



## INTERNAL AUDIT DIVISION

# AUDIT REPORT

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### Arrangements to support programme delivery in the Office of Outer Space Affairs (OOSA)

OOSA's arrangements to support programme delivery could be improved by clarifying its status within the UN system, ensuring its terms of reference address all activities it has been requested to carry out, and reviewing its organization structure

11 February 2011  
Assignment No. AE2010/325/01

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United Nations  Nations Unies

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. Yury Fedotov, Director-General  
A: United Nations Office at Vienna, and Executive Director  
United Nations Office on Drugs and Crime

DATE: 11 February 2011

Ms. Mazlan Othman, Director  
Office of Outer Space Affairs

REFERENCE: IAD: 11- **00152**

FROM: Fatoumata Ndiaye, Director  
DE: Internal Audit Division, OIOS



SUBJECT: **Assignment No. AE2010/325/01 - Audit of arrangements to support programme  
OBJET: **delivery in the Office of Outer Space Affairs (OOSA)****

1. I am pleased to present the report on the above-mentioned audit.
2. In order for us to close the recommendations, we request that you provide us with the additional information as discussed in the text of the report and also summarized in Annex 1.
3. Please note that OIOS will report on the progress made to implement its recommendations, particularly those designated as high risk (i.e., recommendations 1, 2, 3, 4, and 9) in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Mr. Dennis Thatchaichawalit, Director of Administration, United Nations Office at Vienna (UNOV)  
Mr. Polinikis Sophocleous, Chief, Financial Resources Management Service, UNOV  
Ms. Susana Malcorra, Under-Secretary-General, Department of Field Support  
Mr. Carlos Lopes, Executive Director, United Nations Institute for Training and Research  
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors  
Mr. Rohan Wijeratne, Board of Auditors  
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Mr. Christopher F. Bagot, Chief, Geneva Audit Service, OIOS  
Ms. Amy Wong, Programme Officer, Internal Audit Division, OIOS

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## INTERNAL AUDIT DIVISION

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### FUNCTION

*“The Office shall, in accordance with the relevant provisions of the Financial Regulations and Rules of the United Nations examine, review and appraise the use of financial resources of the United Nations in order to guarantee the implementation of programmes and legislative mandates, ascertain compliance of programme managers with the financial and administrative regulations and rules, as well as with the approved recommendations of external oversight bodies, undertake management audits, reviews and surveys to improve the structure of the Organization and its responsiveness to the requirements of programmes and legislative mandates, and monitor the effectiveness of the systems of internal control of the Organization” (General Assembly Resolution 48/218 B).*

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## EXECUTIVE SUMMARY

### Audit of arrangements to support programme delivery in the Office of Outer Space Affairs (OOSA)

The Office of Internal Oversight Services (OIOS) conducted an audit of arrangements to support programme delivery in the Office of Outer Space Affairs (OOSA). The overall objective of the audit was to assess the adequacy of arrangements to support programme delivery. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

OOSA has established adequate arrangements to support its programme delivery, which has enabled it to achieve 100 per cent implementation rate of its pre-programmed activities in the 2008-2009 biennium and contributed to increased international cooperation in the use of outer space. However, to further improve the effectiveness of arrangements to support programme delivery the following actions were recommended, which OOSA has agreed to and implementation action is already underway in some areas:

- There is a need to review whether a separate Secretary-General's Bulletin (SGB) for OOSA is required, to clarify OOSA's role as an office supporting the committee on peaceful uses of outer space, and to recognize that the key role of United Nations Office at Vienna (UNOV) is the provision of administrative support.
- The Terms of Reference (TOR) of the OOSA General Trust Fund need to be brought in line with current practice and modified to include delegation of authority for giving grants and inclusion of new activities undertaken since the TOR were last amended.
- The organization structure needs to be reviewed to assess the staffing requirements in the Committee Services and Research Section and the merits of consolidating the United Nations Platform on Space-based Information for Disaster Management and Emergency Response (UN-SPIDER) Programme and the Space Application Section.
- Greater co-ordination at the interagency level is needed to avoid duplication and improve efficiency of work being undertaken on the use of space to support disaster management and emergency response.
- Visibility and outreach efforts needed strengthening through consolidation of resources dedicated to outreach.
- Fund raising activities needed to be strengthened.

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## I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of arrangements to support programme delivery in the Office of Outer Space Affairs (OOSA). The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

2. OOSA was initially created as a small expert unit within the United Nations Secretariat to service the ad hoc Committee on the Peaceful Uses of Outer Space (COPUOS) established by the General Assembly in 1958. It became a unit within the Department of Political and Security Council Affairs in 1962, a division of that same Department in 1968, and finally an Office within the Department for Political Affairs (DPA) in 1992. In 1993, it was relocated from DPA in New York to the United Nations Office at Vienna (UNOV).

3. The mission and core business of OOSA is to promote international cooperation in the use of outer space to achieve development goals for the benefit of humankind. The main mandates are summarized as follows:

- Serving as the secretariat to COPUOS, its two subcommittees and the Inter Agency Meeting on Outer Space Activities that coordinates space-related activities within the United Nations system; and,
- Maintenance of a register of objects launched into outer space. The General Assembly requested the Secretary-General to maintain a public register of objects launched into Earth orbit or beyond in its resolution 1721B (XVI) of 20 December 1961. In accordance with the Convention on Registration of Objects Launched into outer space, which entered into force in 1976, the Secretary-General was assigned responsibility for maintenance of a new register of objects launched into outer space. OOSA performs these functions under authority delegated by the Secretary-General.

4. The resolutions and recommendations of the three United Nations Conferences on the Exploration and Peaceful Uses of Outer Space (UNISPACE) held in 1968, 1982 and 1999 have provided guidance and impetus to the activities undertaken by OOSA. The United Nations Programme on Space Applications was created as a result of the UNISPACE 82 conference. A comprehensive review of the implementation of the recommendations of UNISPACE-III held in 1999 resulted in a Plan of Action (A/59/174), which led to the establishment of the United Nations Platform for Space-based Information for Disaster Management and Emergency Response (UN-SPIDER) and the establishment of the International Committee on Global Navigation Satellite Systems (ICG). ICG promotes cooperation on matters related to civil satellite-based positioning, navigation, timing, and value-added services, as well as compatibility and interoperability among the Global Navigation Satellite Systems (GNSS), while increasing their use to support sustainable development, particularly in developing countries.

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5. OOSA has two sections and a programme (i.e., three units) and their main functions are as follows:

a) Committee Services and Research Section (CSRS)

CSRS provides substantive secretariat services to the COPUOS, its two subcommittees and its working groups as well as to the General Assembly's Fourth Committee when it considers international cooperation in the peaceful uses of outer space. It also convenes and services the Inter-Agency Meeting (IAM) on Outer Space Activities, maintains the United Nations Register of Objects Launched into Outer Space, prepares and distributes reports and publications on international space activities and on international space law. It also promotes greater understanding of the United Nations Treaties and Principles on Outer Space and conducts technical legal advisory support on space law. The Section provides general legal advice to all activities of OOSA including negotiating legal agreements with Host Countries.

b) Space Application Section (SAS)

SAS organizes and carries out the United Nations Programme on Space Applications that emphasizes the promotion of international and regional cooperation in the uses of space science and technology for economic and social development including disseminating information and providing training in the practical applications of space technology, in particular for developing countries, including providing guidance and support to the long-term activities of the Regional Centres for Space Science and Technology Education, affiliated to the United Nations. Through SAS, OOSA serves as the Executive Secretariat of ICG.

c) United Nations Platform on Space-based Information for Disaster Management and Emergency Response (UN-SPIDER) Programme

UN-SPIDER was established through General Assembly Resolution 61/110 in 2007, aimed at ensuring that all countries and international and regional organizations have access to and develop the capacity to use all types of space-based information to support the full disaster management cycle.

6. A Director at D-2 level, who is assisted by 31 personnel, heads OOSA. The staff distribution among its sections and programme is shown in Table 1.

**Table 1: OOSA staffing situation in June 2010**

<b>Section/Programme</b>	<b>Staffing</b>	<b>Total no. of posts occupied</b>
Office of the Director	1 D-2, 1 GS	2
CSRS	1 P-5, 1 P-4, 3 P-3 (1 vacant), 3 P-2 (1	8

	vacant) and 2 GS	
SAS	1 D-1, 1 P-5, 3 P-4, 1 P-3, 2 P-2 and 2 GS	10
UN-SPIDER	4 P-4, 4 NRL, 3 P-2 and 1 GS (additional 2 NRL and 1 GS when Beijing office opens)	12

Note: One P-2 each in CSRS and SAS, and 3 P-2 in UN-SPIDER are associate experts and the Non-Reimbursable Loan (NRL) posts.

7. The 2008-2009 biennium expenditure for OOSA was approximately \$9.29 million, majority of which related to staff costs (\$6.65 million) and the remaining portion related to non-post costs. An amount of \$1.25 million was funded from the Regular Budget and \$1.39 million from the extra-budgetary resources. Further, OOSA also received contributions in kind valued at \$1.67 million in support of their activities.

8. OOSA's previous two programme performance reports for the bienniums 2006-2007 and 2008-2009 indicated a 99 per cent and a 100 per cent implementation rate, respectively, with regard to its pre-programmed quantitative outputs. Its proactive approach in assisting Member States implement international legal regime governing space activities resulted in action from 11 more countries during the last biennium. More than 346 ratifications from States and declarations of acceptance from intergovernmental organizations have been recorded in relation to the five United Nations treaties on outer space, thereby enabling increased international cooperation in the use of outer space.

9. Comments made by OOSA are shown in *italics*.

## II. AUDIT OBJECTIVES

10. The overall objective of the audit was to assess the adequacy of arrangements to support programme delivery in the Office of Outer Space Affairs.

## III. AUDIT SCOPE AND METHODOLOGY

11. The audit focused on activities for the period 1 January 2008 to 31 December 2009 as well as initiatives ongoing at the time of the audit. The audit methodology included interviews and discussions with the Director, heads of sections, programme managers, other OOSA staff, administration staff of UNOV, Chief, Cartographic Section under the Department of Field Support (DFS), and Chief, United Nations Institute for Training and Research (UNITAR) Operational Satellite Applications Programme (UNOSAT). The audit also reviewed OOSA's activity, progress and other reports, underlying documentation and carried out analytical reviews of the available data.



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## IV. AUDIT RESULTS

### A. Organization and programme management

#### The rationale for OOSA being included under the ST/SGB for UNOV needs to be reviewed

12. Whilst OOSA's organizational status has changed twice since it was created in 1958, first from a unit to a division and then to an office, it has not been identified as a separate organizational unit (under section 3.3 of ST/SGB/1997/5 on 'Organization of the Secretariat of the United Nations') for which the issuance of a separate Secretary-General's Bulletin (SGB) is required.

13. The overall responsibility for OOSA is included in ST/SGB/2004/05 on the 'Organization of the UNOV', which indicates that OOSA is accountable to the Director General (DG) of UNOV. However, in practice, the role of UNOV is to provide administrative support to OOSA and other Secretariat units located in the Vienna International Centre as stated in the 'Proposed programme budget for the biennium 2010-2011' {A/64/6 (Sect. 28F)}. OOSA receives guidance and direction on its programme of work from COPUOS and the General Assembly's Fourth Committee. Its budget is also independent from UNOV. The rationale for it being included under the ST/SGB for UNOV is therefore not clear.

#### **Recommendation 1**

**(1) The Office of Outer Space Affairs (OOSA) should request the Department of Management to clarify whether OOSA should have its own Secretary-General's Bulletin.**

14. *The Office of Outer Space Affairs accepted recommendation 1 and stated that it will be implemented by December 2012.* Recommendation 1 remains open pending receipt of confirmation from the Department of Management on whether a separate ST/SGB should be created for OOSA.

#### Terms of Reference of the OOSA General Trust Fund have not been modified to include delegation of authority for giving grants and reference to new activities

15. The Secretary-General established the OOSA General Trust Fund pursuant to GA Resolution 37/90 (1982) to receive voluntary contributions to finance the activities of the United Nations Programme on Space Applications. Terms of Reference (TOR) outlining the activities to be financed from the Trust Fund were developed in accordance with the same GA Resolution. Revised TOR was approved by GA Resolution 54/68 (February 2000) to include the implementation of the recommendations of UNISPACE-III held in 1999. This revision did not include delegated authority to make grant payments even though OOSA had been giving grants to various organizations since the 1990s, initially as a means to provide financial support to the Regional Centres. During 2008-2009, \$421,640 was given as grant disbursements to various third parties. Although \$150,000 of this amount was exceptional and is unlikely to be repeated again, the TOR needs amendment to reflect the practice of giving grants.

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16. Although the TOR covers a number of activities of OOSA, it has not been modified to include specific reference to the activities related to ICG and UN-SPIDER, which were established after the last modifications in 2000.

**Recommendation 2**

**(2) The Office of Outer Space Affairs (OOSA) should amend the Terms of Reference (TOR) of the OOSA General Trust Fund and submit for approval to the General Assembly. This revision should include authority to give grants and new activities undertaken by OOSA since the last ratification of the TOR in 2000.**

17. *The Office of Outer Space Affairs accepted recommendation 2 and stated that it will be implemented by December 2012. However, OOSA commented that the Trust Fund was established by the Secretary General, not by the General Assembly. Therefore the process to amend the TOR is quite different and does not require GA approval. OIOS appreciates the response from OOSA; however, as the GA approved the previous TOR, OOSA may wish to clarify the approval mechanism required for the TOR. Recommendation 2 remains open pending receipt of the revised TOR.*

Organization structure needs to be reviewed

18. SAS is responsible for the United Nations Programme on Space Applications. The UN-SPIDER was created as a separate programme in 2007 to use space-based information for disaster management, headed by a Programme Coordinator. This programme has since grown rapidly and its staffing will reach 15 when OOSA's new Beijing Office opens. However, other programmes related to space applications like ICG and the space weather initiative have remained under SAS. OOSA has not reviewed its organization structure since the creation of UN-SPIDER in 2007 to assess whether there would be synergies from consolidating the functions and activities in these two units.

19. OOSA had only one technical GS staff in CSRS carrying out the mandated responsibilities related to the treaty obligations for maintaining and updating the register of objects launched into outer space, in coordination with the Section Chief and the Legal Officers, and there were no back up arrangements for him. Furthermore, two staff members were responsible for the bulk of OOSA's core administrative, budget, programme performance and finance related needs, thereby limiting the Section's capacity to focus all its staff resources towards its substantive responsibilities.

**Recommendation 3**

**(3) The Office of Outer Space Affairs should review its organization structure, in order to assess the merits of consolidating the United Nations Platform on Space-based Information for Disaster Management and Emergency**

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**Response Programme and the Space Application Section and  
the staffing requirements in the Committee Services and  
Research Section.**

20. *The Office of Outer Space Affairs accepted recommendation 3 and stated that it will be implemented by December 2011.* Recommendation 3 remains open pending receipt of documentation on the completed review of OOSA's organization structure.

**Inadequate interagency cooperation resulted in duplication and inefficiency**

21. The UN-SPIDER programme as mandated by the General Assembly Resolution 61/110 provides universal access and develops capacity to use all types of space-based information to support the full disaster management cycle. This includes working with existing mechanisms, through the established SpaceAid Framework, to ensure that they can be accessed by all Member States as well as relevant international and regional organizations.

22. There is a risk of duplication of efforts as other UN agencies and programmes also work to provide and channel such support. OOSA has been specifically requested by the Member States to ensure the coordination of actions aiming at avoiding the duplication of efforts. Until 2008, it was the only UN Office who could activate the International Charter on Space and Major Disasters (Charter) on behalf of UN agencies.

23. UNITAR through its Operational Satellite Applications Programme (UNOSAT) also uses satellite technology in support of disaster management and development planning. It supports the humanitarian community (UN and non-UN) with maps and analyses derived from satellite imagery acquired commercially or via the Charter and undertakes technical assistance projects. This resulted in duplication of functions performed by UN-SPIDER and UNOSAT.

24. The lack of cooperation agreement between OOSA and UNOSAT resulted in OOSA having to re-assign UN-SPIDER responsibilities and it was not able to open a Liaison Office in Geneva for its UN-SPIDER programme. The donor funds for strengthening Geneva activities were given by the donor to UNOSAT to provide service support to OOSA. However, due to the lack of a formal cooperation agreement, the nature of support services to be provided by UNOSAT to OOSA, though discussed, could not be formally agreed upon.

25. The funding received by UNITAR/UNOSAT enables it to commercially acquire satellite data. The DFS Cartographic Section also receives funds to acquire space imagery in support mostly to UN peace operations. It has established a space imagery database, which is presently accessible only in New York, and is currently developing the database to extend its accessibility to all UN field missions. Many other UN entities also purchase space imagery for their needs. These entities can also access these images acquired by the Cartographic Section by paying some uplift costs under the UN wide license option of the established UN systems contract with space image suppliers. The UN-SPIDER

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Programme has established a fund under its SpaceAid Framework to enable it to acquire space imagery when the Charter cannot provide the required imagery and other satellite data.

26. Increased cooperation with the DFS Cartographic Section and UNOSAT could enable the UN-SPIDER to access space imagery database archive maintained by the Cartographic Section, within the license restrictions placed by the space imagery providers and the satellite data acquired by UNOSAT. This cooperation will complement UN-SPIDER satellite data requirements, avoid duplication and improve the efficiency in utilizing the funds received. Although OOSA co-chairs the United Nations Geographic Information Working Group, the DFS Cartographic Section stated that it has not received any formal request from OOSA to provide access.

#### **Recommendations 4 and 5**

##### **The Office of Outer Space Affairs should:**

**(4) Ensure that the SpaceAid framework is properly coordinated with other United Nations agencies that are also making space-based information available to support responses to emergency events; and,**

**(5) Request the Department of Field Support Cartographic Section and the United Nations Institute for Training and Research, Operational Satellite Applications Programme, to extend access to their space imagery and database archive, within the license restrictions placed by the contractual agreements, in order to increase cooperation and coordination in sharing data.**

27. *The Office of Outer Space Affairs accepted recommendation 4 and stated that it will be implemented by December 2011.* Recommendation 4 remains open pending receipt of documentation on action taken to improve coordination of the SpaceAid framework and to avoid duplication of effort.

28. *The Office of Outer Space Affairs accepted recommendation 5 and stated that it will be implemented by December 2011.* Recommendation 5 remains open pending confirmation of the results of consultation between OOSA, DFS Cartographic Section and UNITAR/UNOSAT on the issue of sharing access to the space imagery and the database archive maintained by the UNOSAT and DFS Cartographic Section.

#### **There is a need to follow up on the establishment of the fifth Regional Centre (RC) in the Arabic speaking regions**

29. As per the recommendations of the UNISPACE 82, OOSA established four UN affiliated regional centres during 1995 to 2000 in India, Nigeria, Morocco, and Brazil, with an additional campus in Mexico to implement its education curricula and assist in capacity building activities. A fifth centre

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addressing the Arab region, planned to be established in Jordan in 2000, could not be established as the approval and announcement on the opening of Jordan centre is still awaited. OOSA stated that other member states have also shown interest in hosting the RC, but it is still waiting to hear a suitable response from Jordan before initiating the process to identify a new centre in other countries. Although this issue is under the sole authority of Member States, it has not been included in the annual RC report to the COPUOS for its consideration and guidance. Non establishment of the Regional Centre in the Arab region has limited the ability of OOSA to spread the education curriculum in the Arabic speaking regions, which in turn impacts OOSA's development goals.

### **Recommendation 6**

**(6) The Office of Outer Space Affairs should request the Committee on the Peaceful Uses of Outer Space to consider making a decision regarding the establishment of the fifth Regional Centre for the Arab region.**

30. *The Office of Outer Space Affairs accepted recommendation 6 and stated that it will be implemented by December 2011.* Recommendation 6 remains open pending receipt of documentation on the decision taken by COPUOS regarding the Regional Centre for the Arab Region.

### Existing outreach efforts need to be consolidated

31. CSRS carried out outreach activities related to COPUOS, Inter-Agency Meeting on Outer Space Activities and capacity building in space law, and SAS and UN-SPIDER carried out individual outreach activities for their programmes and included them in their annual report to COPUOS. UN-SPIDER had already drafted a detailed communication strategy for its own programme. The responsibilities related to outreach in OOSA were allocated to more than one staff, different units and group, without further detailing individual responsibilities. OOSA, within its available resources, carried out several activities to improve its visibility, such as organizing a permanent exhibit in Vienna, preparing a publication called 'Space Matters' for general public, annually celebrating World Space Week, and preparing for celebrating fiftieth anniversary of COPUOS and human space flight in 2011. Although it had formed a Corporate Communications and Outreach Group in 2009 it had not consolidated all its outreach efforts under the responsibility of this group.

### **Recommendation 7**

**(7) The Office of Outer Space Affairs, in order to improve its visibility, should consolidate the outreach efforts carried out by its units under the Corporate Communications and Outreach Group.**

32. *The Office of Outer Space Affairs accepted recommendation 7 and stated that it will be implemented by December 2012.* Recommendation 7 remains open

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pending receipt of documentation on action taken to consolidate OOSA's outreach efforts.

Lack of an action plan to improve website management

33. There was awareness within OOSA that the website is, in part, outdated and needs to be improved. However, no progress was made in meeting the Information Technology Section (ITS) of UNOV to discuss the website upgrading. The technological platform and the design of the current OOSA website have not been updated since 2003. Its content, although prioritized to benefit its constituents, i.e. members of COPUOS, is not user friendly for the public. As required by the ST/AI/2001/5 on 'United Nations Internet Publishing' the site was not regularly and uniformly updated and archived, many links were broken; the disclaimers and terms and conditions on use were not posted; and there was a lack of common layout and style among its sites.

**Recommendation 8**

**(8) The Office of Outer Space Affairs should develop an action plan to improve its website management.**

34. *The Office of Outer Space Affairs accepted recommendation 8 and stated that it will be implemented by December 2012.* Recommendation 8 remains open pending receipt of an action plan on the improvement of OOSA's website management.

B. Administration and financial management

Fund raising activities need to be strengthened

35. OOSA had a non-post expenditure of \$4.31 million (including in-kind contributions) in 2008-2009, which accounted for 39 per cent of its total budget resources. Of this amount, \$1.25 million was funded from RB and the balance 71 per cent was raised through extra-budgetary (XB) resources. Due to the strong RB component, SAS received adequate funds in 2008-09; however, there were shortfalls in the funding for the UN-SPIDER programme. The GA Resolution 61/110 stated that the UN-SPIDER programme would be supported through voluntary contributions and through a rearrangement of priorities. .

36. Though OOSA initiated some efforts to improve its fund raising efforts, it has not been successful in raising adequate funding. At the time of the audit, UN-SPIDER was able to raise less than 40 per cent of the funds required for 2010 activities (\$1.35 million). Furthermore, most of OOSA's XB funding was earmarked mainly for workshop and training related activities, thus limiting its utility for OOSA.

37. Each OOSA unit carried out its individual resource sourcing for cash and in-kind contributions. A fund raising group (FRG) was also formed in early 2009 to coordinate the implementation of the strategy and action plans for fund raising activities for the entire office. Review of the fund raising strategy and its

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implementation indicated the following weaknesses that need to be addressed to improve the fund raising procedures, as it directly impacts programme delivery:

- The portfolio of opportunities provided annually to member states detailed the requests for funding UN-SPIDER activities only;
- Each staff held the responsibility for raising funds for their own projects without adequate coordination;
- The website dedicated to fund raising related activities was not updated since January 2008 and the fund raising strategy and the "Portfolio of Opportunities" were not available online; and
- Financial resources required for improving its outreach and websites had not been identified.

### **Recommendation 9**

**(9) The Office of Outer Space Affairs should strengthen its fund raising activities by revising its fund raising strategy, centralizing its resource sourcing aspects, raising more un-earmarked resources and ensuring that the fund raising group plays an increasing role in coordination, implementation and monitoring of the fund raising activities.**

38. *The Office of Outer Space Affairs accepted recommendation 9 and stated that it will be implemented by December 2012.* Recommendation 9 remains open pending confirmation of action taken to strengthen OOSA's fund raising activities.

### Voluntary contributions accounted on cash basis not compliant with accounting policies

39. UNOV Financial and Resource Management Service (FRMS), as part of their annual closing, requests all programmes and offices to provide details of any pledges or deferred income received from donors. OOSA did not provide to UNOV FRMS such details; as a result, its income was accounted on receipt basis, which was not compliant with the trust fund procedures specified in ST/AI/284 (ST/AI/284 IV.A.2)-"General Trust Funds". This resulted in their Trust Fund financial statements showing inaccurate reflection of income, and reserves and fund balance. The expenditure was \$1.39 million; however, the reported income of \$2.38 million was overstated due to the inclusion of deferred income. This practice did not comply with existing United Nations accounting policies.

### **Recommendation 10**

**(10) The Office of Outer Space Affairs should establish internal procedures to provide annually details of any pledges or deferred income received from donors so that the Financial Resources Management Service of the United Nations Office at Vienna can account its income in accordance with the accounting policies.**



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40. *The Office of Outer Space Affairs accepted recommendation 10 and stated that it will be implemented by December 2011. Recommendation 10 remains open pending receipt of evidence of the procedures established to ensure voluntary contributions are accounted for on an accrual basis in compliance with the trust fund procedures specified in ST/AI/284.*

Allotment of extra budgetary funds should comply with the funding agreements

41. In accordance with ST/AI/285, the Budget Officer is required to review the allotment request, and issue the corresponding allotment if it does not exceed available resources and it covers agreed activities.

42. The Budget Section of UNOV issued allotments for the XB funds based on actual income received, less the required operating reserve. It was not aware of the different funding agreements between OOSA and donors. Some funding was for two to four years and others were for specific activities. The risk for over-issuing of allotments was even higher because the contributions received were not accounted on accrual basis as required by the trust fund procedures specified in ST/AI/284. The UNOV Budget Section had not requested OOSA to provide various funding agreements in order to ensure that allotments were issued in line with the funding agreements and based on income received for a given accounting period. Budgetary control and fund management is important to mitigate the risks related to potential mismanagement and inappropriate utilization of donations.

**Recommendation 11**

**(11) The Financial Resources Management Service of the United Nations Office at Vienna should, while making allotments, include review of the funding agreements in its procedures, to provide assurance that Office of Outer Space Affairs is complying with the terms of agreements.**

43. *The Financial Resources Management Service of UNOV accepted recommendation 11 stated that it will be implemented by December 2011. Recommendation 11 remains open pending receipt of evidence of the procedures established to ensure that allotments are issued in line with the funding agreements.*

V. ACKNOWLEDGEMENT

44. We wish to express our appreciation to the Management and staff of OOSA for the assistance and cooperation extended to the auditors during this assignment.



## STATUS OF AUDIT RECOMMENDATIONS

Recom. no.	Recommendation	Risk category	Risk rating	C/O <sup>1</sup>	Actions needed to close recommendation	Implementation date <sup>2</sup>
1	The Office of Outer Space Affairs (OOSA) should request the Department of Management to clarify whether OOSA should have its own Secretary-General's Bulletin.	Governance	High	O	Receipt of confirmation from the Department of Management on whether a separate ST/SGB should be created for OOSA.	31 December 2012
2	The Office of Outer Space Affairs (OOSA) should amend the Terms of Reference (TOR) of the OOSA General Trust Fund and submit for approval to the General Assembly. This revision should include authority to give grants and new activities undertaken by OOSA since the last ratification of the TOR in 2000.	Governance	High	O	Receipt of the revised TOR.	31 December 2012
3	The Office of Outer Space Affairs should review its organization structure, in order to assess the merits of consolidating the United Nations Platform on Space-based Information for Disaster Management and Emergency Response Programme and the Space Application Section and the staffing requirements in the Committee Services and Research Section.	Governance	High	O	Receipt of documentation on the completed review of OOSA's organization structure.	31 December 2011
4	The Office of Outer Space Affairs should ensure that the SpaceAid framework is properly coordinated with other United Nations agencies that are also making space-based information available to support responses to emergency events.	Operational	High	O	Receipt of documentation on action taken to improve coordination of the SpaceAid framework and to avoid duplication of efforts.	31 December 2011
5	The Office of Outer Space Affairs should request the Department of Field Support Cartographic Section and the United Nations Institute for Training and	Operational	Medium	O	Confirmation of the results of consultation between OOSA, DFS Cartographic Section and UNITAR/UNOSAT on the issue of sharing access to the space imagery and the	31 December 2011

Recom. no.	Recommendation	Risk category	Risk rating	C/O <sup>1</sup>	Actions needed to close recommendation	Implementation date <sup>2</sup>
	Research, Operational Satellite Applications Programme to extend access to their space imagery and database archive, within the license restrictions placed by the contractual agreements, in order to increase cooperation and coordination in sharing data.				database archive maintained by the UNOSAT and DFS Cartographic Section.	
6	The Office of Outer Space Affairs should request the Committee on the Peaceful Uses of Outer Space to consider making a decision regarding the establishment of the fifth Regional Centre for the Arab region.	Operational	Medium	O	Receipt of documentation on the decision taken by COPUOS regarding the Regional Centre for the Arab Region.	31 December 2011
7	The Office of Outer Space Affairs, in order to improve its visibility, should consolidate the outreach efforts carried out by its units under the Corporate Communications and Outreach Group.	Strategy	Medium	O	Receipt of documentation on action taken to consolidate OOSA's outreach efforts.	31 December 2012
8	The Office of Outer Space Affairs should develop an action plan to improve its website management.	Information resources	Medium	O	Receipt of an action plan on the improvement of OOSA's website management.	31 December 2012
9	The Office of Outer Space Affairs should strengthen its fund raising activities by revising its fund raising strategy, centralizing its resource sourcing aspects, raising more un-earmarked resources and ensuring that the fund raising group plays an increasing role in coordination, implementation and monitoring of the fund raising activities.	Strategy	High	O	Confirmation of action taken to strengthen OOSA's fund raising activities.	31 December 2012
10	The Office of Outer Space Affairs should establish internal procedures to provide annually details of any pledges or deferred income received from donors so that the Financial Resources Management Service of the United Nations Office at Vienna can account its income in accordance with the	Financial	Medium	O	Evidence of the procedures established to ensure that voluntary contributions are accounted for on an accrual basis in compliance with the trust fund procedures specified in ST/AI/284.	31 December 2011

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<b>Recom. no.</b>	<b>Recommendation</b>	<b>Risk category</b>	<b>Risk rating</b>	<b>C/O<sup>1</sup></b>	<b>Actions needed to close recommendation</b>	<b>Implementation date<sup>2</sup></b>
	accounting policies.					
11	The Financial Resources Management Service of the United Nations Office at Vienna should, while making allotments, include review of the funding agreements in its procedures, to provide assurance that Office of Outer Space Affairs is complying with the terms of agreements.	Financial	Medium	O	Evidence of the procedures established to ensure that allotments are issued in line with the funding agreements.	31 December 2011

<sup>1</sup> C = closed, O = open

<sup>2</sup> Date provided by OOSA in response to recommendations