Informal Briefing on Risk Management

3 April 2024

Enterprise Risk Management (ERM) Team
Strategy, Planning, Resources and Effectiveness Division
UN Women’s Three Lines Model

UN Women Executive Board

Advisory Committee

ACO

Management

Internal Management Framework
ELT, SMT, BRC/RMC

First Line
Owning and managing risks

Second Line
Overseeing risks

Regional Offices
HQ Business Process Owners

Enterprise Risk Management

Internal Policy Management

Safety and Security
Legal Office
Ethics

Third Line
Providing independent assurance on risk, governance and controls

Internal Independent Assurance

Third Line
UNBOA
JIU

Internal External Assurance

Enterprise Risk Management

Internal Policy Management

Safety and Security
Legal Office
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Evaluation
Internal Audit
Investigations

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A decade of Enterprise Risk Management at UN Women

2014
- Approval of 1st ERM Policy and Procedure
- Development and rollout of risk management platform: ERM OneApp
- Production of first Corporate Risk Register
- Roll out of Fraud Risk Assessments
- Integration of risk management into planning, monitoring and reporting processes

2024
- Approval of Risk Appetite Statement by ED
- Increased coverage of risk registers and formalized quality assurance criteria
- ERM Maturity Assessment by IAS
- Closure of all (12) UNBOA audit recommendations
- Revision of Risk Management Policy and Procedure
<table>
<thead>
<tr>
<th>#</th>
<th>Benchmark</th>
<th>Status</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Adoption of a systematic and organization-wide risk management policy and/or framework linked to the organization’s strategic plan</td>
<td>Achieved</td>
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<tr>
<td>2</td>
<td>Formally defined internal organizational structure for ERM with assigned roles and responsibilities</td>
<td>Achieved</td>
</tr>
<tr>
<td>3</td>
<td>Risk culture fostered by “tone at the top” with full commitment from all organizational levels</td>
<td>In progress</td>
</tr>
<tr>
<td>4</td>
<td>Legislative/governing body engaged with enterprise risk management at the appropriate levels</td>
<td>In progress</td>
</tr>
<tr>
<td>5</td>
<td>Integration of risk management with key strategic and operational business processes</td>
<td>Achieved</td>
</tr>
<tr>
<td>6</td>
<td>Established systematic, coherent and dynamic risk management processes</td>
<td>Achieved</td>
</tr>
<tr>
<td>7</td>
<td>Effective use of information technology systems and tools for enterprise risk management</td>
<td>Achieved</td>
</tr>
<tr>
<td>8</td>
<td>Communication and training plans to create risk awareness, promote risk policy and establish risk capabilities for the implementation of enterprise risk management</td>
<td>In progress</td>
</tr>
<tr>
<td>9</td>
<td>Periodic and structured review of effectiveness of ERM implementation for continuous improvement</td>
<td>Achieved</td>
</tr>
<tr>
<td>10</td>
<td>Inter-agency cooperation and coordination for systematic knowledge sharing and management of common and/or United Nations system-wide risks</td>
<td>Achieved</td>
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</tbody>
</table>

Benchmarks derived from JIU Report “Enterprise risk management: approaches and uses in United Nations system organizations” (JIU/REP/2020/5)
Risk Management at UN Women

ERM Framework

- Contextual
- Strategic
- Operational
- Fiduciary and Safeguarding

Roles & Responsibilities

Executive Board
Risk Management Committee
Chief Risk Officer

First Line
Risk identification, assessment, escalation, mitigating, monitoring

Second Line
Corporate risk governance, technical and advisory support, management oversight

Risk Appetite

Risk Appetite Statement
The amount and type of risk that UN Women is willing to retain in pursuit of its strategic objectives
Applied at a strategic level during the Strategic Note Risk Assessment

Risk Tolerance Thresholds
The boundaries of risk taking outside of which UN Women is not prepared to venture in pursuit of its objective.
Applied at a tactical level during performance management)
Corporate Risk Management Process

Risk Management activities are aligned with and firmly embedded into Planning, Monitoring and Reporting activities.

01 Strategic Note (SN) Risk Assessments conducted at unit-level to develop multi-year risk register
  - Facilitated ‘deep dive’ with ERM team
  - Dedicated quality assurance to ensure compliance with corporate standards

02 Risk Analysis
  Unit-level risk data aggregated in Q1 of each year to build UN Women’s bottom-up risk profile and presented to Technical Management Group for qualitative inputs and discussion

03 Risk Profile
  Developed through deliberations with Risk Management Committee (BRC) by applying a top-down perspective to identify the main corporate risks

04 Risk Report
  Use of the Risk Profile to create an internal publication showcasing key risks and agreed upon corporate response plans, also highlighting emerging risks.

Top risks are monitored through key risk check-ins, ‘micro-level’ risk assessments, QBR KPIs, etc.

+ 6-monthly monitoring to validate unit-level risk profile and update mitigating actions.
UN Women’s Risk Assessment Universe

01. 4-year SN Risk Assessment, with 6-monthly validation

UNIT-LEVEL

02. Completed by business processes and field offices

FRAUD RISK ASSESSMENTS

03. Project-level

Programme partners
Private sector partners
Social and environmental
“MICRO-LEVEL”

04. Completed by field offices and managed by Safety and Security

SECURITY RISK ASSESSMENTS

05. “Macro-level” conducted by the Risk Management Committee

TOP-DOWN

UN Women’s Risk Profile
UN Women’s Risk Categorization

**Operational**
1. Political and civil country risk
2. Safety and security
3. Climate change
4. Economic climate
5. External governance
6. Programme partner management
7. Funding and resource mobilization
8. Coordination with internal/external parties
9. Programme and project management
10. Business transformation
11. Donor relationship management
12. Reputational and stakeholder management
13. Engagement with private sector partners
14. Operational support
15. Information security, technological support
16. HR retention, succession, recruitment
17. HR personnel skills
18. Liabilities, litigation, claims and disputes
19. Occupational health and safety (OHS)
20. Engagement/management of third parties
21. Internal governance
22. Sexual harassment, sexual exploitation
23. Programme and project related fraud
24. Financial and assets fraud
25. Human resources fraud
26. Procurement fraud

**Contextual**
- 1. Political and civil country risk
- 2. Safety and security
- 3. Climate change
- 4. Economic climate
- 5. External governance
- 6. Programme partner management

**Strategic**
- 7. Funding and resource mobilization
- 8. Coordination with internal/external parties
- 9. Programme and project management
- 10. Business transformation
- 11. Donor relationship management
- 12. Reputational and stakeholder management
- 13. Engagement with private sector partners

**Fiduciary and Safeguarding**
- 21. Internal governance
- 22. Sexual harassment, sexual exploitation
- 23. Programme and project related fraud
- 24. Financial and assets fraud
- 25. Human resources fraud
- 26. Procurement fraud
<table>
<thead>
<tr>
<th>Risk Area</th>
<th>Risk Category</th>
<th>Risk Appetite</th>
<th>Risk Rating</th>
<th>Risk Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding and resource mobilization</td>
<td>Strategic</td>
<td>High</td>
<td>Red</td>
<td>• % of revenue targets</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Ratio of core to non-core</td>
</tr>
<tr>
<td>Political and civil country contexts</td>
<td>Contextual</td>
<td>High</td>
<td>Red</td>
<td>• Political instability</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Legal &amp; regulatory constraints</td>
</tr>
<tr>
<td>Global economic climate</td>
<td>Contextual</td>
<td>High</td>
<td>Yellow</td>
<td>• Inflation rates</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Gross Domestic Product</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Foreign exchange volatility</td>
</tr>
<tr>
<td>Safety and security</td>
<td>Contextual</td>
<td>Low</td>
<td>Orange</td>
<td>• No of security incidents</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Security compliance rates</td>
</tr>
<tr>
<td>Climate change</td>
<td>Contextual</td>
<td>High</td>
<td>Orange</td>
<td>• Disaster risk profile (based on INFORM Index)</td>
</tr>
<tr>
<td>Cybersecurity</td>
<td>Operational</td>
<td>Low</td>
<td>Orange</td>
<td>• Number of incidents</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Incident response time</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• ICT compliance rates</td>
</tr>
</tbody>
</table>
Thank you