

Enterprise Risk Management in WFP

06 December 2011



World Food Programme

Risk Management is a key part of actions to strengthen Financial Management & Accountability

Risk management policy approved by EB

- Requires all managers to undertake regular risk assessments and to maintain risk registers

2005

Adoption of IPSAS

- IPSAS accounting standards applied for new annual Accounts

2008

Implementation of WINGS II

- Considerably increase in the reach of existing Enterprise Resource Planning system

2009

Strengthening Managerial Control & Accountability Programme

- Programme to implement best practice on Internal Control including Performance & Risk Management

2010-ongoing

Risk Management system development

- RMP to develop system to fill gap to systematically collect and share risks up/down the organization

2010-ongoing

WFP Corporate Risk Categories

Contextual Risks:

External to the organization:
Political, economic, environmental:
state failure, conflict, humanitarian crisis

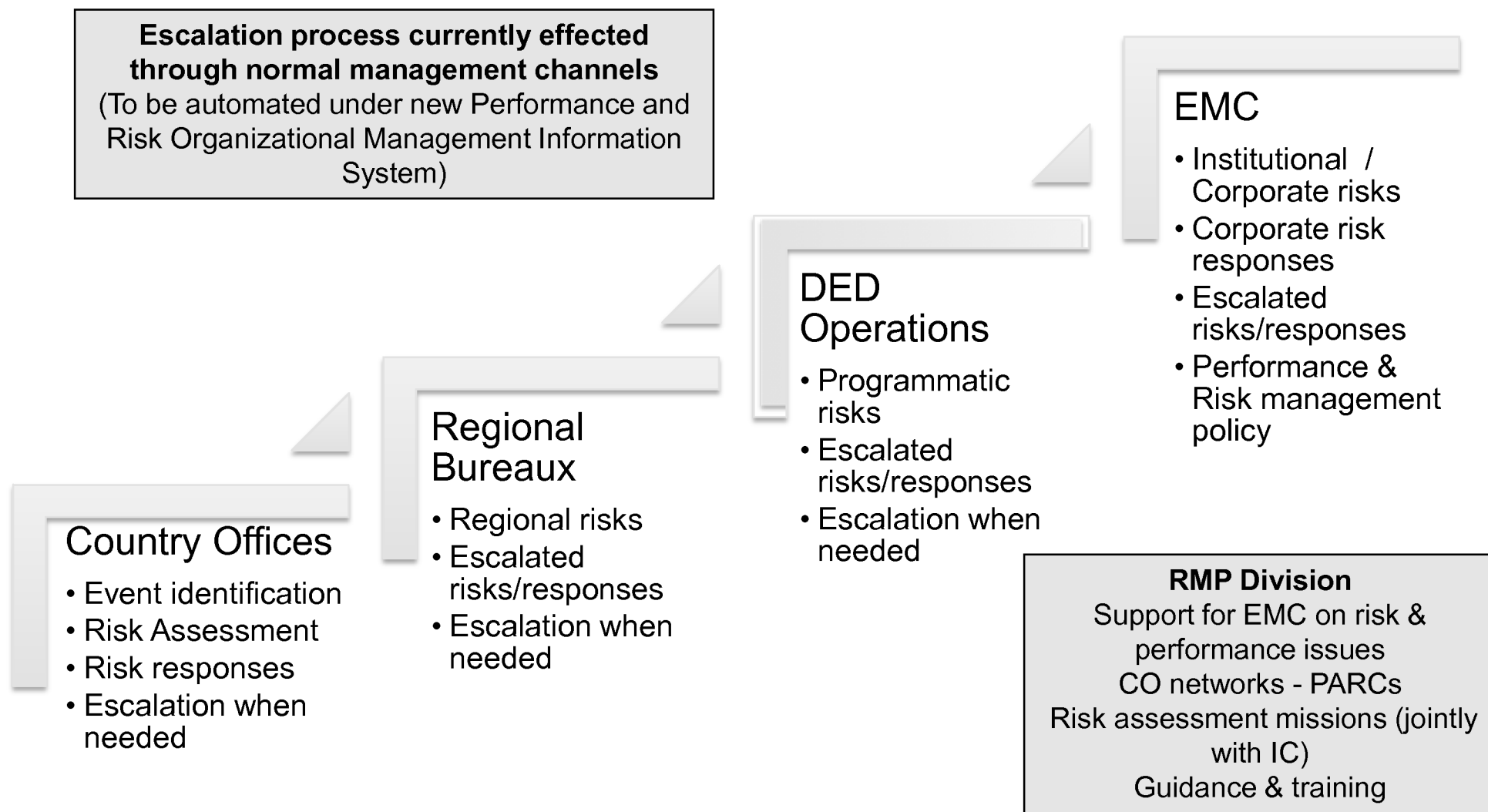
Programmatic Risks:

Failure to meet programme objectives and/or potential harm caused to others through interventions

Institutional Risks:

Internal to the organization:
Fiduciary failure, reputational loss, financial loss through corruption

Risk Management escalation process



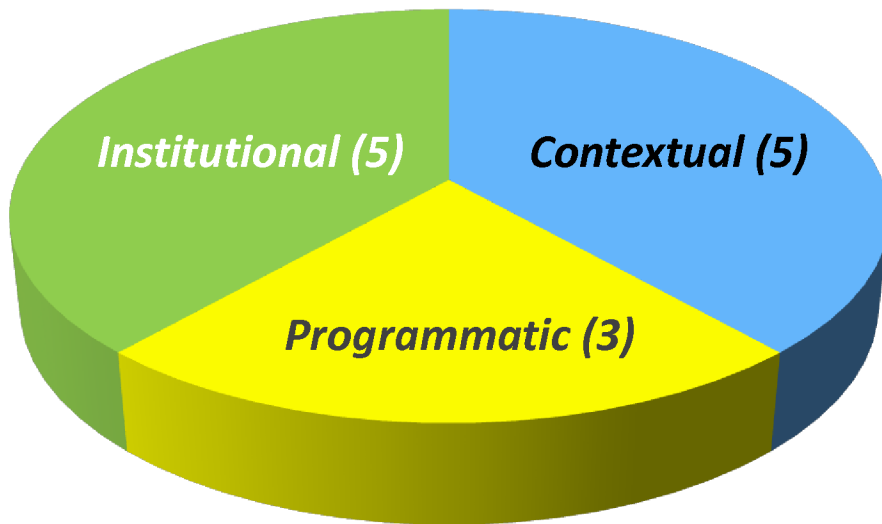
WFP Corporate Risk Register (CRR)

- Provides **overview of key risks** to WFP as an organization;
- **Identifies mitigation actions** in place/needed to address the corporate risks with indicative implementation deadlines;
- “Live” document – updated based on **risks escalated** from CO/RB level, evolving contextual factors as well as institutional challenges WFP faces.

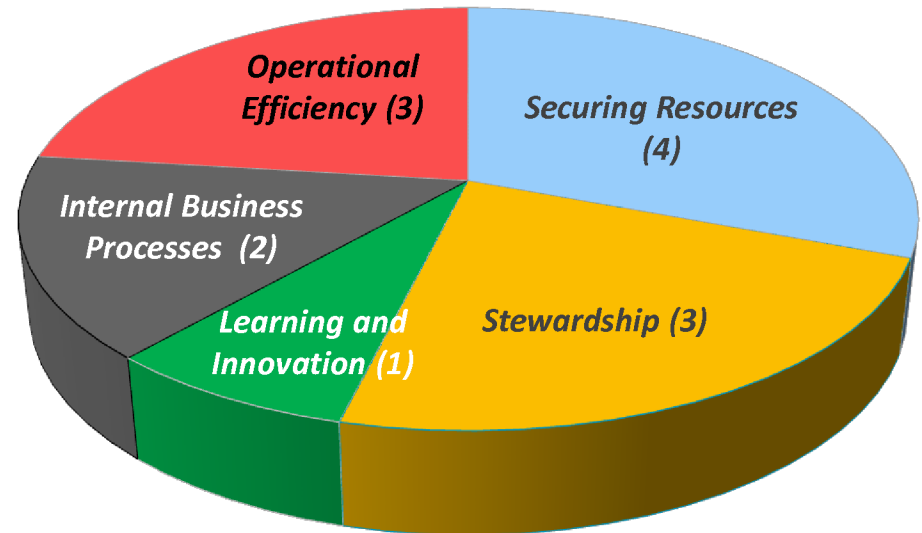
Corporate Risk Register as of December 2011

13 Corporate risks

Risk Spheres



Management Results Dimensions



Understanding corporate risks and mitigation actions

Horn of Africa 2011

Increasing levels of insecurity affecting WFP ability to reach the most vulnerable
(contextual)

- Example: **Somalia** – one of the most challenging and complex security environments for WFP.
- Continuous security risk assessment and risk profile update; transparent dialogue with stakeholders to understand the residual risk and define joint risk tolerance levels.

WFP capacity overextended due to multiple emergencies
(programmatic)

- Number of concurrent emergencies challenging for WFP; more than 11 million people in need of food assistance in **Horn of Africa**.
- Prioritization of the HoA crisis (corporate emergency); drawing on all available resources, extensive logistics, prepositioned food; continuing to provide assistance to other concurrent crises.

Demonstrating WFP strengths and results without adequate system support
(institutional)

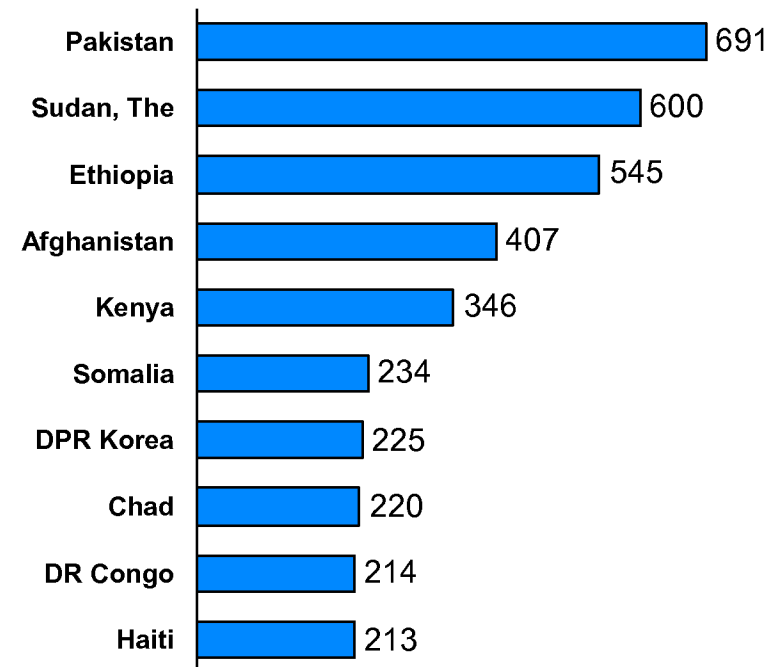
- Inability to enact direct monitoring in **complex situations**; corporate performance and risk information systems still under development.
- Strict checks, controls and monitoring systems to track deliveries and distribution of food; third-party monitoring; regular financial audits, independent evaluations; roll-out of corporate systems in 2012.

Strengthening Internal Controls to improve Management of Risk

- Good internal controls are essential to mitigating institutional and programmatic risks
- 10 dedicated missions undertaken in 2011 to strengthen Internal Control / Risk Management systems

Country Offices receiving IC and RM support in 2011

Top 10 Country Offices (Needs, Million US\$)



Note: Country needs 2011 status 20 November 2011

Thank you



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Resource Management & Accountability Department