Executive Board Third Regular Briefing with the Risk Management Division

Risk Management Division

24 September 2026

Agenda

A. CRO Strategic Update *(includes operational and corporate developments)*

B. Risk and Controls

C. Assurance Update

D. Implementation of Independent Oversight Recommendations

Agenda

A. CRO Strategic Update
(includes operational and corporate developments)

CRO Strategic Update

OPERATIONAL

- Escalating conflict and humanitarian access constraints
- Risks to strategic global supply routes
- Responding to multiple natural disasters and other evolving emergencies

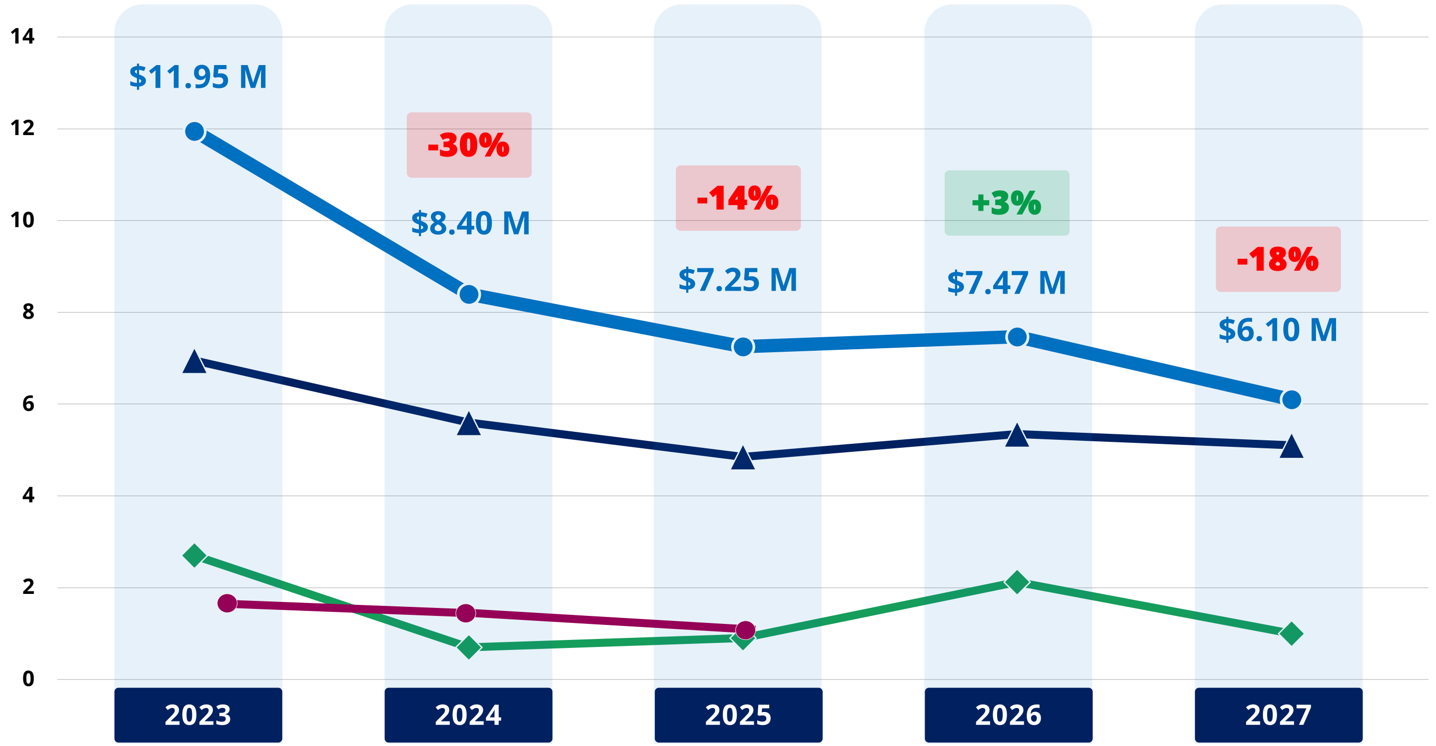
CORPORATE

- EB initial consultation on ERM Policy Update - 5 November
- Acceleration of overdue oversight action closures
- 2027 Resource Planning and Risk Capacity *(next slide)*

Protecting Risk & Assurance Capacity Under Resource Constraints

-49% **Total resources** **2023–2027**

Despite a minor increase in 2026



	PSA Budget	Trust Funds + CCI (CCI expiring end-2026)	Totals
2023	9.25	2.7	**$11.95 M**
2024	7.7	0.7	**$8.4 M**
2025	6.35	0.9	**$7.25 M**
2026	5.35	2.122	**$7.47 M**
2027	5.1	1.0	**$6.1 M**

- Total
- PSA Budget (HQ + Regional from 2026)
- Trust Funds + CCI
- Regional Risk Budget (through 2025)

Note: **In 2026** the two-layer structure was introduced; regional budgets incorporated into the HQ PSA budget (GHQ structure). Totals reflect the figures supplied and may differ slightly due to rounding.

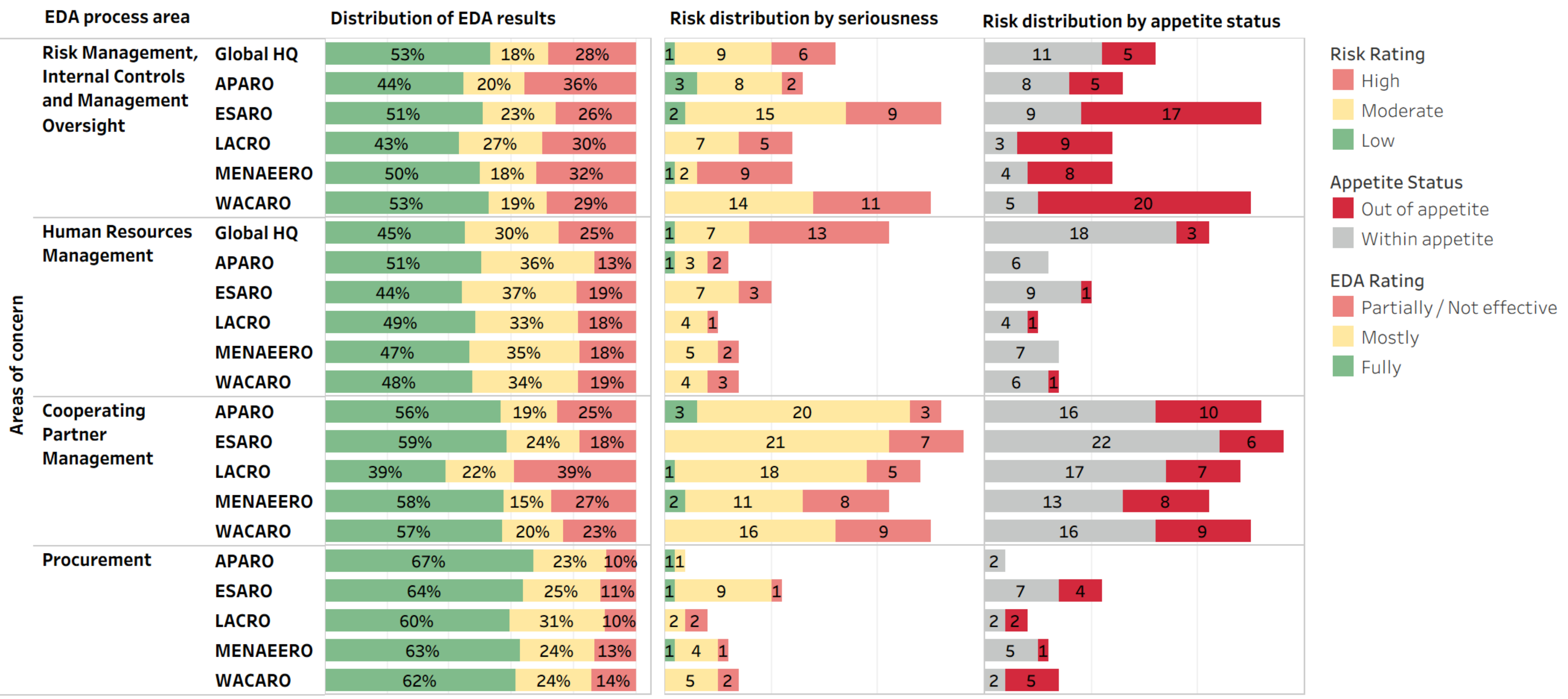
Agenda

B. Risk and Control Alignment

EDA – RR data linkage for 4 prioritized process areas

Overall (by area):

- **Risk management**
  Strong alignment between controls and risks
- **HR management**
  Risks consistently identified, but seriousness understated
- **CP management**
  Mixed alignment
- **Procurement**
  Weak alignment

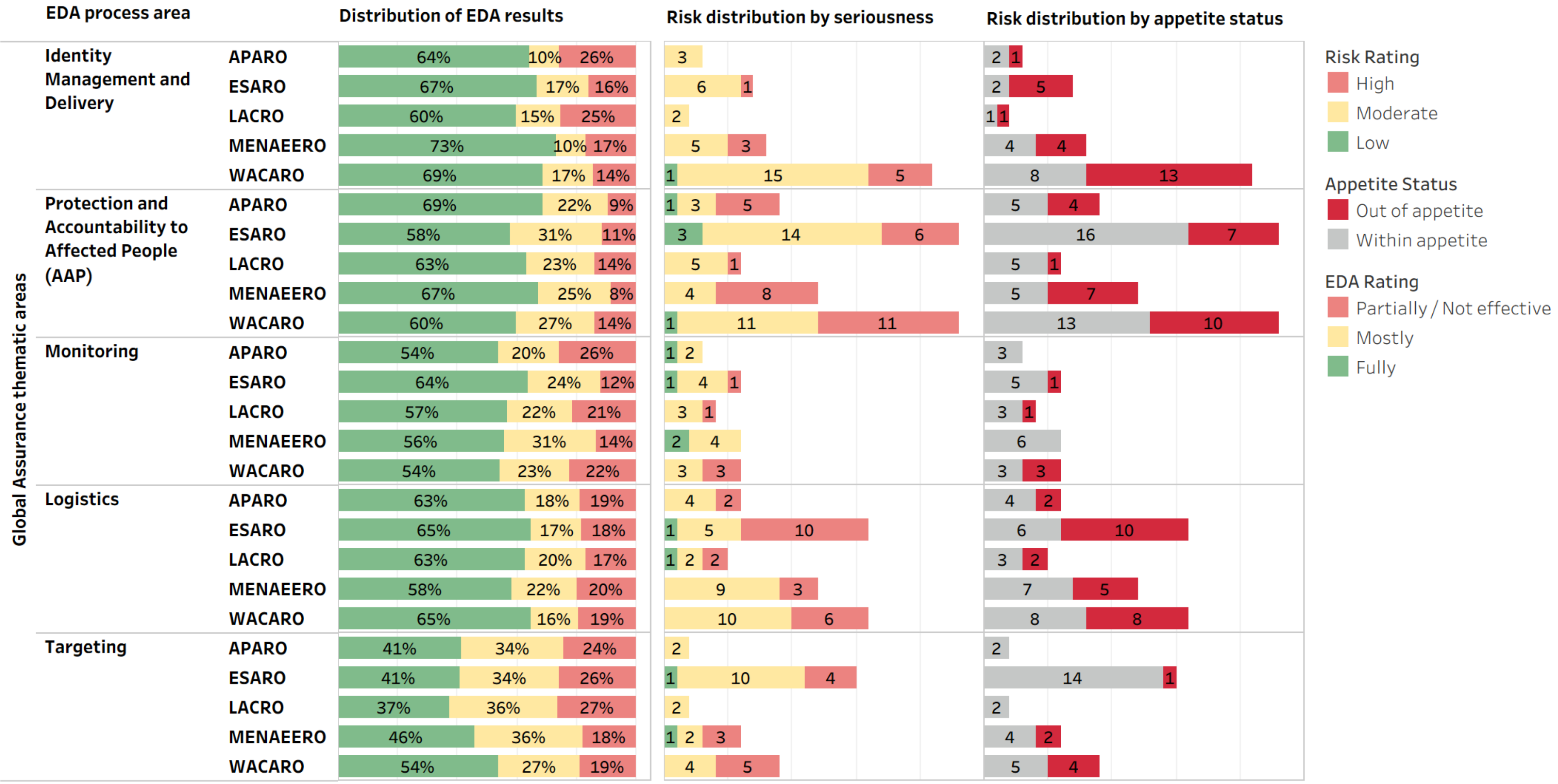


GHQ tends to show a more indirect alignment, reflecting its governance and support role e.g. issues such as audit backlog, delays in escalation, or fraud incident management are reflected in some high and out-of-appetite oversight risks, while capacity and demand pressures are consistently identified but less systematically translated into high or out-of-appetite risk ratings

EDA – RR data linkage for 5 global assurance process areas

Overall (by area):

- **Protection & AAP + Identity Management & Delivery**
  Strong alignment
- **Monitoring & Logistics**
  Mixed alignment
- **Targeting**
  Weak alignment



Agenda

C. Assurance Update

Assurance Update

	Indicator	Current Status	2026 Target
Monitoring and Community Feedback Mechanism	% of COs meeting the Minimum Monitoring Requirements	78%	80%
	% of COs meeting the minimum AME budgetary thresholds (planning)	40%	50%
	% of COs meeting the minimum AME budgetary thresholds (expenditure)	10%	50%
	# of COs employing Remote Monitoring (CO Funded)	11	N/A – context specific
	# of COs with Third Party Monitors	37	N/A – context specific
	# of Management Oversight Missions completed in 2026 – Monitoring & Community Feedback Mechanism	6	12
	# of CO's that have rolled out Integrated (CFM & Monitoring) Issue Escalation & Case Management system *(SugarCRM Version 3)*	22	30

Target	% of COs with Targeting Assurance Roadmaps	51%	100%
	# of CO's piloted for Geographic Targeting Platform (GeoTAR)	2	3
	# of Targeting Assurance Benchmarks with hands-on tool and/or advisory for implementation	4/16	8/16
	# of Management Oversight Missions completed in 2026	8	13

Assurance Update

34% of planned SCD management oversight mission completed

	Indicator	Current Status	2026 Target
Identity Management	# of IDM and Delivery Assurance services provided	37	39
	# of technical support/surge missions to country operations	30	36
	% of beneficiary records regularly cleaned/duplicated	75%	N/A
	% of entitlement distributions digitally recorded	73%	
	% of reconciliation digitally performed at recipient level	64% (73% CBT only)	
Cooperating Partner Management	% of COs implementing risk-informed partner spot checks for active NGO cooperating partners (CPs)	74%	N/A
	# of COs with Partner Connect Modules rolled out	53	62
Commodity Management	% of COs which have implemented digital stack cards	91%	100%
	% of COs which have rolled out CP Stock Management	85%	55%
	# of COs which have rolled out Fleet Finder	68	68

Agenda

D. Implementation of Independent Oversight Recommendations

Acceleration of action closure initiative

A time-bound corporate effort to accelerate closure and strengthen accountability approach for Immediate backlog reduction

1 Corporate priority

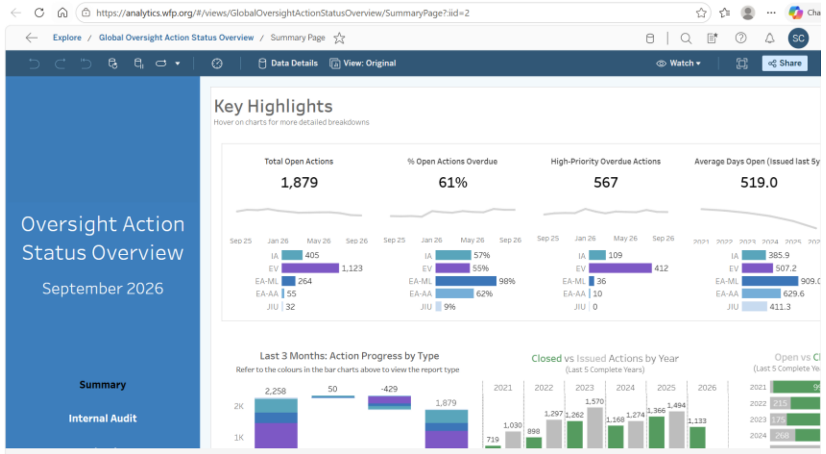
- Initiative supported by LT in July 2026
- **Target**: 50% reduction by December 2026 targets
- Initiative launched and communicated to all directors on 15 July
- Individual emails to high-priority COs were sent on 3 Aug

2 Four workstreams to reduce backlog

- Close of 187 pending approval actions
- Review and close CSP-related evaluation actions
- Focus support in 10 small countries
- Targeted support to high-concentration COs and GHQ

3 Support and Tools

- Deployed one dedicated regional surge capacity to each of the 5 regions to prioritized Country Offices
- Support from RROs and RMDO
- Implemented oversight dashboard for daily updates



Strong backlog reduction sustained despite new inflows

Progress as of 14 September 2026

OVERDUE ACTIONS

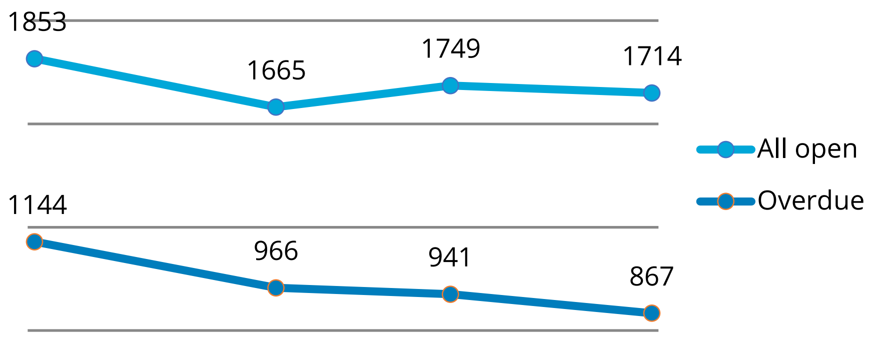
867

−277
since 31 July (launch of the initiative)

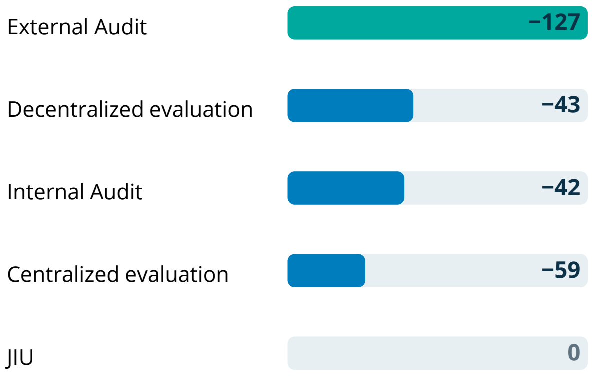
24% reduction

Portfolio trend

Open actions rose between 18 and 31 August as new actions entered R2, while overdue actions continued to decline.



Where the overdue reduction came from



NEW ACTIONS ADDED

136 during the same period

PENDING FINAL APPROVAL

187 additional closure potential

Momentum is positive and closures are outpacing overdue inflows.

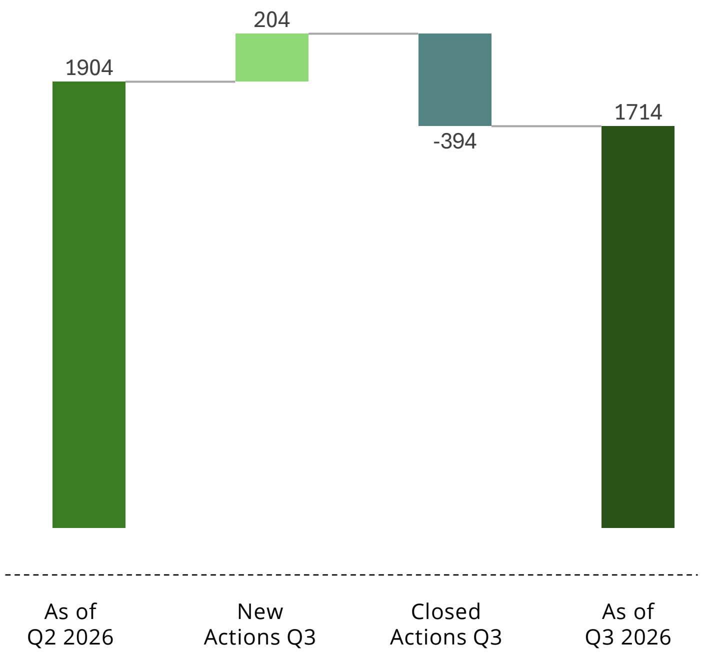
- Management outreach to Country Offices and divisions is supporting stronger engagement and follow-up.
- The 187 actions pending final approval represent the next immediate opportunity to reduce the backlog.
- RMD will continue targeted follow-up with Regional Risk Officers, Country Offices and HQ divisions.
- TDY Surge support is now available for COs and Divisions to support the initiative

Oversight Actions Summary – Q3 2026*

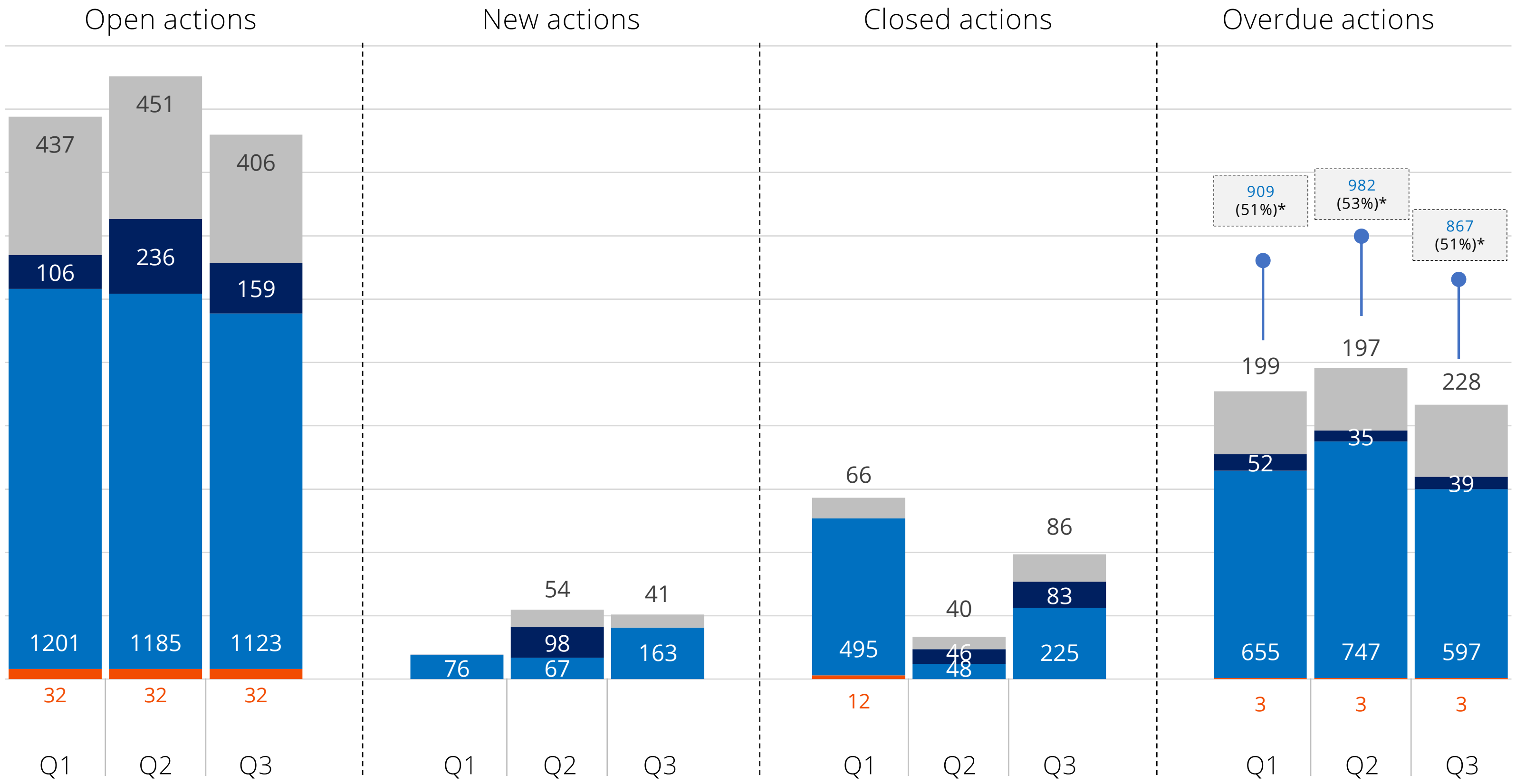
EA	External Audit
EV	Evaluation
IA	Internal Audit
JIU	Joint Inspection Unit

*Q3 2026 = as of 14 September 2026

Quarter movement



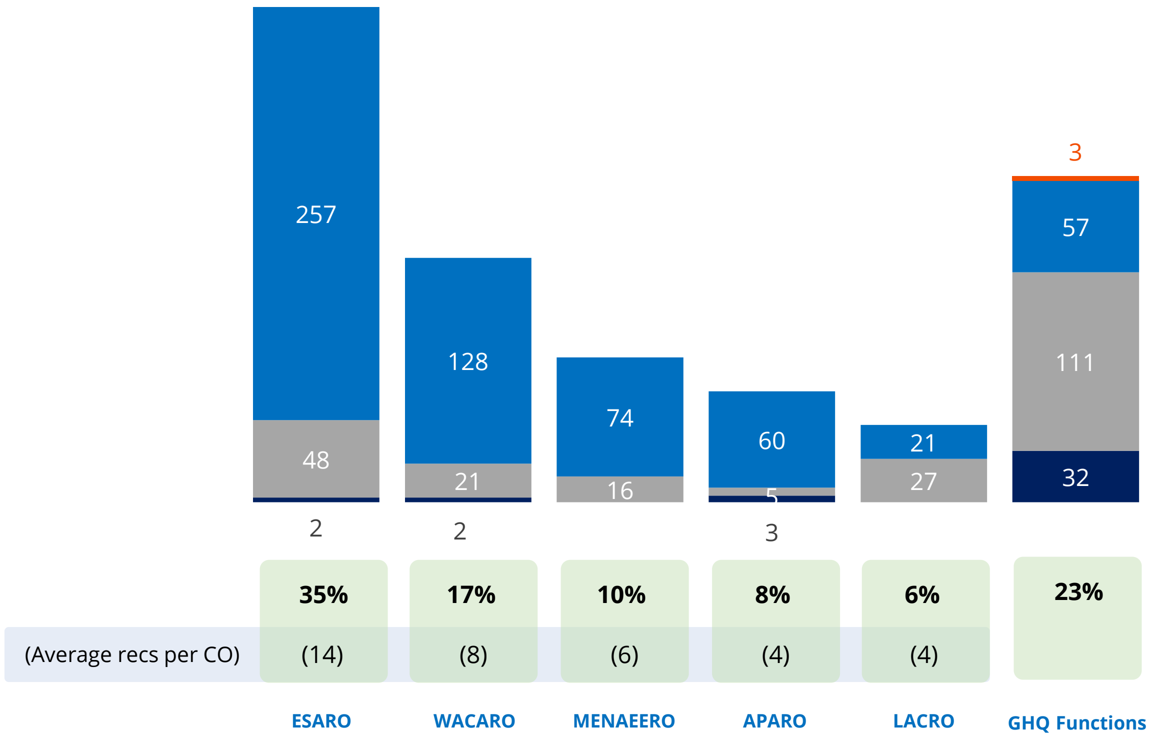
Quarter movement in 2026



Oversight Progress – Q2 2026

EA	External Audit
EV	Evaluation
IA	Internal Audit
JIU	Joint Inspection Unit

Overdue Actions by Office



Conclusion

Executive Board to note:

- Progress as of 14 September 2026
- **867** overdue actions; **187** pending closure approval
  - **518** high-priority actions **(63%)**
  - **69%:** programmes, governance, M&E and partnerships; main underlying causes are process design and coordination, together with gaps in policy and guidance
  - **31%:** controls, compliance and enabling functions; highlights the need for stronger process design, governance and accountability, strategic direction, policy guidance, risk management and system integration
- Actions concentrated in a few offices and functions
- Closures outpace overdue inflows, demonstrating strong acceleration momentum

Support sought from the Executive Board:

- Continue supporting acceleration of action closure initiative by promoting sufficient capacity across all relevant functions to implement recommendations promptly and sustainably.

Thank you.