

# Informal Consultation on Oversight Matters

September 2017



**World Food Programme**

# Agenda

**Enterprise  
Risk  
Management  
& Internal  
Controls  
overview**

**Proactive  
Integrity  
Reviews  
update**

**Office of the  
Inspector-  
General  
update**

# Informal Consultation on Oversight Matters

*Enterprise Risk Management and Internal Controls*

September 2017



**World Food Programme**

# Enterprise Risk Management and Internal Controls

## Areas of discussion

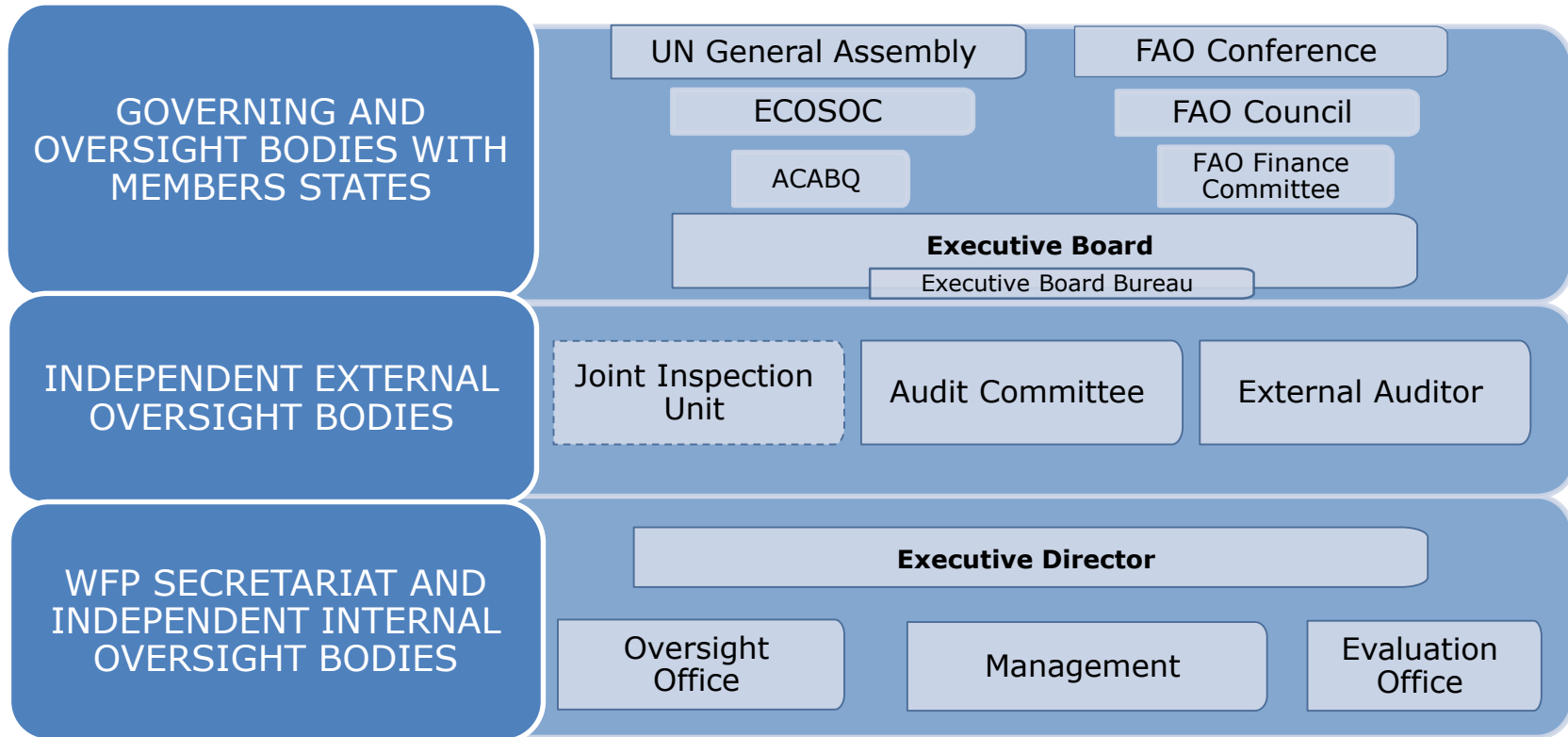
Frameworks and Control Environment

Evolution of ERM and Internal Controls

Strengthening ERM and Internal Controls Corporately

# Frameworks and Control Environment

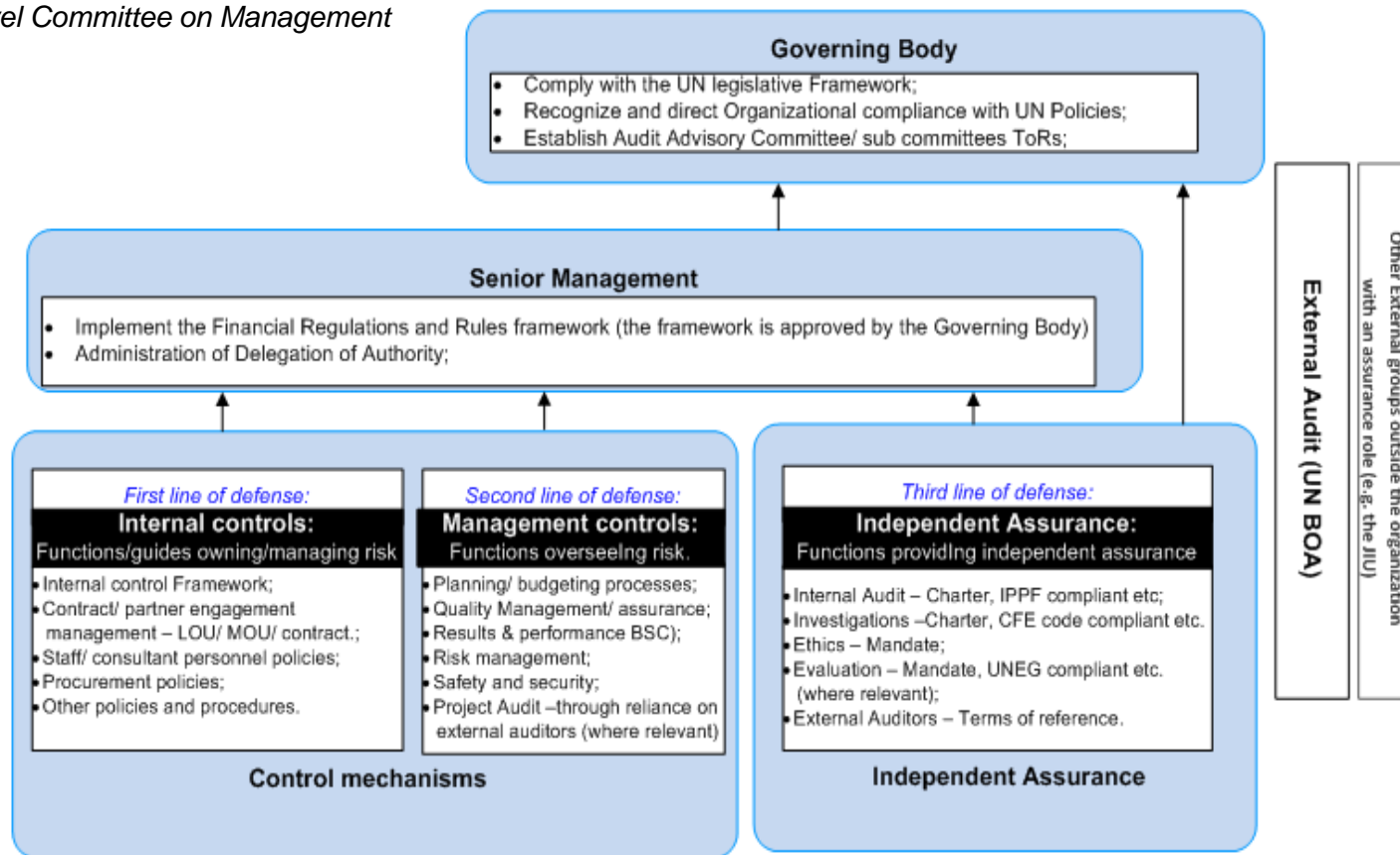
# 2011 Oversight Framework & Reports Disclosure Policy



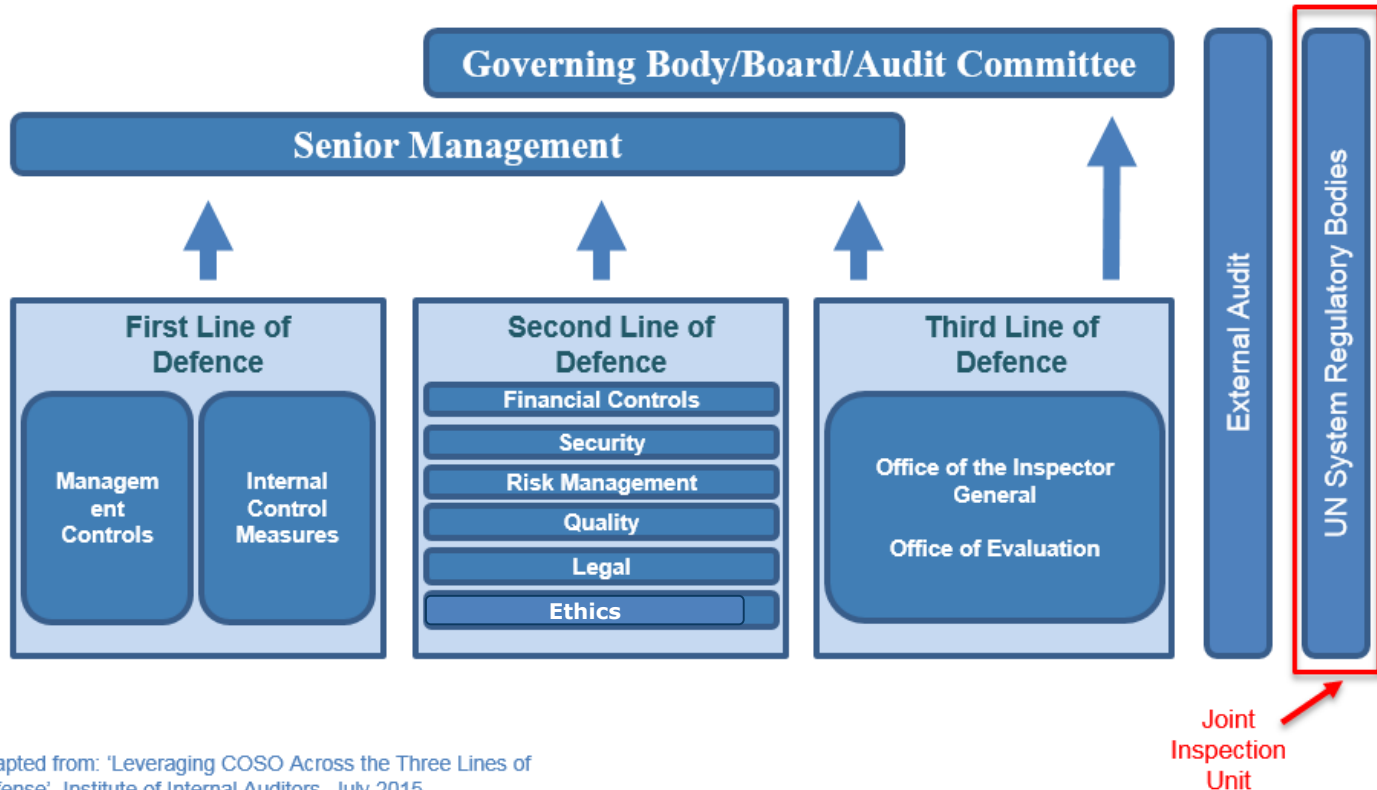
*“...comprehensive framework for WFP’s oversight...”*

# HLCM\* Three Lines of Defence– 2014

\* HLCM : High-Level Committee on Management



# WFP's Three Lines of Defence Model

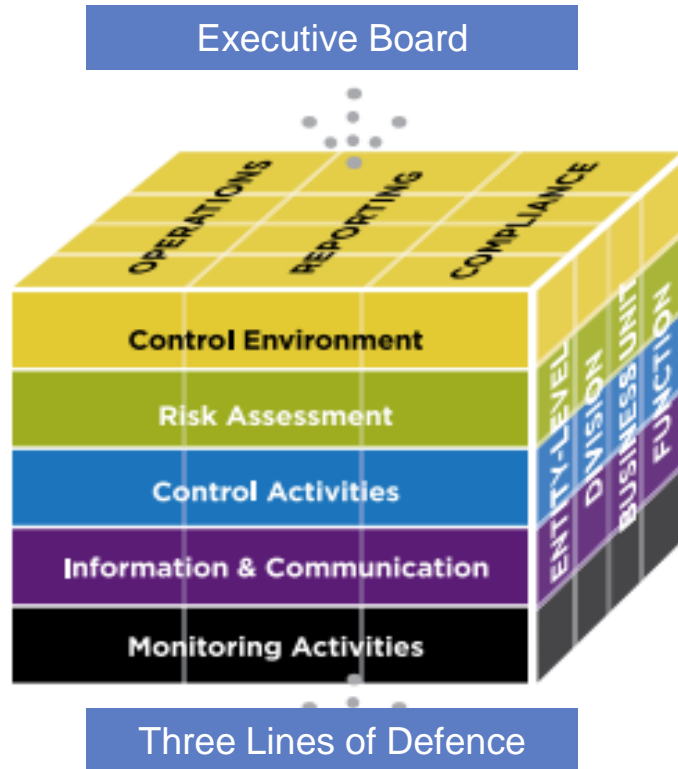


Adapted from: 'Leveraging COSO Across the Three Lines of Defence', Institute of Internal Auditors, July 2015

*“... harmonized with ... UN bodies”*



# WFP's Internal Control Framework



Sets organization's objectives

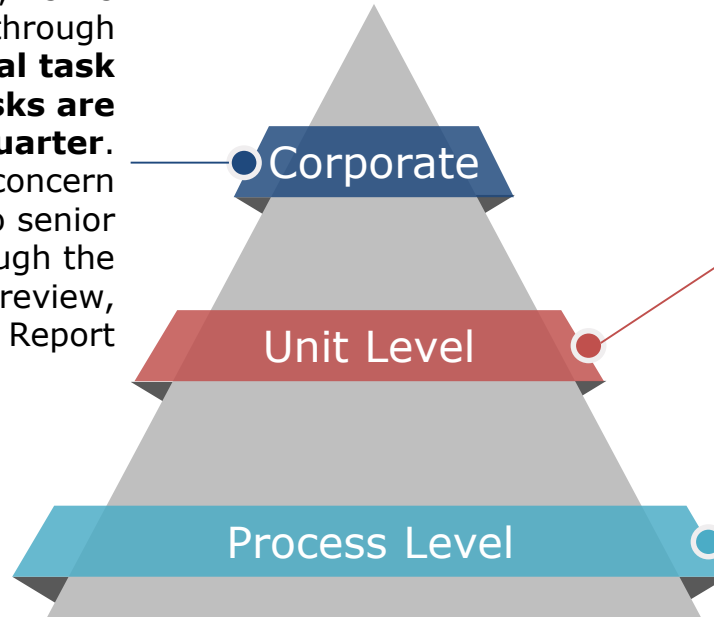
Framework used to assess risk and manage control to accomplish objectives

Organizational structure to execute risk and control duties

\* Adapted from: Committee of Sponsoring Organizations of the Treadway Commission, 2013

# WFP's ERM Framework

For L2/L3 operations, risk is systematically assessed through **Strategic and Operational task forces. Corporate risks are analysed every quarter.** Specific issues of concern escalated to senior management/EMG through the Corporate Risk Register review, Global Risk Report



At the unit level, **all offices assess and review risks periodically**, register them with mitigation actions and specific owners in the corporate ERM tool for risk registers, as well as **review operational risk indicators.**

At the process level, there are ongoing **contextual analyses, security risk assessments, financial risk reviews**, etc. High-level risks are escalated to the EMG.

*“...operating model envisaged under the IRM...”*

# Internal processes in managing risks and assessing mitigation actions



L2/L3 operational risks are managed within the OTF and STF

**Emergency Dashboard**

**Corporate Risk Register**

**Inability to meet humanitarian commitments**

**Preparing for the transition**

- Overview of risks linked to the Integrated Road Map
- Grand Bargain: Due diligence and partner assessment information with UNHCR and UNICEF
- Linking oversight recommendations with corporate risks

**Global Risk Profile report November 2016**

Issue	Owner	Status	Last updated
Single, Phase 1 only: incorporate WFP response mechanisms that facilitate the order humanitarian response	Dir OIG (C. Sorenson)	Ongoing	June 2017
Develop a process to incorporate the order humanitarian response into emergency response system to range of profiles in coordination with UNHCR	Dir HRM (J. Parodi)	80%	June 2017
Use of an internal emergency response and alternative deployment in with UNHCR	Dir HRM (J. Parodi)	85%	June 2017
Integration of FASTER & rollout of the Emergency	Dir OIG (C. Sorenson)	75%	June 2017
Reinforcement of EPR contracts to the institutions and follow up on the	Dir OIG (C. Sorenson)	80%	June 2017
State Alert System: linked to Risk Maps	Dir OIG (C. Sorenson)	80%	June 2017

Global Risk Profile Report & Corporate Risk Register

Senior Management Consultations

CO, RB + HQ Risk Registers

1<sup>st</sup>/ 2<sup>nd</sup> line



Oversight Findings

Evaluation Evidence

3<sup>rd</sup> Line/External



**“...roles & responsibilities...”**

# WFP and the Audit Committee



Focused and facilitated discussion on thematic priorities and key risks

Executive Management Group  
(quarterly)



Audit Committee  
(at its three meetings a year)

*“...oversight framework...”*

# WFP and the Executive Board



- Annual reports submitted at the June session each year as part of the discussion on Resource, Financial and Budgetary matters
- Quarterly informal consultations on Oversight matters from 2017
- Quarterly operational briefings to the Executive Board will include an ERM review of WFP's operational and implementation risks – from 2018

*“...oversight framework...”*

# Evolution of ERM and Internal Controls in WFP

# Evolution of ERM and Internal Controls in WFP

2005

2010

2011

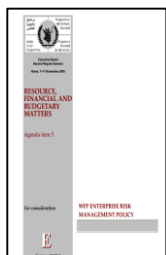
2012

2013

2015

2016

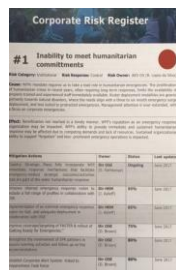
2017



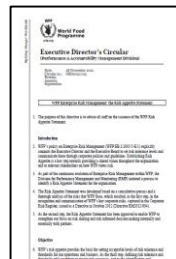
WFP's 1<sup>st</sup>  
Enterprise Risk  
Management  
policy



ERM Integration  
in Performance  
Management  
1<sup>st</sup> AFAC Policy



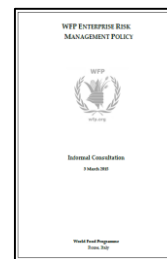
Corporate Risk  
Register  
1<sup>st</sup> IC Framework



Risk  
Appetite  
statement



UN system  
ERM  
support



ERM policy  
IC Framework  
AFAC Policy



Risk Appetite  
update



ERM Office  
New COSO  
ERM  
Framework

Independent  
oversight

QCPR

JIU review  
of ERM

Maturity  
assessment  
of ERM

Internal Audit  
Strategy  
"alignment  
and targeted  
support to  
ERM"

PIR pilot

ERM Internal  
Audit

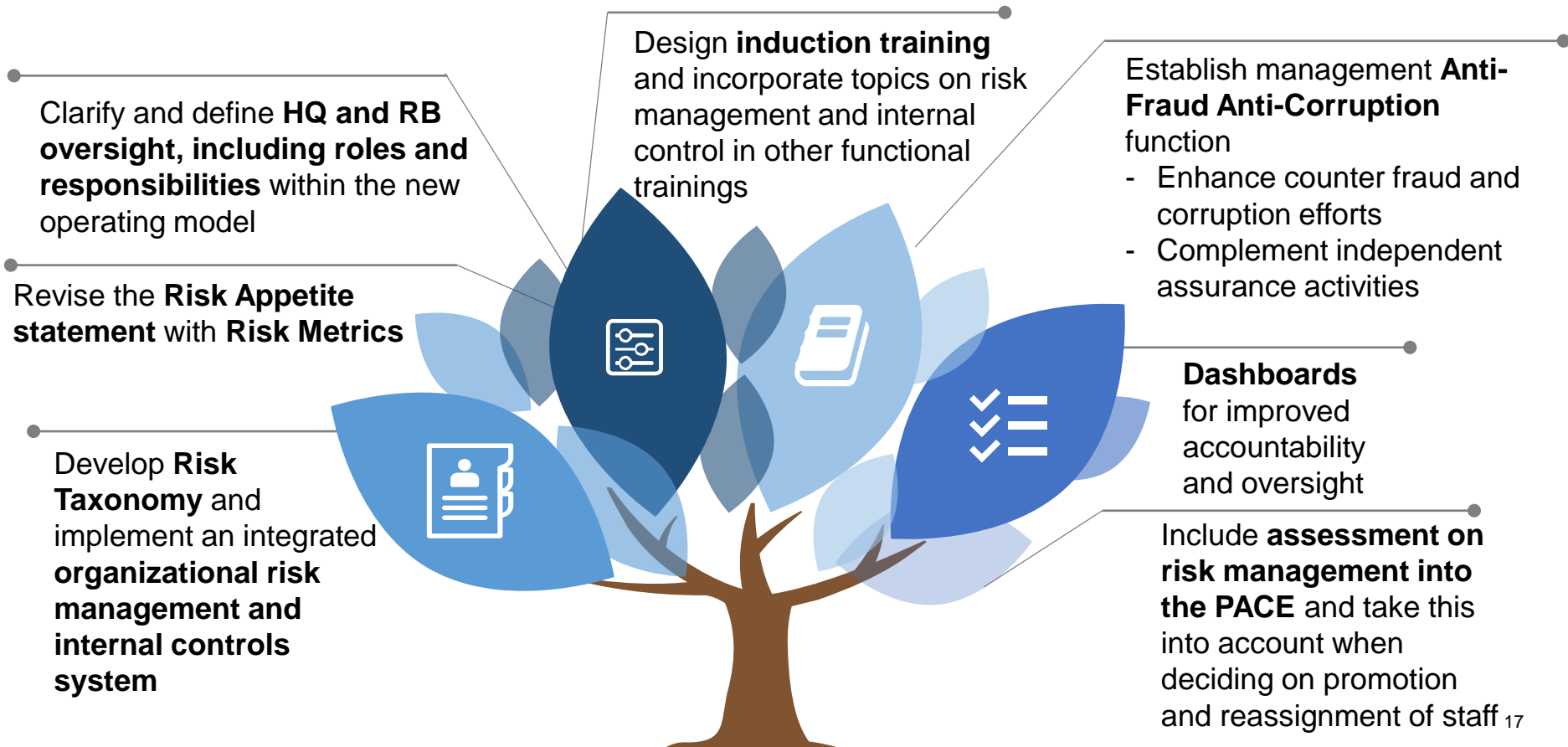
Fraud Risk  
Assessment

**"...WFP's efforts to strengthen its Enterprise Risk Management..."**

# Strengthening ERM and Internal Controls Corporately



# Key Deliverables for Strengthening ERM and Internal Controls



# New ERM Office – 4Q2017



*“...vision for WFP’s control environment...”*

## Enterprise Risk Management

**Corporate Risk Register follow-up & reporting**

*Every Quarter*

**Coordination and reporting on ERM investments**

*Henceforth*

**ERM policy & Risk Appetite review**

*To be finalised in 2018*

**Governance, Risk & Controls System - development and implementation**

*To be developed in 2018*

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## Risk & Compliance Network

**Functional oversight of Risk & Compliance Advisors in RB/CO**

*Ongoing*

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**Training and tools support for high risk areas**

*Ongoing,  
new tools in  
2018*

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# ERM Office – Internal Controls & Management Oversight



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## Internal Controls & Management Oversight

**Statement on Internal Control with  
underlying Assurance Statements**

*Ongoing*

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**JIU, External Audit, Internal Audit &  
PIR follow-up & reporting**

*Ongoing*

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**Central Coordination of Donor Reviews**

*Implemented  
mid-2017*

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**Anti-Fraud & Anti-Corruption  
Management Function**

*Initiated in  
2017*

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# Investments in ERM and Internal Control (2017-2018)

Division/Office	Description	CCI	Institutional Strengthening	Total
ERM Office	Governance, risk and control system	-	1.7	1.7
	Field training and support	0.4	-	0.4
	Central coordination of donor reviews	-	0.5	0.5
Cash-Based Transfers	Data management and analytics	1.9	1.3	3.2
Administration	Enhance Admin Manual, tools and guidance	0.5	0.4	0.9
	Strengthen internal control and fraud prevention in CO Admin	-	1.2	1.2
Human Resources	Upgrade performance management and tools	0.7	0.1	0.8
Corporate	RB oversight, roles and responsibilities, and geographic span	0.5	-	0.5
	Field training and support	1.0	0.3	1.2
Supply Chain	Enhanced normative guidance and updated governance, strengthened vendor management system, automation, training	-	3.7	3.7
	Integrated food safety and quality management	-	1.1	1.1
Partnerships and advocacy	Civil society capacity strengthening initiative	-	0.6	0.6
		<b>5.0</b>	<b>10.7</b>	<b>15.7</b>

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