Myanmar in 2007 because they were not located there or did not meet there. A small group of donors was available in Myanmar, but the consultative group met regularly only in Bangkok, Thailand, and the FAO Representative was unable to travel to these meetings.	Field visit	FAO would seek permission and funding to travel to donor consultation meetings	Pre testing of control	FAO	Possible	Medium	Moderate Risk
Insufficient delegated authority	Staff on the ground need to be able to react quickly and appropriately to changing circumstances: delays in gaining authority from HQs can result in lost opportunities.	Desk review		Pre testing of control	Cross functional	Possible	Low	Lower Risk
Local authority not used	Failure to use local authority (by establishing committees or waiting for HQs approval) can lead to missed opportunities.	Desk review	Local authorities were used as soon as they began responding to their populations needs.	Pre testing of control	Cross functional	Remote	Medium	Lower Risk
Planning deficiencies	That emergency situation may dictate short-term programme actions that might not be compatible with long-term programme objectives. A strategy is needed to enable staff on the ground to resolve such issues or to decide on priorities.	Field visit	In UNICEF this eventuality has been considered by its Office of Emergency Preparedness (EMOPS) and built into emergency action plans etc.	Pre testing of control	Cross functional	Possible	Low	Lower Risk

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Diversion of resources	The actual or even perceived diversion of resources from country X to emergency situation Y may cause issues with country X partners or some donors.	Desk review	Programme resources within UNICEF cannot be diverted from one country to another.	Pre testing of control	UNICEF	Remote	Low	Lower Risk
Limited cooperation	In circumstances where UNICEF has developed good working relationships with a government, presenting a united front with other agencies with whom the government has a less strong relationship could hurt UNICEF's relationship with that government.	Desk review	The UNCT mechanism addresses this as far as possible although strategic interests of agencies are controlled at their headquarters,	Pre testing of control	UNICEF	Remote	Low	Lower Risk
Risk aversion in preparedness	That overly tight planning and reporting frameworks, coupled with compliance type post event evaluation may stifle innovation and lead to risk aversion which can in turn lead to lost programme opportunities or delayed actions.	Field visit	Incorporate some leeway in emergency preparedness training to allow staff on the ground to react quickly and take well reasoned risk where justified.	Pre testing of control	Cross functional	Remote	Low	Lower Risk

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Risk Assessment of : Programme Management

Sub heading	Interview/Review Summary (Description of gross risk)	Source of information	Risk mitigation strategies/ actions (controls) as identified by the clients	Status of control test	Applicable to which organization	Likelihood	Impact	Overall Risk
Overall Assessment						Likely	High	Higher Risk
Impaired cluster coordination	Impediments in communication between cluster leads between Yangon and the hubs (international and national staff and also due to insufficient knowledge of local language;	Field visit	National staff was conversant in local language although most reports were in English.	Pre testing of control	Cross functional	Likely	High	Higher Risk
	Clusters could not harmonize the strategic direction of agencies as each agency has its independent strategic direction from its HQs;	Field visit		Pre testing of control	Cross functional	Likely	High	Higher Risk
	Insufficient attention to substantive issues in clusters meetings;	Field visit		Pre testing of control	Cross functional	Likely	High	Higher Risk
	Volatile cluster activity with a heavy demand on time and resources; clusters became active only after 2-3 weeks of the emergency;	Field visit	Visa and access issue was mediated by the TCG	Pre testing of control	Cross functional	Likely	High	Higher Risk
	Unstable leadership due to conflicting role of heads of clusters in their dual role as head of cluster and head of agency; excessive rotation of cluster leads; and also individual personality dependent;	Field visit		Pre testing of control	Cross functional	Likely	High	Higher Risk
	Ineffective coordination of cluster leads because OCHA deployed too late and its office staffing remained erratic;	Field visit		Pre testing of control	Cross functional	Likely	High	Higher Risk
	Lack of coordination at township level;	Field visit	OCHA who is responsible for coordination established 4 sub-offices in July 2008 and 1 sub-office in November 2008 following the roll out of clusters in June 2008. 3 sub-offices were staffed with international staff who acted as heads of sub-offices.	Pre testing of control	Cross functional	Likely	High	Higher Risk
	Water shortages due to inability of Water, Sanitation and Hygiene (WASH) cluster in solving problems (no maps, no assessment, no plan of action and cluster was not aware of joint assessment done by NGOs);	Field visit		Pre testing of control	Cross functional	Likely	High	Higher Risk
Impaired cluster coordination	Delayed information sharing because of delayed release of informational reports;	Field visit	Clearance from HQs sometimes required before release of reports.	Pre testing of control	Cross functional	Possible	Medium	Moderate Risk
	Technical guidance from all clusters not effective due to delays in obtaining clearance from their HQs;	Field visit	Clearance from HQs sometimes required before release of reports.	Pre testing of control	Cross functional	Possible	Medium	Moderate Risk
	Vulnerabilities in co-chairing of clusters by NGOs as they could be targeted in this role;	Field visit	Cluster leadership is shared and rotational.	Pre testing of control	Cross functional	Possible	Medium	Moderate Risk
	Limited candour of discussions because of participation of GOM at cluster meetings;	Field visit		Pre testing of control	Cross functional	Possible	Medium	Moderate Risk

Inter-Agency Risk Assessment for Myanmar

Risk Assessment of : Programme Management

Sub heading	Interview/Review Summary (Description of gross risk)	Source of information	Risk mitigation strategies/ actions (controls) as identified by the clients	Status of control test	Applicable to which organization	Likelihood	Impact	Overall Risk
Unreliable information	Overflow of information without a system of organized collection, validation, analysis and dissemination of information, including translation to local language; lack of an Information management cluster also reduces the focus on the management of information;	Field visit	Myanmar Information Management Unit's (MIMU) role originally determined for developmental needs had to transition to collecting information for the emergency. This transition inadequately supported by stable staffing impacted the reliability of the information, leading to inconsistent data flows between the delta and Yangon, and slow initial progress in situation report updates. In addition, mechanisms for sharing information were at first informal and uncertain. Sharing/transfer of information between delta and Yangon was not well organized.	Pre testing of control	Cross functional	Likely	High	Higher Risk
	Unrealistic strategies made at Yangon due to delays in information flow because of limited access to internet resulting in inconsistencies in information between Yangon and the field;	Field visit		Pre testing of control	Cross functional	Likely	High	Higher Risk
	Unclear role of Myanmar Information Management Unit (MIMU)'s role in information collection because it had conflicting objectives covering development and emergency; and it was too late in the operation and not well staffed;	Field visit		Pre testing of control	Cross functional	Likely	High	Higher Risk
Operations impeded at hubs	Limited access to affected populations, limited information for aid planning and delays in aid delivery due to delays in the agencies establishing their hubs in addition to offices at Yangon;	Field visit		Pre testing of control	Cross functional	Likely	High	Higher Risk
	Inefficiencies in operations due to centralized decision making at Yangon rather than at the hubs;	Field visit		Pre testing of control	Cross functional	Likely	High	Higher Risk
	Delays in real needs assessment which took place after 3 weeks of the emergency;	Field visit		Pre testing of control	Cross functional	Likely	High	Higher Risk
	Gaps in funding for long term recovery shelters;	Field visit		Pre testing of control	Cross functional	Likely	High	Higher Risk
	Budgets of agencies affected due to volatile prices of accommodation/commodities in hubs and there was no mechanism to consolidate the prices negotiation on behalf of the UN;	Field visit		Pre testing of control	Cross functional	Likely	Medium	Higher Risk
Operations impeded at hubs	Relationship with local authority could be jeopardized due to replacement of civilian staff with military authorities;	Field visit		Pre testing of control	Cross functional	Possible	Medium	Moderate Risk
	Challenges for agencies who were not present in the delta prior to the cyclone and having to become operational in the climate of GOM restrictions;	Field visit		Pre testing of control	Cross functional	Possible	Medium	Moderate Risk

Inter-Agency Risk Assessment for Myanmar

Risk Assessment of : Programme Management

Sub heading	Interview/Review Summary (Description of gross risk)	Source of information	Risk mitigation strategies/ actions (controls) as identified by the clients	Status of control test	Applicable to which organization	Likelihood	Impact	Overall Risk
Reputational damage	Unstable leadership due to rotation of three Humanitarian Commissioners since the start of the emergency;	Field visit		Pre testing of control	Cross functional	Likely	High	Higher Risk
	Embedded conflict in leadership of RC/HC between development and emergency objectives for example UNDP counterparts are in line ministries (development) and UNDP does not perceive INGOs and NGOs as equal partners (emergency);	Field visit	RC/HC is supported by OCHA for the emergency	Pre testing of control	Cross functional	Likely	High	Higher Risk
	UN agencies did not have a universal preparedness for risk analysis (for example WFP had a advanced preparedness in this area);	Field visit		Pre testing of control	Cross functional	Likely	Medium	Higher Risk
	Speedy procurement of local supplies hindered because of inflexibility of UN rules.	Field visit		Pre testing of control	Cross functional	Likely	Medium	Higher Risk
Reputational damage	Overlap or duplication in programme activity due to lack of coordination between the programmes of the Economic Commission for Asia and the Pacific (ESCAP) and United Nations 'Development Programme;	Field visit		Pre testing of control	Cross functional	Possible	Medium	Moderate Risk
	Inadequacies in provision of shelters in the context of upcoming monsoons due to some agencies providing temporary shelter while others provided a more long term shelter;	Field visit		Pre testing of control	Cross functional	Likely	High	Higher Risk
	Inadequate protection from the heat due to the use of tarpaulin for emergency shelters;	Field visit		Pre testing of control	Cross functional	Likely	High	Higher Risk
	Water shortages due to slow provision of water on boats in the salinated affected areas;	Field visit		Pre testing of control	Cross functional	Likely	High	Higher Risk
	Decline in productivity of affected area's harvest in the rice region;	Field visit		Pre testing of control	Cross functional	Likely	High	Higher Risk
Beneficiary dissatisfaction	Safety of population affected because local population's housing was too close to the river.	Field visit		Pre testing of control	Cross functional	Likely	High	Higher Risk
	Programmes did not deliver assistance to the planned beneficiaries. According to the emergency operations officer, FAO provided assistance to implementing partners for distribution to beneficiaries, but there were no records of confirmation of delivery to the beneficiaries.	Desk review		Pre testing of control	FAO	Likely	High	Higher Risk

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Risk Assessment of : Programme Management

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Technical staff shortages	Programme implementation is affected by lack of available and capable technical staff. FAO has experienced project delays in 2007 and 2008 due to non-availability of technical staff. Another impact is that hiring weak technical staff leads to wrong technical advice or there are gaps in advice that do not fill needs. Also the staff may not be properly trained in FAO regulations and conduct operations that are not consistent with FAO regulations.	Desk review		Pre testing of control	FAO	Likely	Medium	Higher Risk
Population movement	Migration, either forced by government, or spontaneous, was a serious risk to programme delivery. High population shifts, especially if unmeasured or reported, may affect programme effectiveness and efficiency.	Desk review			Cross functional	Likely	High	Higher Risk
Water shortages	The availability of safe water over the immediate and short term requirements is often a major risk in emergency situations.	Field visit			Cross functional	Likely	High	Higher Risk
Low absorptive capacity	Project implementation may be adversely affected by government counterpart staff. In December 2007, FAO projects were significantly behind their implementation schedules because the government counterpart staff did not have the capacity to perform project operations, such as maintaining financial records or managing the procurement process. FAO managers reported that the government required the projects to use government staff, but the staff lacked the capacity to perform.	Field visit	FAO Representative and project Chief Technical Adviser will consult with government and donor about the role of government counterpart staff and make changes, if needed. FAO will consider providing direct assistance and oversight to the government counterparts.	Pre testing of control	FAO	Likely	Medium	Higher Risk
Weak project monitoring	Programmes may not be evaluated for effectiveness. In 2007, we found two projects were not collecting data appropriate to measuring planned outcomes. The project document described outcomes, but did not plan how to measure the delivery of the outcomes. For example, one FAO project had a planned outcome of raising farmer incomes, but the government project coordinator had not designed project monitoring to collect data on baseline farmer incomes. The government counterpart was not familiar with the monitoring requirements needed to assess the projects. As a result, the project will not be in a position to produce information to determine if expected outcomes are achieved.	Field visit	FAO Representative will monitor projects more closely to ensure that relevant data is collected.	Pre testing of control	FAO	Possible	Medium	Moderate Risk
	Project Boards do not include key stakeholders and independent feedback on project implementation may not be included in the overall monitoring activities.	Field visit	Project Board to include key stakeholders present in Yangon	Post testing of control	UNDP	Possible	Medium	Moderate Risk
Weak project monitoring	Project documents do not include high level development Outcome Indicators resulting in the risk that baseline data is not being collected for future evaluations.	Field visit	Outcome Indicators to be identified and included in Project Document	Post testing of control	UNDP	Remote	Low	Lower Risk

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Risk Assessment of : Programme Management

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Psychosocial effects	Urgent priorities may result in psychosocial support being delayed and create long term problems.	Desk review		Pre testing of control	UNICEF	Possible	Medium	Moderate Risk
Mission creep	UN agencies may experience mission creep as the emergency programme moves from relief to rehabilitation.	Field visit		Pre testing of control	Cross functional	Possible	Medium	Moderate Risk
Beneficiary dissatisfaction	Assistance (inputs) had limited value because the selection of beneficiaries, the packaging of inputs and the synchronisation of inputs were not coordinated.	Field visit		Pre testing of control	FAO	Possible	Medium	Moderate Risk
No country presence	Low levels of familiarity with the country environment as a result of not having a field office in the country could cause delays in implementation. Programme Manager's location in Bangkok could delay the decision making process.	Desk review	Collaboration of the project manager with UN agencies with country offices to familiarise with the environment and to benefit from the common system. Potential appointment of an official in Myanmar to manage the project at the ground level.	Pre testing of control	UNESCO	Possible	Medium	Moderate Risk
Limited coordination	Resources may be duplicated or used inefficiently if several agencies are trying to achieve the same thing, or if expert assistance from other agencies is not sought. Alternatively, cluster leadership may involve UNICEF in advocating issues that are not in alignment with its core objectives.	Field visit	The Cluster agency approach was both praised and criticised because it depended heavily on the quality of leadership and availability of information.	Pre testing of control	Cross functional	Possible	Medium	Moderate Risk
Inadequate delegated authority	Limited delegated authority for procurement and hiring, which may affect the timeliness of implementation activities.	Field visit	FAO restricts authority for procurement and management decisions for the country representatives. Waivers can be requested from HQs.	Post testing of control	FAO	Likely	Low	Moderate Risk
Planning deficiencies	In the longer term there is a risk that it may be difficult to transition back to 'normal' sustainable programme assistance. This is not just dependency, but there may be longer term social or political breakdown.	Field visit		Pre testing of control	Cross functional	Possible	Low	Lower Risk
Planning deficiencies	Distinction between 'emergency relief effort ' and 'regular programme delivery' needs to be made for planning purposes.	Field visit	UNICEF is experienced at planning over medium to long terms with plans adjusted to data availability and certainty; however, in an emergency situation the need to react very quickly and plan for the immediate term without such data may be limited.	Pre testing of control	Cross functional	Remote	Medium	Lower Risk
Limited coordination	Working arrangements and cost recovery of support services may not be clearly spelt-out in inter-agency agreements resulting in project implementation being disrupted/delayed.	Field visit		Post testing of control	UNDP	Possible	Low	Lower Risk
Disease outbreak	A rapid increase in the risk of communicable diseases is common in post emergency situations.	Desk review	UNICEF Supply Division maintains emergency supplies of key vaccines plus has rapid manufacturing agreements with key suppliers.	Pre testing of control	UNICEF	Remote	Medium	Lower Risk
Malnutrition	A rapid increase in the risk of malnutrition is common in post emergency situations.	Desk review	Action taken by agencies to prevent this.	Pre testing of control	Cross functional	Remote	Low	Lower Risk

Inter-Agency Risk Assessment for Myanmar

Risk Assessment of : Financial

Sub heading	Interview/Review Summary (Description of gross risk)	Source of information	Risk mitigation strategies/ actions (controls) as identified by the clients	Status of control test	Applicable to which organization	Likelihood	Impact	Overall Risk
Overall Assessment						Likely	High	Higher Risk
Impaired fund utilization	Bank transfer forms do not require the approval of authorised bank signatories in Myanmar and could result in unauthorised bank transfers.	Field visit		Post testing of control	Cross functional	Possible	High	Higher Risk
	Inadequate Banking arrangements at the township level require holding cash balances to meet daily operations expenditures and could result in misappropriation of cash and restricting the ability of staff to access cash or make payments for programme purposes.	Field visit	Formal delegation of authority to cash custodian on responsibility and accountability of cash management, and spot checks by Yangon offices was being done. In practice there have been long-standing problems getting bank accounts established in Myanmar, so whilst problems were experienced these were to be expected. Limited currency amounts are held in petty cash, but otherwise agency HQs will arrange for programme payments from HQs where possible. NGOs reported this as a more material risk than agencies.	Post testing of control	Cross functional	Possible	High	Higher Risk
Impaired fund utilization	FEC salary payments to township staff are remitted to one township project staff who disburses the salaries to all project staff. Risk of misappropriation of cash by individuals entrusted with remitting/dispersing the cash, both at Yangon and township level.	Field visit	Staff to open individual Kyat accounts for direct remittance of salary	Post testing of control	Cross functional	Possible	Medium	Moderate Risk
	Delayed cash transfers and losses/gains in currency exchange due to complex system of currency exchange from USD to FEC to local currency;	Field visit		Pre testing of control	Cross functional	Possible	Medium	Moderate Risk
	Delays and security risks associated with cash transactions without the support of a banking system (UNDP could open a bank account after 14 years); UN agencies in Myanmar prefer to give limited funds to government for implementation of project activities. For example, the FAO country office cashes large checks twice weekly (approx USD 5,000) and a FAO driver transports the cash to the FAO office.	Field visit	Rigorous financial monitoring is required by the UN agency. FAO verifies insurance for handling and transporting cash.	Pre testing of control	Cross functional	Possible	Medium	Moderate Risk
	Delays in replenishment of petty cash (approximately 2 weeks to obtain replenishment of \$500).	Field visit		Pre testing of control	Cross functional	Possible	Medium	Moderate Risk
	Dissatisfaction amongst UN staff due to competition amongst UN Agencies in using different currencies to pay salaries to staff;	Field visit		Pre testing of control	Cross functional	Possible	Medium	Moderate Risk
	High banking costs	Desk review		Pre testing of control	UNESCO	Possible	Medium	Moderate Risk

Inter-Agency Risk Assessment for Myanmar

Risk Assessment of : Financial

Sub heading	Interview/Review Summary (Description of gross risk)	Source of information	Risk mitigation strategies/ actions (controls) as identified by the clients	Status of control test	Applicable to which organization	Likelihood	Impact	Overall Risk
Impaired fund utilization	Weak accountability for funds through cash advances due to non-existence of bank facilities. Controls are available on the size of the advance, but prior audits in the region found frequent management overrides to facilitate efficient operation. Audits have also found that supporting records for settlement of advances are inconsistently monitored.	Field visit		Post testing of control	FAO	Possible	Low	Lower Risk
	Possible additional costs may be incurred due to requirements to obtain non-traded currency. There was a risk that quick access to additional funds/cash could be denied, but in practice most seemed to work around such issues.	Field visit	Whilst some local currency will be held this is limited by current regulations. Risks of extra costs in exceptional circumstances will be accepted (rather than avoided). In practice, agencies noted that currency problems were no worse than under normal circumstances.	Pre testing of control	Cross functional	Possible	Low	Lower Risk
Fundraising deficiencies	Preparation of flash appeal was very rapid but based on questionable assessments/ knowledge;	Field visit	Revised flash appeal was launched after a more structured assessment (PONJA) was conducted.	Pre testing of control	Cross functional	Likely	High	Higher Risk
	Uncertainty in funding due to decline in donor funds for recovery operations;	Field visit		Pre testing of control	Cross functional	Likely	High	Higher Risk
Fundraising deficiencies	NGOs reported difficulty in identifying the source of Flash Appeal funding, and had problems reporting accurately to donors.	Field visit	This issue was not reported by the UN Agencies.	Pre testing of control	Cross functional	Possible	Medium	Moderate Risk
	Increased conditions concerning how and on what donations are spent could conflict with emergency objectives or core UNICEF policies (i.e. inequitable aid) or adversely effect programme priorities. Unclear policy concerning acceptance, criteria and methodology on requesting donations.	Field visit	This was an important issue for donors interviewed, but agencies reported clear criteria and management of this risk.	Pre testing of control	Cross functional	Possible	Medium	Moderate Risk
Inadequate delegated authority	Delegated authority is restricted, which leads to delays waiting for authority from HQs. FAO regulations on funding projects delays implementation. Cash advances are limited to small amounts that must be settled one at a time, leading to management overrides.	Field visit	FAO procedures set conditions on cash advances, including limits on amounts and requirements for timely settlement.	Post testing of control	FAO	Possible	Medium	Moderate Risk
Short collected pledges	Aid efforts may be seriously affected by insufficient income.	Field visit	The issue here was more that funds may be excessively ring-fenced, but also that actual fund raising may fall short of estimated.	Pre testing of control	Cross functional	Possible	Medium	Moderate Risk
Burdensome financial rules	UNESCO financial rules and regulations and policy for post conflict situations could be cumbersome for project implementation.	Desk review	The Post Conflict unit of the Bureau of Field Coordination works to quickly clear procedural issues as they arise.	Pre testing of control	UNESCO	Remote	Medium	Lower Risk
	It may not be possible or practical to apply the same degree of financial control in an emergency situation, particularly concerning local payments etc. and segregation of duties.	Field visit	The IT payment systems in practice enforce a basic level of control compliance, but in the short term increased risk will be accepted in order to achieve programme priorities.	Pre testing of control	Cross functional	Remote	Medium	Lower Risk

Inter-Agency Risk Assessment for Myanmar

Risk Assessment of : Financial

Sub heading	Interview/Review Summary (Description of gross risk)	Source of information	Risk mitigation strategies/ actions (controls) as identified by the clients	Status of control test	Applicable to which organization	Likelihood	Impact	Overall Risk
Unreliable information	Financial data may not be recorded accurately. FAO uses separate financial management systems at country offices and HQs. Coordination of financial reporting requires accurate data input in the FAS system at the country level and timely upload to the corporate Oracle system.	Field visit	FAO is improving coordination between the two systems. A new FAS system will roll out in 2011.	Post testing of control	FAO	Remote	Low	Lower Risk
	Financial reports may not be timely or accurate. FAO's country financial reporting system, FAS, relies on the input of one person who has access given by HQs. During peak load times, such as in emergencies, the workload for one person is high and often requires extensive overtime. The stress of managing the individual transactions can lead to inaccuracy and delays. In October 2008, there were 135 MMK transactions, 153 USD transactions, and 45 transactions.	Field visit	FAO has new procedure to allow data recording by multiple staff with batch uploading by one person. Although important, in the immediate short term this is a low priority. Nevertheless, agencies/NGOs had procedures to ensure that records will be promptly updated as soon as systems are put in place.	Pre testing of control	FAO	Possible	Low	Lower Risk
Weak financial accountability	Financial accountability may not be well managed since there are two primary budget holders for activities in Myanmar--the country Representative and the emergency office in HQs. The original supporting documents stay with the respective budget holders. For example, FAO provides funding for emergency operations to country offices through Field Budget Authorizations (FBAs). The FBAs originate from FAO HQs, contain specific instructions for expenditures and the account codes to be used, and are issued from each individual funding source. Prior audits have found the country offices do not closely monitor spending against the FBAs. As a result, the country office cannot provide financial summaries for each project.	Field visit	Although there are two budget holders the procedures for financial management and accountability apply to both offices.	Pre testing of control	FAO	Remote	Medium	Lower Risk

Inter-Agency Risk Assessment for Myanmar

Risk Assessment of : HR

Sub heading	Interview/Review Summary (Description of gross risk)	Source of information	Risk mitigation strategies/ actions (controls) as identified by the clients	Status of control test	Applicable to which organization	Likelihood	Impact	Overall Risk
Overall Assessment						Likely	High	Higher Risk
Staffing constraints	Coordination affected due to lack of staffing in RC/HC coordination office;	Field visit		Post testing of control	Cross functional	Likely	High	Higher Risk
	Assistance to affected areas delayed due to late deployments of international staff to the delta region; (Local Red Cross has MOUs with GOM and could move faster mobilizing 300 volunteers);	Field visit		Post testing of control	Cross functional	Likely	High	Higher Risk
	Staffing constraints due to competition over volunteers and national staff between agencies;	Field visit		Post testing of control	Cross functional	Likely	Medium	Higher Risk
	Staffing constraints for NGOs as UN agencies salaries are better than NGOs and attract their staff;	Field visit		Post testing of control	Cross functional	Likely	Medium	Higher Risk
Staffing constraints	Qualified personnel to assist in the operations were limited for example a Bachelors +20 years experience is considered inadequate and a masters is compulsory for some UN job descriptions;	Field visit		Post testing of control	Cross functional	Possible	Medium	Moderate Risk
	Staffing constraints as national staff included a large number of qualified doctors but with limited experience and registrations.	Field visit		Post testing of control	Cross functional	Possible	Medium	Moderate Risk
Recruitment constraints	Lack of competitive selection process due to urgency of recruitment. Risk that qualified candidates may not be considered in selection process.	Field visit		Pre testing of control	Cross functional	Possible	High	Higher Risk
	Delays in recruiting staff (some requiring specific skill sets) could lead to delays in response planning and action. There may also be competition from other organisations (private and public) for the same skill sets. This was a major risk for the local NGOs, who had lost key staff to the international NGOs and Agencies. In the long run, where local NGOs are the first responders, this could harm agency objectives.	Field visit		Pre testing of control	Cross functional	Possible	High	Higher Risk
	Emergency situations may require different skill sets from those in post at the Country Office or from those previously anticipated, leading to inability to effectively manage emergency programme requirements. For example, the cluster approach required experienced leaders and coordinators, and there skill-sets may not be the same required for the capacity required for cluster coordination chiefs.	Field visit		Pre testing of control	Cross functional	Possible	High	Higher Risk

Inter-Agency Risk Assessment for Myanmar

Risk Assessment of : **HR**

Sub heading	Interview/Review Summary (Description of gross risk)	Source of information	Risk mitigation strategies/ actions (controls) as identified by the clients	Status of control test	Applicable to which organization	Likelihood	Impact	Overall Risk
	HR practices for emergency staff delay project implementation. FAO hires emergency staff on short-term employment contracts that require renewals on a frequent basis and gaps in renewal within a 12-month period. The FAOR believes this is a serious issue because the government requires extensive and lengthy visa and security clearance processes that must be performed for each staff and with each contract renewal. Donors are critical of the use of short-term contracts and the lack of continuity.	Desk review		Pre testing of control	FAO	Likely	Medium	Higher Risk
Stressful conditions	Increased workloads, security risks and uncertainty create stressful working situations that can affect work performance.	Field visit	Staff members expected rotation due to tough working conditions.	Pre testing of control	Cross functional	Likely	Medium	Higher Risk

Inter-Agency Risk Assessment for Myanmar

Risk Assessment of : IT

Sub heading	Interview/Review Summary (Description of gross risk)	Source of information	Risk mitigation strategies/ actions (controls) as identified by the clients	Status of control test	Applicable to which organization	Likelihood	Impact	Overall Risk
Overall Assessment						Likely	High	Higher Risk
Data communication restrictions	Slow Internet and VSAT connections because they were controlled/routed by GOM;	Field visit	Agencies purchased CDMA phones from the Government of Myanmar, and rented mobile phones from individuals. Other offices used the signal from the nearby UNDP compound or shared the WFP connection.	Pre testing of control	Cross functional	Likely	High	Higher Risk
	Delayed communications due to limited availability of communications equipment and infrastructure in Myanmar;	Field visit		Pre testing of control	Cross functional	Likely	High	Higher Risk
	Delayed communications due to lack of authorization to use radios, mobile phones;	Field visit		Pre testing of control	Cross functional	Likely	High	Higher Risk
	Quick and reliable access to affected areas restricted because GOM phones called CDMA's provided on a restricted basis; not given to international non governmental organizations (INGOs) and expatriates; and had a limited range.	Field visit	VSAT and other connections were controlled by government. All parties noted this as a major, although expected, risk that did impede the effectiveness of response action.	Pre testing of control	Cross functional	Likely	High	Higher Risk
	Communications of staff between their Country Offices or/and with their HQs via internet or intranet for the short or medium terms was difficult.	Field visit		Pre testing of control	Cross functional	Likely	Medium	Higher Risk
	Weak communication linkages affected FAO's operations. In late 2007, FAO relied on a weak and unstable radio transmitter to deliver signals through a relay to UNDP. Communications with the FAO regional office and HQs were sporadic, with extended outages up to 3 days.	Field visit	FAO considered alternatives to improve connectivity from country offices to areas outside the country. In mid-2008, FAO installed a satellite dish with an independent connection.	Pre testing of control	FAO	Likely	Medium	Higher Risk
Equipment deficiencies	In the absence of a country office communication costs could be high.	Desk review	Advance planning and to be built in the budget		UNESCO	Possible	Medium	Moderate Risk
Staffing constraints	There may not be staff members with adequate skills in the short term to deal with practical IT problems and issues, especially in a situation where national infrastructure was poor.	Field visit			Cross functional	Possible	Medium	Moderate Risk
Unreliable support	Weak support could affect stable operations. The designated IT support is in HQs, working on Italian time.	Desk review		Pre testing of control	FAO	Possible	Medium	Moderate Risk
Data communication restrictions	IT systems may not be secure.	Desk review	FAO has not tested its communication system for access controls on transmission of sensitive and confidential data.	Pre testing of control	FAO	Remote	Medium	Lower Risk
Equipment deficiencies	Difficulties in providing an appropriate supply of adequate IT equipment to emergency areas in the short term.	Field visit	Communications was a bigger problem than availability of IT equipment.	Pre testing of control	Cross functional	Remote	Medium	Lower Risk

Inter-Agency Risk Assessment for Myanmar

Risk Assessment of : Procurement

Sub heading	Interview/Review Summary (Description of gross risk)	Source of information	Risk mitigation strategies/ actions (controls) as identified by the clients	Status of control test	Applicable to which organization	Likelihood	Impact	Overall Risk
Overall Assessment						Possible	Medium	Moderate Risk
Inadequate controls	Procurements could be manipulated due to lack of segregated duties. Country operations staff are often in the position of identifying vendors, soliciting quotations, and recommending a vendor for selection, due to limited staffing.	Desk review	FAO regulations provide guidance on segregation of duties.	Pre testing of control	FAO	Possible	Medium	Moderate Risk
Repeated vendors selected	Procurement may favour certain vendors. The repeated use of a list of potential suppliers with the same vendors that always provide losing bids limits competitiveness in favour of the listed vendors that frequently win awards. In some cases, the lists of potential suppliers are not updated.	Desk review		Pre testing of control	FAO	Possible	Medium	Moderate Risk
Delivery deficiencies	Procurement process may not ensure that inputs are delivered at the specification required, on time, and to the designated recipients. In some locations, FAO accepts delivery of procured items without checking quality or delivery to designated recipients.	Desk review	Audit found that frequent late delivery of procured items was not monitored and used in reviewing subsequent procurement from the same vendor.	Post testing of control	FAO	Possible	Medium	Moderate Risk
Planning constraints	No procurement plan to capitalise on economies of scale. Therefore, procurement of goods may not be obtained at the most competitive rates.	Field visit	Regular submission of procurement needs to the procurement unit for consolidation into a procurement plan	Post testing of control	UNDP	Possible	Medium	Moderate Risk
Supplies deficiencies	Items specific to an emergency situation may not be readily available in the qualities and specifications required (i.e. even if available, the language instructions may need alteration).	Field visit	UNICEF Supply Division maintains emergency supplies of key items such as vaccines plus has rapid manufacturing agreements with key suppliers. Stockpiles of emergency items may be maintained in-country (or in nearby countries) if risk is considered likely.		Cross functional	Possible	Medium	Moderate Risk
Supplies deficiencies	Emergency supply requirements may not be able to be met by local suppliers.	Field visit	UNICEF Supply Division maintains emergency supplies of key items such as vaccines plus has rapid manufacturing agreements with key suppliers.		Cross functional	Remote	Low	Lower Risk
	Some items, such as vaccines, have a long production lead time and a short shelf life. Emergency situation demands may outstrip world supply (in short term).	Field visit	Strong and close working relationships have been developed with key suppliers such that production schedules can be reorganised to assist UNICEF.		Cross functional	Remote	High	Moderate Risk
	Urgent requirements may require an increase in single source contracting or the avoidance of standard bidding processes. This may increase the risks of poor value for money and of fraud.	Field visit	Procedures allow for closer managerial supervision in such circumstances to mitigate such risks.		Cross functional	Likely	Low	Moderate Risk

Inter-Agency Risk Assessment for Myanmar

Risk Assessment of : Procurement

Sub heading	Interview/Review Summary (Description of gross risk)	Source of information	Risk mitigation strategies/ actions (controls) as identified by the clients	Status of control test	Applicable to which organization	Likelihood	Impact	Overall Risk
Inflexible rules	UN procurement rules do not always work efficiently in the local context. FAO generally did not provide advance payments to vendors. However in Myanmar most vendors are traders without inventories and do not have cash flow to cover orders. The normal interest rate charged by the lenders to vendors is 5% per month. Thus the procurement rules have 3 risks: UN agencies will pay much higher prices for inputs because quotations will include the interest payments the vendor must pay. (2) With the higher costs, the UN purchases fewer inputs and serves fewer beneficiaries. (3) If the UN does want to pay for higher costs, then local vendors are squeezed out of sales opportunities as procurements are made internationally.	Field visit		Pre testing of control	Cross functional	Possible	Medium	Moderate Risk
	Procurement and logistics service costs were high and required government approvals at different levels which could be both time-consuming and complicated.	Desk review		Pre testing of control	Cross functional	Possible	Medium	Moderate Risk
Supplies deficiencies	High demand and short supply can lead to higher unit costs, despite high volume orders.	Field visit	Supply Division has Long Term Agreements in place with suppliers for many core items, helping to mitigate against this risk. In practice, agencies and NGOs did not regard this as having been a major issue in Myanmar.		Cross functional	Remote	Medium	Lower Risk
Inadequate controls	Procurement may be made from unqualified vendors. In 2007, the FAO Representation did not have pre-qualified vendor lists and relied on open competition. The government involvement had led to procurement from some unqualified vendors that did not provide goods on time and at required specifications.	Field visit	FAO Representative will use UNDP vendor list where appropriate.	Pre testing of control	FAO	Remote	Medium	Lower Risk
	Procurement violates export controls imposed on trade with Myanmar. The United States and the EC have imposed export controls on certain equipment, including IT equipment, that can be sent to Myanmar. It is not clear who in FAO confirms compliance.	Desk review		Pre testing of control	Cross functional	Remote	Low	Lower Risk

Inter-Agency Risk Assessment for Myanmar

Risk Assessment of : Logistics

Sub heading	Interview/Review Summary (Description of gross risk)	Source of information	Risk mitigation strategies/ actions (controls) as identified by the clients	Status of control test	Applicable to which organization	Likelihood	Impact	Overall Risk
Overall Assessment						Likely	High	Higher Risk
Challenging logistics	Tough operating environment because equipment and supplies had to face many restrictions for example transportation of computer and communication equipment was allowed in a UN pouch with the weight of 15-20kg at a time; Logistical nightmare due to poor roads for transportation from port of entry to Yangon to the hubs and then to affected areas by boat (8-10 hours).	Field visit	Logistics hub was setup and led by WFP.	Pre testing of control	Cross functional	Likely	High	Higher Risk
Cold chain infrastructure	For vaccines and other items it is essential that adequate cold chain equipment is in place and proportionate to the volumes being moved.	Desk review	Emergency cold chain stores are held by Supply Division, whilst LTA agreements are in place with key suppliers.		UNICEF	Possible	Medium	Moderate Risk
Access deficiencies	Staff may not be able to travel in a timely manner leading to project delays. FAOR reports that delays in obtaining visas has delayed project activities. In addition, the requirement for multiple security clearances from the Ministry of Defence for internal travel among different districts has delayed projects. The Ministry of Defence has indicated that it wants to restrict movement of UN staff.	Desk review	FAO is working the with UNCT on timely passage and access rights from the government.	Pre testing of control	FAO	Possible	Medium	Moderate Risk
Environmental conditions	Continuing weather conditions, such as flooding, extreme heat or cold, etc can dramatically affect logistical support.	Field visit			Cross functional	Possible	Medium	Moderate Risk
	An emergency situation may dramatically change and restrict available modes of travel, particularly to areas where aid needs to be delivered.	Field visit	Flooding did not change the already poor accessibility of people in the delta area, but it was necessary to use river transport in difficult to access areas.		Cross functional	Possible	Medium	Moderate Risk
Supplies deficiencies	High volumes of emergency supplies will need warehousing, especially foodstuffs and medicines, if they are to be maintained to an adequate quality level.	Field visit	Local and international NGOs were able to use local monasteries for this purpose, and did not report this a massive problem.		Cross functional	Possible	Medium	Moderate Risk
Access deficiencies	There could be delays in bringing in vehicles into Myanmar due to delayed government permission or government impounding the vehicles after their arrival. Lack of vehicles affected access to project areas and prevented effective implementation and oversight.	Field visit		Pre testing of control	Cross functional	Possible	Medium	Moderate Risk
Security deficiencies	Due to either regulatory restrictions, timeframes, or unusual requirements, it may not be possible to arrange modes of transport that fully comply with MOSS requirements. This could directly hinder programme delivery as transport is delayed or not authorised.	Field visit	Whilst non-compliance with MOSS hinders travel by international staff members, it did not restrict national staff travel or travel by local NGOs who were the first and primary responders.		Cross functional	Likely	Low	Moderate Risk
Fuel shortages	Increased costs and competition for fuel due to high demand.	Field visit			Cross functional	Remote	Medium	Lower Risk

Inter-Agency Risk Assessment for Myanmar

Risk Assessment of : **Logistics**

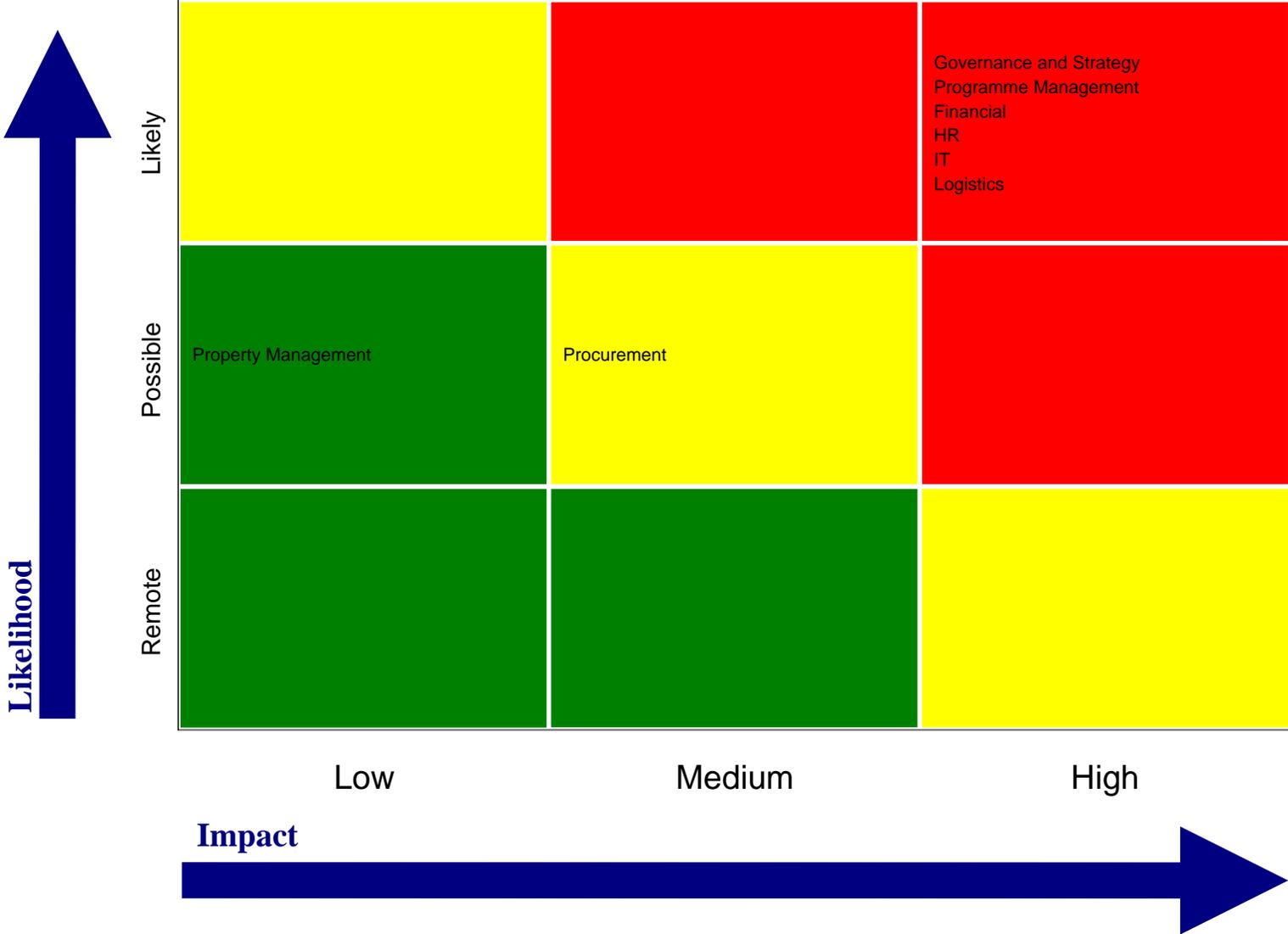
Sub heading	Interview/Review Summary (Description of gross risk)	Source of information	Risk mitigation strategies/ actions (controls) as identified by the clients	Status of control test	Applicable to which organization	Likelihood	Impact	Overall Risk
Local transport shortages	Increased competition and costs may make the availability of local vehicles very scarce, at any cost.	Field visit			Cross functional	Possible	Low	Lower Risk
Environmental conditions	Customs and import dues are often an issue, even in emergency situations, but especially where the point of entry is not the official destination.	Desk review			UNICEF	Possible	Low	Lower Risk
	There may be lower levels of security available and greater needs may tempt or force more likely theft or corruption.	Field visit			Cross functional	Possible	Low	Lower Risk
	It may not always be easy to find the most efficient ship or aircraft unloading infrastructure in emergency situations in developing countries.	Desk review			UNICEF	Possible	Low	Lower Risk
	Emergency situations are often in difficult geographic locations and shipping from Europe (UNICEF warehouse base is in Denmark) may pose additional problems.	Desk review	UNICEF has established warehouse depots in other key worldwide destinations, whilst Copenhagen is close to the world's largest port (Rotterdam) which will assist in mitigating this risk.		UNICEF	Possible	Low	Lower Risk
	This may be made more difficult by weather or infrastructure problems, as well as the perceived higher value and demand for some type of supplies.	Desk review	Compliance with UNDSS inspections and participation in SMT is required by all UN agencies.		Cross functional	Possible	Low	Lower Risk

Inter-Agency Risk Assessment for Myanmar

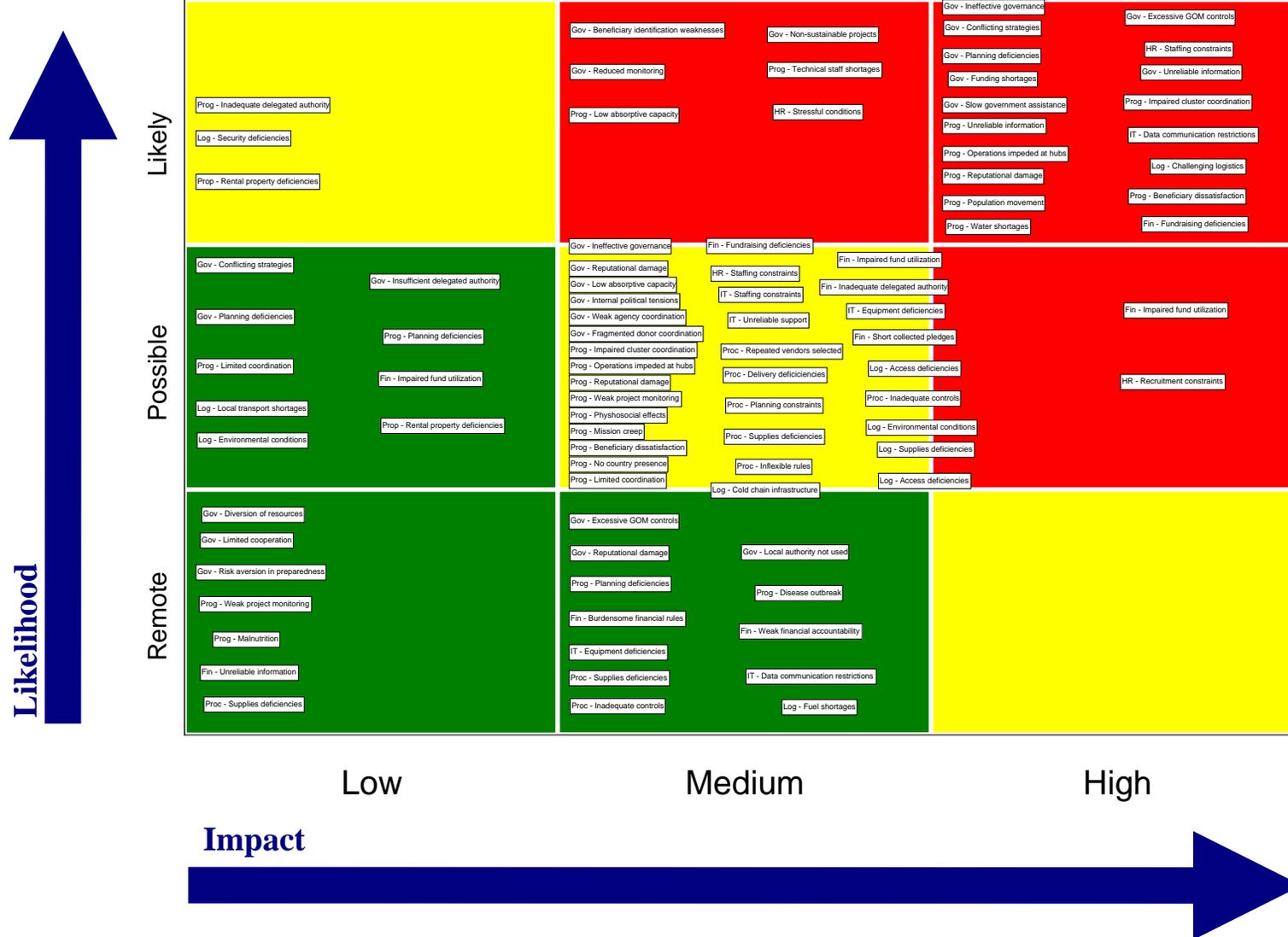
Risk Assessment of : Property Management

Sub heading	Interview/Review Summary (Description of gross risk)	Source of information	Risk mitigation strategies/ actions (controls) as identified by the clients	Status of control test	Applicable to which organization	Likelihood	Impact	Overall Risk
Overall Assessment						Possible	Low	Lower Risk
Rental property deficiencies	Availability of suitable properties in affected areas may be dramatically reduced as agencies and NGOs 'compete' for bases.	Field visit	This was an issue in areas such as Bogale, but it did not have a significant impact on programme activity.	Pre testing of control	Cross functional	Likely	Low	Moderate Risk
Rental property deficiencies	Urgent property requirements may mean that it is not possible to fully complete standard legal checks prior to signing local property agreements or to actual occupation (i.e. for warehousing etc).	Desk review		Pre testing of control	Cross functional	Possible	Low	Lower Risk
	Property is not properly recorded in asset registers. In 2007 and earlier, audit found that many assets were not recorded in the asset lists, particularly project equipment.	Field visit		Pre testing of control	FAO	Remote	Low	Lower Risk
	Property may not be secured. In 2007, audit found that project assets, particularly vehicles, were misused by government officials for personal use.	Field visit		Pre testing of control	FAO	Remote	Low	Lower Risk

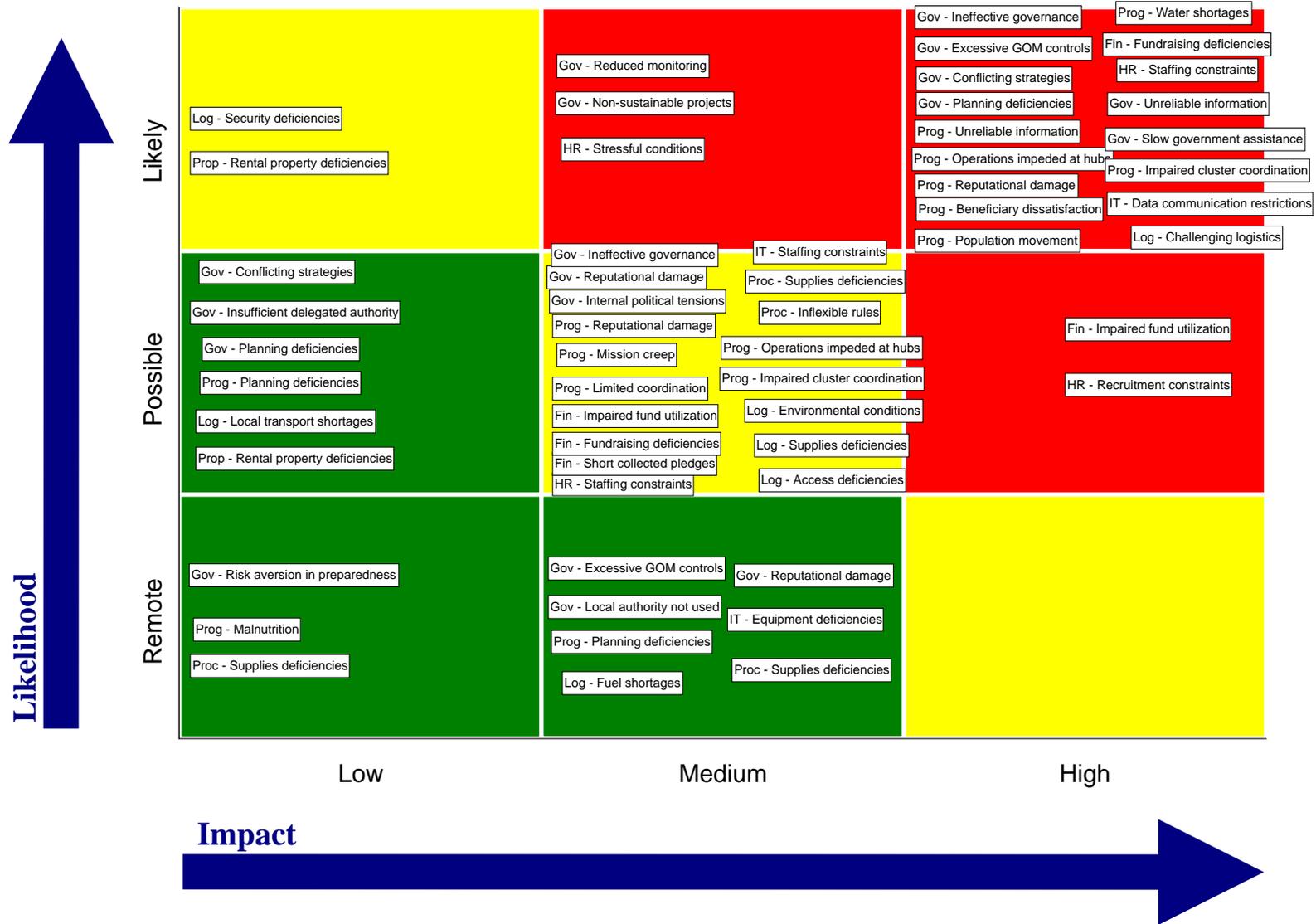
RISK SUMMARY PROFILE (Focus Area)



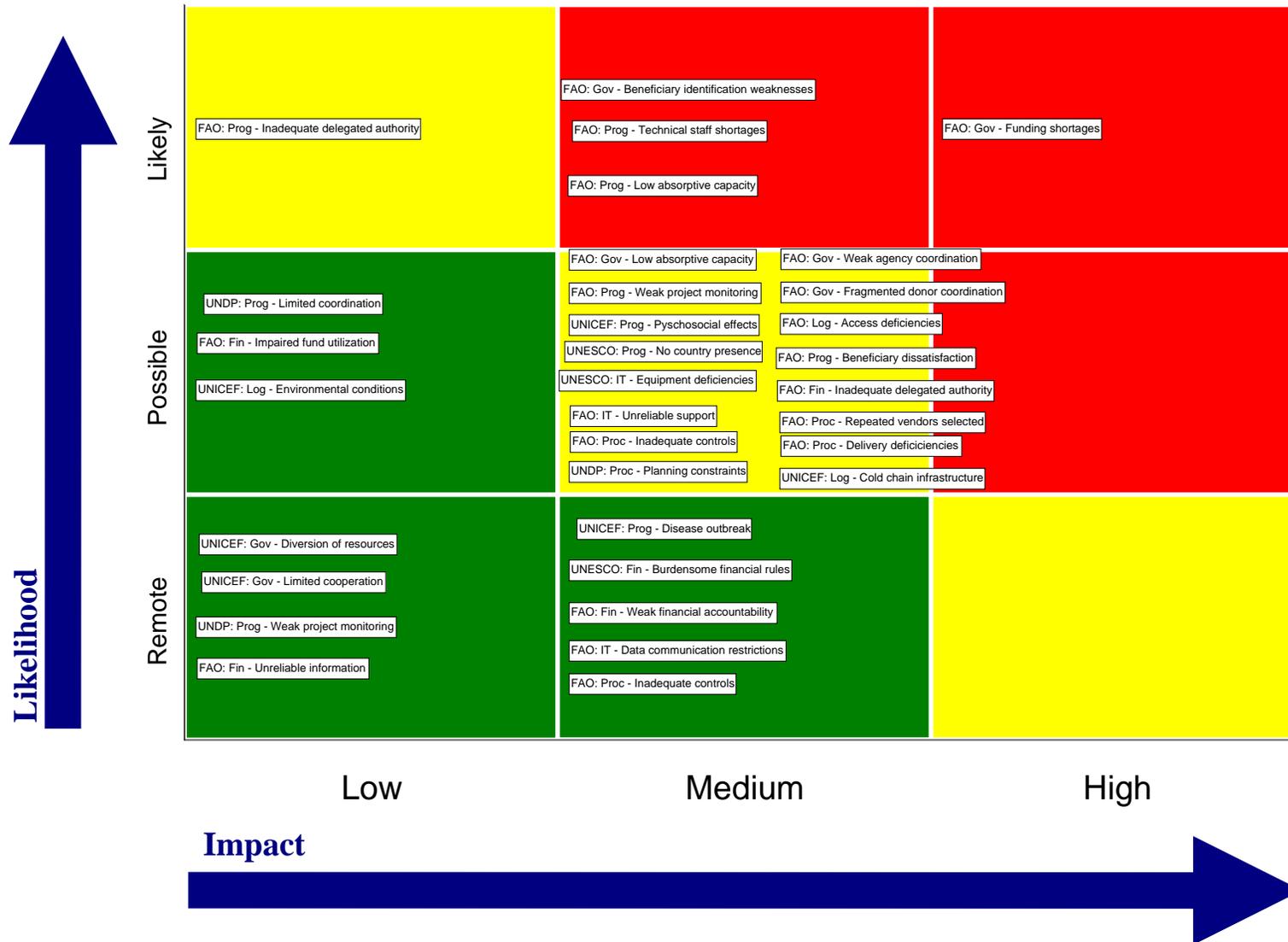
RISK SUMMARY PROFILE (Sub Focus Area)



RISK SUMMARY PROFILE (Cross Functional)



RISK SUMMARY PROFILE (Agency)



Risk Assessment Ratings

The OIOS Risk Assessment Framework evaluates the likelihood of the risk occurring and the impact it will have if it occurs. Based on the assessment of the two factors an overall risk rating is derived indicating whether the risk of a focus area is High, Moderate or Low. The ratings used are shown below:

Risk Likelihood	
Likely	Conditions within our environment indicate that an event is expected to occur in most circumstances
Possible	Conditions within our environment indicate that an event will probably occur in many circumstances
Remote	Conditions within our environment indicate that an event may occur at some time

Risk Impact	
High	Serious impact on operations, reputation, or funding status
Medium	Significant impact on operations, reputation, or funding status
Low	Less significant impact on operations, reputation, or funding status

Overall Risk Combinations Impact and Likelihood	
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
Moderate Risk	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
Lower 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