

STANDING COMMITTEE ON PROGRAMMES AND FINANCE

Thirty-first Session

UPDATE ON RISK MANAGEMENT

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1. IOM continues to embed risk management practices and processes throughout the Organization using a dynamic and integrated approach which aims to identify and manage risks within its country, regional and Headquarters structures. The fast-evolving pace of emerging risks has served to underscore the importance of having a pragmatic risk management approach which is clearly linked to the achievement of IOM's strategic objectives, driving performance, transparency and accountability as foundational components of the Organization's governance pillars.
2. Following the IOM Headquarters organizational review (S/28/11), the new structure became effective from early 2022, and the Risk Management Unit was incorporated into the newly formed Department of Strategic Planning and Organizational Performance, alongside the following units: Monitoring and Evaluation, Results-based Management, Operational Compliance, PRIMA¹ and Internal Governance Framework.
3. Benefiting from the increased synergies this organizational positioning entails, the Risk Management Unit was able to further integrate new initiatives fostering efficiencies and elevating the profile of its activities across the Organization. The Chief Risk Officer also reports regularly to the Director General on the principal risks impacting IOM activities and outlines mitigation measures to address them.
4. The Unit continues to be a key contributor to a culture of learning and an enabler of resilience, encouraging staff and stakeholders to be risk aware in delivering IOM's mandate, strategic vision and objectives, while also recognizing and accepting that success will not always be achieved, thereby enabling the Organization to learn from both positive and negative results.

Updated Risk Management Framework and Policy

5. Often flagged as key by both internal and external organizational reviews calling for a fresh approach to IOM risk management practices, the Risk Management Framework and Policy was updated in 2022. The roll-out of the revised Framework and Policy is being supplemented by dedicated implementation guidance updates and the finalization of risk appetite statements.
6. In finalizing the revised Framework, IOM has sought to align with relevant international standards² and United Nations guidance³ and best practices. The Framework was also developed in close consultation with colleagues in regional and country offices, with Regional Directors, Chiefs of Mission, Regional Thematic Specialists and Senior Regional Resources Managers all contributing to the final product.
7. Identified as a gap in the previous policy, the Framework now clearly outlines the roles and responsibilities of staff at Headquarters and in the regional and country offices in relation to the risk management process and further simplifies and harmonizes its impact versus likelihood criteria through a new risk matrix. Dedicated risk management training will soon be finalized and rolled out across IOM in order to raise awareness of risk management among staff in the field.

¹ Project Information and Management System.

² The IOM Risk Management Framework and Policy incorporate the guidance and satisfy the principles contained in [ISO 31000:2018 – Risk management – Guidelines](#), focusing on the relationship between risks, strategy and performance.

³ United Nations System Chief Executives Board for Coordination, High-level Committee on Management, [Guidelines on Risk Appetite Statement](#) (CEB/2019/HLCM/26).

Regional risk assessments

8. Driving its efforts to ensure the Organization-wide use of dedicated risk assessments linked to IOM's strategic objectives, the Unit coordinated the revision of the risk assessments of all nine regional offices, which are linked to regional strategic objectives. This proactive approach to emerging risks across regions is anticipated to serve as a learning basis for future revisions of IOM's regional strategic objectives, taking into account associated risks and ensuring that treatment plans are in place.

Thematic risk assessments

9. Throughout 2021 and 2022, the Unit provided technical support to various Departments and offices for the performance of risk assessments of their operations. The Unit embraced various approaches in the light of COVID-19-related restrictions, using stakeholder mapping exercises, interviews and webinars to make the best use of its resources and to boost the impact of thematic risk initiatives.

10. As part of these activities, the Unit conducted a detailed risk analysis and assessment of the Global Migration Health Assessment Programme and the Department of Information and Communication Technology, which involved 60 participants at all levels of the Organization, as well as a dedicated assessment of the Country Office in Ukraine, with essential management input.

11. Emerging risks in the context of IOM's activities are numerous. The Unit is often requested to evaluate crises or critical situations from a risk dimension and is now actively participating – in advisory and/or coordination roles – in 10 internal working groups and task forces, including the IOM Headquarters Task Force on the Prevention of Sexual Exploitation and Abuse, the working group on the humanitarian, development and peace nexus and the Treasury Risk Committee. The Unit also undertakes regular oversight coordination activities with the Office of Inspector General and the Audit and Oversight Advisory Committee

Country-level risk assessment

12. In the same period, the Unit also presented the risk management principles and their application to 20 new Chiefs of Mission and 15 information and communication technology senior managers. These initiatives continue to progress, with risk management now featuring as a stand-alone module in the induction for all Chiefs and Deputy Chiefs of Mission, as well as in an additional training course.

13. Following the roll-out of the new Framework and Policy, the Unit witnessed a surge in demand from IOM offices requesting further guidance and training on compliance and implementation. The Unit has responded by establishing both online and on-site workshops and prioritizing offices based on criteria such as office size and complexity of operations, past internal audit recommendations and new and emerging key risk indicators.

14. It is expected that the roll-out will lead to the creation of a risk register for each office, linked to both regional and IOM-wide risk profiles, including risk mitigation action plans with deadlines for monitoring and follow-up, thereby further nurturing an increase in overall awareness of the risk environment.

15. During 2022, the number of completed risk registers has increased by 50 per cent, with an estimated 60 entities having successfully concluded assessments, and it is anticipated that compliance with the new Framework and Policy will reach even higher levels by the end of the year. These results

feed into key performance indicators that aim to track progress on risk assessments and the elaboration of risk registers at the different levels of the Organization.

16. The detailed risk analysis enables Headquarters Departments and regional and country offices to assess the likelihood that operations will be exposed to risks and to implement preventative mechanisms through mitigation measures. By systematically collecting and analysing the nature, probability and impact of potential risks, they can assess where the most significant threats lie and manage these risks more effectively.

17. With the lifting of COVID-19-related travel restrictions, the Unit has conducted face-to-face risk management workshops and assessments for over 200 staff across 30 field office operations and further supplemented its outreach activities to also assist in the design and set up of dedicated risk management task forces/committees comprising senior programmatic and operational staff in large and complex IOM operations. During 2022 the Unit has engaged with IOM field operations in Afghanistan, Iraq, Greece, Nigeria and Ukraine, and plans to perform additional risk assessments and workshops before the end of the year.

18. While this remains work in progress, the Unit has identified the 10 largest operations by both size and volume, also ensuring that the offices responding to ongoing and emerging crisis and humanitarian situations are prioritized. The target set for the end of 2022 is to have all of the top 10 operations undergoing dedicated risk assessments.

19. In parallel, the Chief Risk Officer has also been actively involved from the onset of the COVID-19 crisis, proactively mapping the new risks as they unfolded, ensuring a coherent institutional approach, ensuring timely risk responses and minimizing the impact of COVID-19 on IOM activities. Since the early stages of the situation in Ukraine, the Chief Risk Officer, at the invitation of the United Nations Resident Coordinator Office in Ukraine, has been involved in reviewing the priorities and objectives of all United Nations agencies in order to define the programme criticality level.⁴

Risk management system

20. In close coordination with the Business Transformation team, and as part of ongoing efforts to leverage technology, the Unit actively participated in the review of the bidders for the new enterprise resource planning system. It provided recommendations on the technical aspects of the various products, especially on the cloud risk management components, to aid in the selection process. Workshops were held to decide on the design of the future risk management operating model, attended by nearly 40 participants from the field and Headquarters.

21. The selected new enterprise resource planning system will substantially embed the risk management process through closer system integration; it has therefore been decided that the new system will be the central management tool for corporate risks. While it was previously envisaged to develop a stand-alone risk information system, integration into the enterprise resource planning system will improve how risks are captured, assessed and monitored.

Follow-up of reviews and recommendations

22. To ensure effective enterprise risk management over time, the Office of the Inspector General performed an assurance review of the IOM risk management function, its framework and activities in 2021. The assessment encompassed aspects related to risk management such as governance, framework and policy, process and integration, and the effectiveness of available systems and tools.

⁴ <https://programmecriticality.org/Static/index.html>

The Unit has made considerable progress in addressing the key recommendations resulting from the review and is actively working on critical system and tool enhancements to be incorporated into the new enterprise resource planning system.

23. According to the Reference Maturity Model for Risk Management developed by the cross-functional task force on risk management of the United Nations System Chief Executives Board for Coordination High-level Committee on Management, IOM’s level of maturity in 2021 was “developing”. As highlighted in the review, key areas to be strengthened included the organizational structure and reporting lines of the risk management functions, and the roll-out and integration of risk management systems into regional and country structures. With the progress achieved during 2022, IOM considers its current maturity level to be “established”. The Organization has developed a phased plan to achieve higher maturity levels by 2024.



Internal coordination and United Nations-wide collaboration

24. To drive closer collaboration with other United Nations agencies through exchanging best practices and leveraging efficiencies in risk management, during 2022 IOM signed a memorandum of understanding with the United Nations regarding the Programme Criticality Framework, formally establishing the Organization’s adherence to the Framework. Given the scope of work and the high-risk country settings in which IOM often operates, the Risk Management Unit has taken a proactive role in this regard, with members of the team trained as facilitators for the performance of assessments under the Framework.

25. The Unit continues to be an active member of all relevant United Nations system forums in which risk management initiatives are developed, such as the Risk Management Forum, the Global Working Group on the Organisational Resilience Management System and the Occupational Health and Safety Forum, which all report to the United Nations System Chief Executives Board for Coordination High-level Committee on Management. Some of the key highlights for the period include the development of revised key performance indicators for the Organizational Resilience Management System for implementation by United Nations agencies.

Staffing and resources

26. The Risk Management Unit is headed by a Chief Risk Officer overseeing two full-time risk officers and one intern, representing an increase from previous years. Apart from one full-time position, which is funded through the Administrative Part of the Budget, the remaining positions are covered by a combination of Operational Support Income and unearmarked voluntary contributions. Unearmarked contributions are critical to the functioning of the Unit, enabling the recruitment and retention of highly qualified individuals, both at Headquarters and field level.

27. In addition to the collective exercise undertaken with the regional offices, in 2022, the Unit also established a network of regional risk management focal points with whom institutional risk management initiatives are coordinated, enabling more focused risk analysis and monitoring across all regions. This network includes experts from all key operational and resources management functions within IOM, ranging from monitoring and evaluation, resources management, project development and operations. The network structure will be supplemented by the nomination of country office risk focal points throughout 2023.