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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. Sergio de Queiroz Duarte  
A. High Representative for Disarmament Affairs

DATE: 23 December 2011

REFERENCE IAD: 11- 0077b

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

SUBJECT: **Assignment no. AN2011/530/01: Audit of Disarmament Affairs – Conventional Arms  
OBJET: Branch (CAB)**

**Overall results relating to the effective implementation of CAB activities were satisfactory**

1. Attached please find the final report on the above-mentioned audit.

cc: Mr. Daniel Prins, Chief, Conventional Arms Branch, UNODA  
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors  
Mr. Rohan Wijeratne, Board of Auditors  
Ms. Susanne Frueh, Executive Secretary, Joint Inspection Unit  
Mr. Moses Bamuwanye, Executive Secretary, IAAC  
Mr. Zachary Ikiara, Chief, Oversight Support Unit, DM  
Mr. Byung-Kun Min, Special Assistant to the USG-OIOS  
Ms. Amy Wong, Programme Officer, Internal Audit Division, OIOS



## INTERNAL AUDIT DIVISION

# AUDIT REPORT

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### Audit of Disarmament Affairs – Conventional Arms Branch (CAB)

Overall results relating to the effective implementation of CAB activities were satisfactory

23 December 2011  
Assignment No. AN2011/530/01

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# **AUDIT REPORT**

## **Audit of Disarmament Affairs – Conventional Arms Branch (CAB)**

### **BACKGROUND**

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the Conventional Arms Branch (CAB) of the Office for Disarmament Affairs (ODA).

2. By its resolution 61/257 of 15 March 2007 on strengthening the Organization's capacity to advance the disarmament agenda, the General Assembly established ODA retaining the existing structures and functions of the then Department of Disarmament Affairs. ODA programme of work is organized into the following five subprogrammes:

- Subprogramme 1: Multilateral negotiations on arms limitation and disarmament
- Subprogramme 2: Weapons of mass destruction
- Subprogramme 3: Conventional arms (including practical disarmament measures)
- Subprogramme 4: Information and outreach
- Subprogramme 5: Regional disarmament

3. CAB is responsible for implementing subprogramme 3. Its three main objectives are to: (a) increase international action to prevent, combat and eradicate the illicit trade in small arms and light weapons; (b) sustain participation of Member States in UN instruments on confidence-building measures in military and security matters; and (c) sustain international cooperation and assistance in promoting practical confidence. CAB is headed by a Chief who is accountable to the Director and Deputy to ODA High Representative. The resource requirements for the 2010-2011 programme budget for CAB amounted to \$3,475,400, which covered for 10 posts (7 Professionals and 3 General Service) and for non-post requirements. In addition, an amount of \$777,000 from extra budgetary resources has been earmarked for supporting CAB activities.

### **OBJECTIVE AND SCOPE**

4. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure: (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations, and rules.

5. The audit of CAB was conducted to assess the adequacy and effectiveness of governance, risk management and control processes in providing reasonable assurance that the CAB has carried out its activities effectively.

6. In its 2011 risk-based audit planning, OIOS identified subprogramme 3 as a high risk area since the implementation of its work plan required coordination with other ODA subprogrammes as well as with disarmament partners in the UN system.

7. The key controls tested for the audit were: (a) risk management and strategic planning; (b) integrated programmatic and financial management reporting systems; and (c) mandates and delegation of authority; and (d) coordinated management. For the purpose of this audit, OIOS defined these key controls as follows:

- (a) **Risk management and strategic planning** – Those controls that are designed to provide reasonable assurance that risks relating to CAB activities are identified and assessed, and that those risks are incorporated in strategic planning.
- (b) **Integrated programmatic and financial management reporting** – Those controls that are designed to provide reasonable assurance that a system exists for CAB to report programme performance, including its financial performance, timely, accurately and completely.
- (c) **Mandates and delegation of authority** – Those controls that are designed to provide reasonable assurance on the clarity of the authority, roles and responsibilities of CAB, other UN departments and outside entities involved in the programme to ensure effective and efficient programme delivery.
- (d) **Coordinated management** – Those controls that are designed to provide reasonable assurance that potential overlaps in the performance of a function or the delivery of a programme by CAB are mitigated and that issues affecting or involving other UN partners and actors are identified, discussed and resolved timely and at the appropriate forum.

8. OIOS conducted this audit from 10 January 2011 to 8 July 2011. The audit covered the period from 1 January to 31 December 2010.

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

## **AUDIT RESULTS**

10. In OIOS opinion, risk management, controls and governance processes of CAB were **satisfactory** in providing reasonable assurance that the Branch has carried out its activities effectively.

11. The overall rating is based on the assessment of key controls presented in Table 1 below.

12. CAB implemented a satisfactory annual work planning mechanism. It is in the process of using both quantitative and qualitative performance measures and has established well-functioning performance monitoring mechanisms. The Branch has systems in place to implement its mandate effectively but would benefit from defining the actions it is expected to take when planning its activities. CAB has been successfully using the Coordinating Action on Small Arms (CASA), a series of monthly meetings with partners, as a coordinated management mechanism to manage overlap and duplication of efforts with its disarmament partners.

**Table 1: Assessment of key controls**

| Business objective                          | Key controls   | Control objectives                 |  |                        |   |
|---|--|------------------------------------|--|------------------------|---|
|   |  | Efficient and effective operations | Accurate financial and operational reporting | Safeguarding of assets | Compliance with mandates, regulations and rules |
| Effective delivery of the objectives of CAB | (a) Risk management and strategic planning                     | Satisfactory                       | Satisfactory                                 | Not Applicable         | Satisfactory                                    |
|   | (b) Integrated programmatic and financial management reporting | Not Applicable                     | Satisfactory                                 | Not Applicable         | Satisfactory                                    |
|   | (c) Mandates and delegation of authority                       | Satisfactory                       | Satisfactory                                 | Not Applicable         | Satisfactory                                    |
|   | (d) Coordinated management                                     | Satisfactory                       | Satisfactory                                 | Not Applicable         | Satisfactory                                    |

### **Risk management and strategic planning**

#### CAB implemented a satisfactory annual work planning mechanism

13. The CAB strategic planning is reflected in its strategic framework: A/61/6 (prog.3) and A/63/6 (prog.3) and its proposed programme budget submissions for the 2008-2009, 2010-2010 biennia. The CAB management also indicated a fundamental shift in the emphasis from quantitative expected accomplishments and indicators of achievements to much more descriptive qualitative indicators in the proposed 2012-2013 strategic framework (A/65/6 Prog. 3). Instead of framing indicators of achievement by requiring such actions as “increased number of actions undertaken”, “number of States participating” and “increased number of initiatives undertaken”, the CAB has established that indicators will rely on more measurable outcomes such as the “absence of complaints from Member States” on the services the CAB will provide.

14. In support of its annual work planning, CAB provided detailed documentation noting its functions derived from General Assembly Resolution 61/257, “Strengthening of the capacity of the Organization to advance the disarmament agenda” dated 22 March 2007. CAB functions were clearly indicated in its organizational structure as flowing directly from UNODA “Organization of the Office of Disarmament Affairs” (ST/SGB/2008/8).

15. The CAB also had developed its own mission statement specifying the context of its activities focusing on countries’ conventional weapons arsenals and the expansion of scope to include such items as inaccurate and excessively injurious weapons. Both objectives and actions were well-defined and clear.

### **Integrated programmatic and financial management reporting**

#### Use of both quantitative and qualitative indicators to measure performance in CAB

16. In 2010-2011, biennia performance measures included quantitative information, for example, on number of initiatives, number of participating Member States, percentages of Member States providing

information on licit weapon procurements, military holding percentages, and number of Member States participating in standardized UN instruments.

17. CAB has established well-functioning performance monitoring indicators and mechanisms, including:

- IMDIS-generated detailed output schedules for the biennia 2010-2011 and 2008-2009;
- Resolutions of the sixty-fifth and previous sessions of the General Assembly which spelled out follow-up actions by UNODA;
- International Ammunition Technical Guidelines Project;
- 2010 CAB Calendars of activities; and
- 2010-2012 project planning calendar.

18. The emphasis on qualitative analysis techniques required the CAB to streamline submissions on disarmament reporting by standardizing forms and moving towards on-line submissions and follow-up with Member States. In preparation for the forthcoming biennia (2012–2013), the CAB was in the process of shifting its proposed strategic framework to provide programme objectives in a different way with more emphasis on enhancing its capacity for more in-depth analysis of issues and support to Member States. This would be accomplished by using indicators of achievement for the CAB activities emphasizing qualitative indicators such as the absence of complaints from Member States on services provided. In the view of OIOS, it is important that the CAB both continue these mechanisms and retain data pertaining to quantitative information for performance reporting.

### **Mandates and delegation of authority**

#### CAB has systems in place to implement its mandate effectively

19. ODA strategic framework and the proposed biennial programme budget reflected the overall mandate of CAB under three expected accomplishments as follows:

- (a) Increased international action to prevent, combat and eradicate the illicit trade in small arms and light weapons;
- (b) Sustained participation of Member States in United Nations instruments on confidence-building measures in military and security matters and further development of the scope of such instruments; and
- (c) Sustained international cooperation and assistance in promoting practical confidence-building measures in the field of conventional weapons.

20. The Senior Manager's Compact 2010 between the High Representative for Disarmament Affairs and the Secretary-General detailed the programme and management objectives, expected accomplishments and performance measures.

21. Results of the three expected accomplishments indicated that the CAB implemented its mandate effectively. Staff were very well informed of the work of the Branch, their individual responsibilities and the need to not only maintain work relevance but increasingly to adjust and identify emerging issues to keep ODA and the Secretary-General as well as Member States and partners in disarmament informed on rapidly changing developments.

Better definition of action required would enable the CAB to plan activities

22. Flowing from the ODA High Representative's compact with the Secretary-General's Senior Manager Compact, in 2011 ODA issued document, "Resolution of the Sixty-Fifth and Previous Sessions of the General Assembly", which required follow-up by ODA. This document noted actions required by Branch Chiefs within UNODA and listed actions requested by resolution sequence and timing of actions and the responsible officer. For the CAB (and also for other branches within ODA), while the reports and notes verbale are partially listed with due dates under "Sequence and timing of action by ODA", the phrase "Action as required" was noted.

23. **In the view of OIOS, a better description of the particular action required may serve the CAB to better plan its activities. Under the heading "Sequence and timing of actions required," target dates and reports, meetings, notes verbale and services to be accomplished should be noted to specifically identify the actions needed to assist ODA in its annual work plan. The CAB accepted this and stated that the "Resolution of the Sixty-Fifth and previous sessions of the General Assembly" and its table serves only as an internal tracking tool for the Office of the Director to manage General Assembly resolutions pertinent to ODA. It is understood and has been the standing practice of each Branch to further elaborate on and spell out the required actions required, designate officers and establish a timeline for completion for the approval of ODA senior management.**

**Coordinated management**

The CASA coordination mechanism was operating satisfactorily

24. Since 1998, the CAB has been using been using the Coordinating Action on Small Arms (CASA), a series of monthly meetings with partners, as a coordinated management mechanism to manage overlap and duplication of efforts with its disarmament partners. CASA currently comprises 21 agencies, departments, and funds and programmes. CASA meets on a monthly basis. The CAB serves as the chair of the CASA group of partners for consultation, information exchange and priority setting among UN Departments and agencies with comparative advantage in pursuing agreed strategies. The meetings are used to: (a) finalize periodic Secretary-General's reports on disarmament issues; (b) prepare talking points and background notes for the Secretary-General; (c) discuss periodic reports to disarmament principals covering CASA position statements on CAB activities related to the mandate; and (d) share information on CASA coordinated reports, and assistance provided to Member States on requests. CASA was particularly effective in clarifying the roles and responsibilities of CAB partners.

**ACKNOWLEDGEMENT**

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

  
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Ms. Fatoumata Ndiaye, Director  
Internal Audit Division, OIOS