

STANDING COMMITTEE ON PROGRAMMES AND FINANCE

Twenty-seventh Session

UPDATE ON RISK MANAGEMENT

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1. IOM has continued to establish a more pragmatic, dynamic and integrated approach to identifying and managing risks throughout the Organization which is clearly linked to the achievement of the strategic objectives of IOM and which enhances transparency, accountability and performance as a foundational component of the IOM Internal Governance Framework (IGF).

2. Risk management is being embedded into the control design process, as part of the workstreams on strengthening existing business processes and on Business Transformation included in the *Application of the Internal Governance Framework Work Plan*. This will help establish a more mature risk management process in which organization-wide risks are managed through embedded risk-based controls, in addition to providing a mechanism to drive accountability and achieving enhanced transparency through organization-wide risk control monitoring and reporting.

Building risk management skills, knowledge and capacity to develop an aligned, consistent risk management process

3. While organization-wide risks can be managed through the development of risk-based controls during the design of IOM processes under the IGF, as a field-based organization IOM still needs an effective process for managing operational, context and project-specific risks at country level. Effectively managing risks and delivering results in the field and in decentralized organizations such as IOM is dependent on the right combination of specialized risk expertise, empowered country office management capable of making timely risk-based decisions, and a central risk management system that coordinates and underpins organizational policies, processes, culture and leadership at all levels.

4. Furthermore, while training and written guidance is useful, it needs to be supplemented with regular engagement and an understanding of the operating context at country level, which cannot be provided by a Headquarters-based unit only.

5. In response to the above, the Risk Management Unit has conducted risk profiling and has developed proposals for risk management structures for all IOM country offices. The recommended structures include a combination of risk focal points, local risk committees and full-time risk and compliance experts. The country offices vary significantly in size and set-up, with differing levels of financial and human resource constraints, and often face challenges in adapting and implementing universal guidance on risk management. The risk profiling and review of risk management structures conducted by the Risk Management Unit aims to address these challenges and ensure the development of consistent, yet tailored, risk management structures and approaches for each category of office. This approach also aims to ensure the appropriate level and regularity of communication and risk information-sharing between the field, regional and Headquarters offices and units.

6. Other activities for 2020 and 2021 include:

- (a) Developing a mandatory training programme for all categories of staff to promote a common understanding of risk management practices and policies across the Organization, in addition to materials tailored to specific needs and contexts to be delivered through e-learning courses and communities of practice;
- (b) Reflecting risk management responsibilities in harmonized and standardized terms of reference for relevant staff;

(c) Introducing a mechanism for sharing good practices among country offices to facilitate knowledge-sharing and further promote awareness.

7. Another key element of the application of the IGF is the integration of risk management into operational processes and the establishment of a link between results-based planning and risk management. This will be the focus for 2021 as both risk management and results-based planning are enhanced.