Enterprise Risk Management

Fourth Quarterly Operational Briefing, 14 December 2012

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Corporate Risk Management Status (Dec 2012)

➢ A dedicated unit based in Rome (HQ) tasked with Enterprise **Risk Management** development and implementation

➢ A network of **Performance and Risk Management focal points (PARCs)** established throughout the organization

➢ All WFP offices are mandated to **develop and maintain risk registers** - Risk Register compliance in WFP covers more than 98% of operational expenditure. Targeted support has **ensured 100% risk register compliance** among 25 high-risk countries

• Risk Registers linked to **upcoming SIC review** and Performance mgt process

Corporate Risk Register

➢ **Continuously updated and reviewed** by EMG in order to ensure relevance and accuracy in depicting risks affecting the organisation's mission, in line with Strategic Objectives

➢ **Current Status:** 15 risks

- 6 contextual risks

- 3 programmatic risks

- 6 institutional risks

- Risks reduced through implementation of mitigating actions

➢ **Directive cleared in Oct 2012** outlining Enterprise Risk Management Framework

➢ CO/RB Risk Registers tool to **escalate risk** to Corporate Risk Register

Risk Register Analysis

Analysis of 2012 Risk Registers in high risk areas, focusing on cause, effects, common risks and mitigation actions

➢ **For information**: Informing and advising WFP managers and staff on all aspects of risks globally

➢ **For attention**: Highlighting issues of concern in the achievement of programme objectives

➢ **For action:** Identifying serious risks common throughout WFP regions that need corporate escalation

Risk Appetite

- Risk **Appetite statement** signed on 9 Nov 2012- reflects risk management philosophy and outlines shared vision

- Enables WFP to **strengthen focus on risk sharing** and risk informed decision making internally and externally with partners

- The **Executive Management Group reviews Risk Appetite Statement** to ensure relevance and accuracy of guidance

- WFP's risk appetite **provides basis for setting acceptable levels of risk tolerance** and thresholds for our operations and business

Process developments – Next Steps

➢ **Strengthened ERM Framework** throughout WFP (CRR Directive, RA Statement, roll-out of PARC and integration of risk management in project development)

➢ On going **support for key risk countries** to develop integrated performance plans and risk registers

➢ Development of **risk thresholds** and tolerance based on risk appetite

➢ Review and update of **Enterprise Risk Management policy**

Thank you!

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