Update on Enterprise Risk Management Policy Implementation and Update on the Anti-Fraud and Anti-Corruption (AFAC) Action Plan

Executive Board Informal Consultation – 18 April 2019

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1 **Enterprise Risk Management Policy Implementation**

ERM Policy Implementation Update

Risk Assessment

Improving quality and consistency, strengthening the linkage with planning and decision making

Risk Reporting

Defining risk appetite internally with appropriate metrics for countries, regions and functions

Embedding

Better visibility and use of risk information – Risk System – and building risk management capability in the field

Risk Assessments

Progress to date

- Rollout of new Risk Categorization
- Regional Bureaux (RBx)/Deputy Country Director training for 2019 process
- Direct Support to L2/L3 and Country Offices submitting Country Strategic Plans (CSPs)

Next steps

- Continue to build consistency and quality with Country Office (CO) Risk Assessments
- Support major functions with end to end process risk assessments
- Risk assessments for new initiatives and change programmes
- Consistency of mitigation plans: Corporate/Functions/RBx/COs

Corporate Risk Assessment – key areas of discussion

1 Failure to articulate our **mandate**, and adapt to
- Expectations about our role in the nexus
- Shifts in funding landscape
- Implementation of UN Reform

2 Failure to optimize and leverage **technology**
Failure of technology strategy & implementation, including:
- Inability to utilize data securely
- Failure to invest/update core applications

3 Mismatch of **staffing** and organizational needs
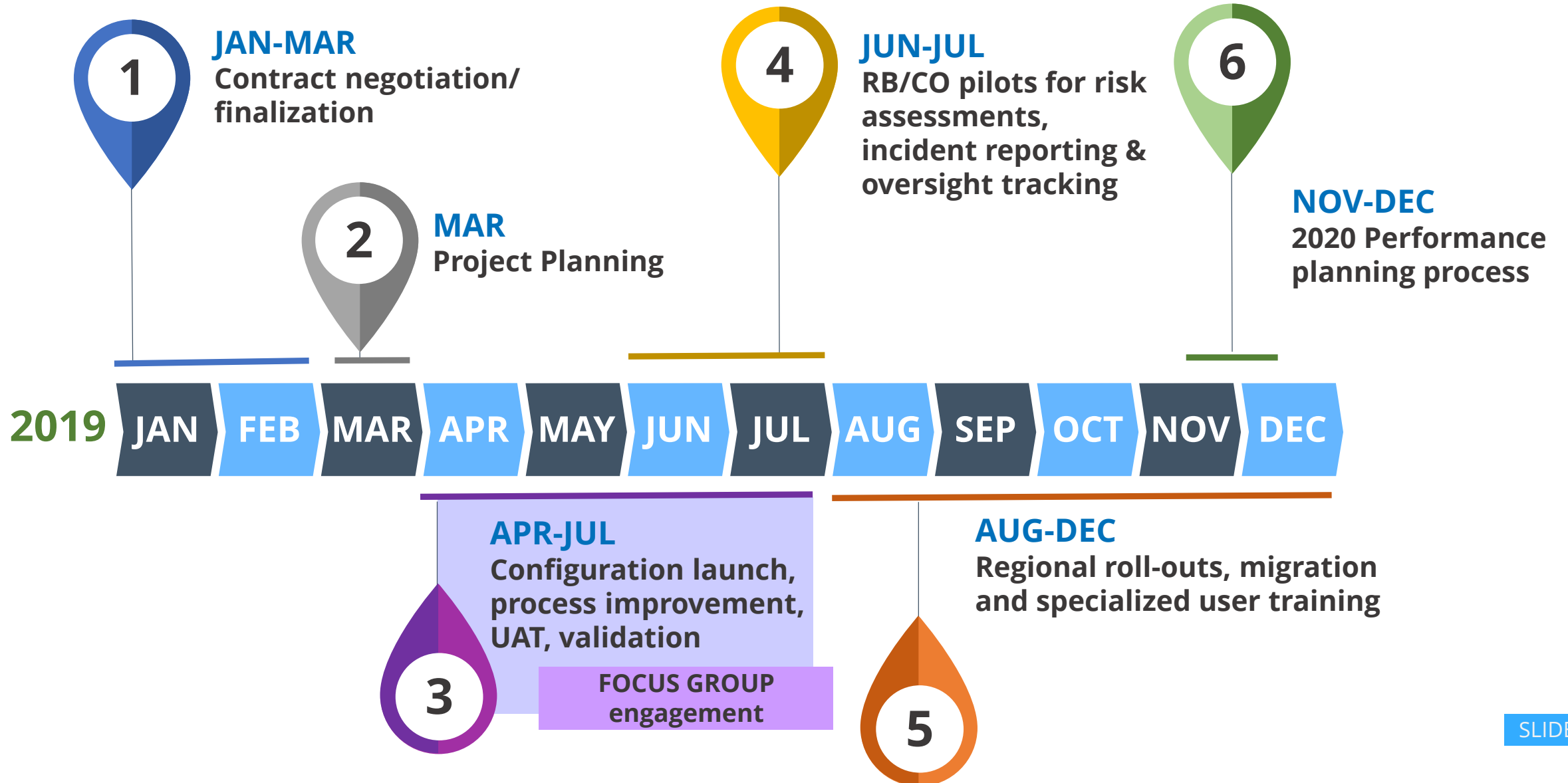
Risk Reporting

Progress to date

- Pilot HQ risk appetite report shared with EMG and Audit Committee
- High Risk countries being prioritized for CO risk appetite reporting
- Indicator library being compiled for RBx and COs

Next steps

- Continue to develop/refine HQ risk appetite report
- Go live in higher risk countries with meaningful appetite reporting
- Support functions with process level metrics/reporting
- Consistency of issue and recommendation tracking processes

Embedding Risk Management – R2 System

1 **JAN-MAR**
Contract negotiation/ finalization

2 **MAR**
Project Planning

4 **JUN-JUL**
RB/CO pilots for risk assessments, incident reporting & oversight tracking

6 **NOV-DEC**
2020 Performance planning process

2019 | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC

APR-JUL
Configuration launch, process improvement, UAT, validation

FOCUS GROUP engagement

3

AUG-DEC
Regional roll-outs, migration and specialized user training

5

Embedding

- **ERM Learning – all staff, managers, risk function**

- **Strengthening Risk and Compliance in the field**

- **Building partner capacity in risk management**

- **Progress against 2018 Critical Corporate Initiatives**

Strengthening ERM in WFP – *Progress to date*

USD 5 million through a Critical Corporate Initiative

Allocation: USD 1,853 K

Strengthening CBT data management

- Improved end-to-end CBT data infrastructure and analytics
- Ongoing investments in data architecture to strengthen overall data assurance

Allocation: USD 534 K

Strengthening guidance & internal controls in Management Services/Administration to improve fraud prevention & risk management in COs

- Comprehensive Management and Administrative Services Manual developed
- 2019 global roll-out and training

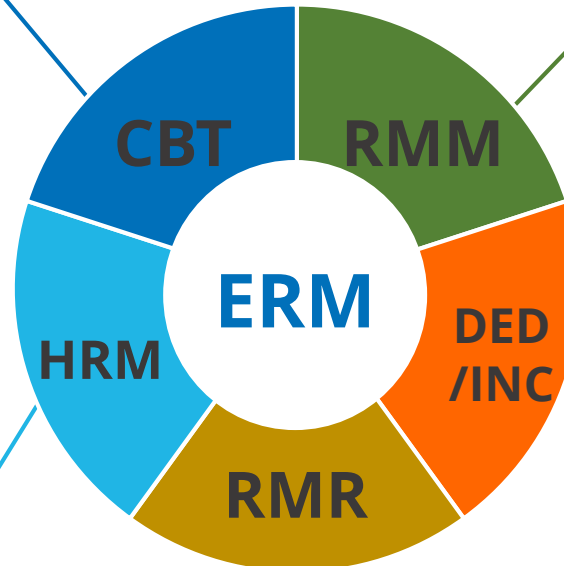**Allocation: USD 714 K**

Upgrade Performance Management practices and tools

- Revised procedures and guidance for performance management
- Continued investment in leadership and functional learning

Allocation: USD 1,398 K

Strengthened Enterprise Risk Management and Internal Controls

- Risk and Recommendation tracking tool under development
- Augmented RCA support in high risk operations

Allocation: USD 500 K

HQ & RB scoping review/ optimization support

- Updated TORs for HQ and RBx including clarification on 2nd & 3rd LoD responsibilities
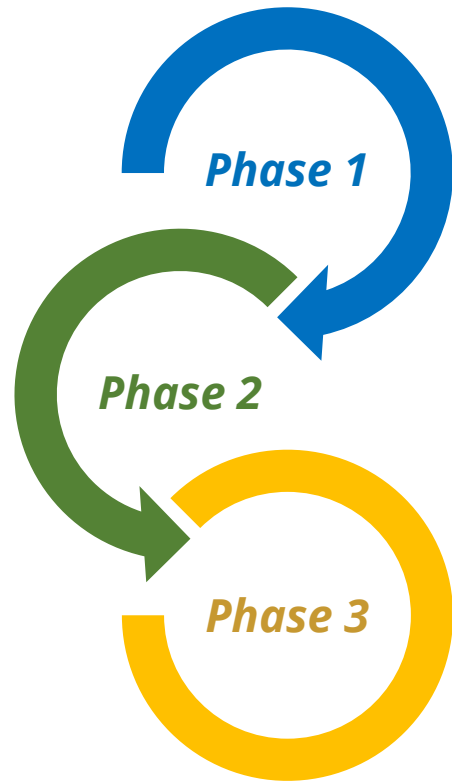- Functional and CO operational presence reviews ongoing

ERM

CBT | **RMM** | **DED/INC** | **RMR** | **HRM**

2 Anti-Fraud and Anti-Corruption (AFAC) Action Plan

AFAC Strategy & Action Plan, 2018-2020

Build awareness & benchmarking (Aug 18 – May 19)
- Train colleagues in high risk areas
- Gather feedback on risks, gaps and priority needs
- Take stock and benchmark against best practice

Phase 1

Phase 2

Enhance policy, tools & build capacity (Jun 19 – Feb 20)
- Update AFAC and related policies
- Develop tools and guidance required to implement
- Build Regional Bureau capacity

Phase 3

Embed AFAC standards (Mar – July 20)
- Equip WFP global workforce with practical fraud management skills
- Reporting – metrics, indicators, alerts, dashboard, etc.

AFAC Update – Training Initiatives

Training & Feedback Missions
- Nigeria, South Sudan, Somalia, Afghanistan COs – 200 personnel trained
- Fraud risk management for CO staff
- Lessons from investigations

RBN Country Director Training
- Fraud risk management for Country Directors
- Lessons from Investigations

Certified Fraud Examiner Training
- RBJ, RBC – 100 personnel trained
- External certification training – Association of Certified Fraud Examiners
- One day of WFP-specific training

AFAC Work in Progress

Recruitment underway for two regional AFAC specialists

Engagement with World Bank, FAO, and Finance & Budget Network to share ideas and good practices

Best practice sharing and professional network: Internal social network – AFAC Community of Practice

AFAC Work in Progress

- **Guide to Internal Control for Fraud Risk Management**
  – *consultation draft available for CO use*

  - Will be expanded to full 'Fraud Prevention Handbook'

- **WFP-specific Red Flag Library**

- **AFAC Dashboard for Country Directors**
  – *concept testing and metric development*

- **Catalogue of CBT fraud schemes**, scenarios and controls
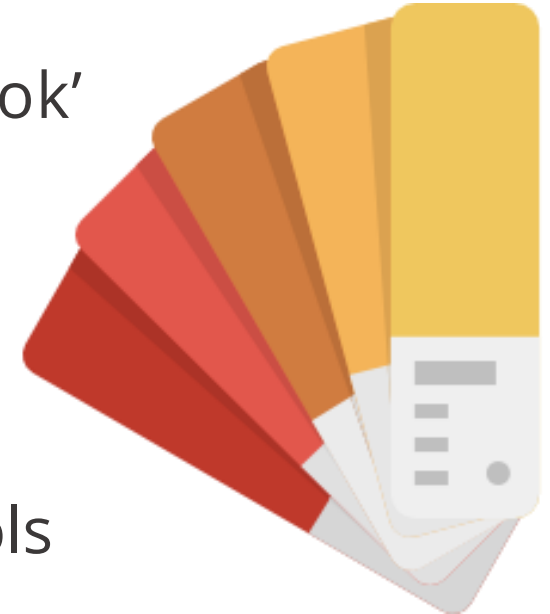
AFAC – Next Deliverables

- **AFAC Checklists** for handovers, approvals, and other key actions

- **Standard Operating Procedures**

- **Fraud Risk Assessment Toolkit**

  ✓ Including Fraud Categorization

- **Awareness and sensitization materials** for staff and cooperating partners – *drafts available for country office use*

- **Video Series**: Personnel, Leadership, and Donors share perspectives on fraud risk management

- **Posters and visibility materials**

- **RMRC Support for Fraud Risk Assessments**

Thank you