

STANDING COMMITTEE ON PROGRAMMES AND FINANCE

Thirty-fifth Session

UPDATE ON RISK MANAGEMENT

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1. IOM is firmly committed to embedding risk management practices and processes throughout the Organization and has made steady progress in doing so. While it was an emerging concept in IOM only a few years ago and capacity remains limited, the Organization is committed to strengthening its risk management capability. Investment from Member States and donors will be central to building on the progress made so far.
2. The integration of information on risk into project management, decision-making and business processes has necessitated the creation of the Institutional Risk Division, which provides input for several cross-cutting initiatives. The inclusion of risk components and the consideration of the likelihood and impact of risks continues to grow as more organizational functions realize the added value of a risk-based approach in terms of ensuring safeguards and attaining IOM's strategic goals and objectives.
3. While IOM's approach to risk is gaining maturity, clarity and momentum, funding will be instrumental to maintaining this progress in the coming years. The adoption of better-suited tools, such as the risk and compliance modules of the new enterprise resource planning system, will also be key to continued progress. These modules cover country, regional and functional risk and risk mitigation and support a holistic approach to strong internal controls that address many of the risks inherent to IOM's work.
4. IOM understands that successful risk management at a large institution relies on all areas of the organization having the necessary knowledge and capacity. It has therefore been advocating for the creation of new regional risk and compliance positions, which are included in the Programme and Budget for 2025. These staff will work in unison to further enhance risk management processes and implement best practices in a standardized and efficient manner.
5. IOM remains vigilant for global indicators of risk with the potential to jeopardize its work without losing sight of opportunities that could contribute to its mandate and advance its contribution to protecting of the world's most vulnerable by ensuring safe and orderly migration.

IOM Strategic Plan 2024–2028

6. The issuance and roll-out of the IOM Strategic Plan 2024–2028 marks a critical milestone for the Organization, offering a new vision for IOM to deliver on the promise of migration, while supporting vulnerable populations. The Institutional Risk Division undertook a prior risk assessment of the three key strategic objectives, seven enablers and four cross-cutting priorities outlined in the Strategic Plan.
7. In line with IOM's Risk Management Framework and Policy and further guided by the United Nations [High-Level Committee on Management](#), risk management has been integrated into strategic planning processes to ensure that factors that may jeopardize the implementation of the Strategic Plan are assessed and managed, and that opportunities are harnessed.
8. The risk assessment of the Strategic Plan aimed to identify the main risks that could affect its implementation, based on feedback collected from global management and the findings of the external reviews undertaken by the Multilateral Organization Performance Assessment Network and the Foreign, Commonwealth and Development Office of the United Kingdom in 2023. This entailed the analysis of over 500 key risks identified by 187 business units across IOM and more than 250 findings of external reviews.

9. While the results of the analysis confirm the usefulness of this approach in capturing the overall risks to the Strategic Plan, the regular identification of specific risks to the objectives, outcomes and outputs of the Plan continues to be necessary to systematically monitor, identify and address risks throughout the implementation phase.

Operations and emergencies

10. The strategic vision of IOM is to go beyond simply responding to displacement crises to anticipating and mitigating risks and enhancing preparedness. It also aims to interpret, prioritize and act on data for strategic foresight and preparedness. Through pilot foresight and risk prioritization exercises done in 2024, IOM has begun leveraging the wealth of data produced by the organization and the thematic expertise of its staff.

11. The Institutional Risk Division makes a key contribution to strategic foresight and preparedness at IOM by analysing data to identify and assess potential operational risks. By allowing IOM to better understand the complexities of migration and anticipate sudden changes and impactful events, strategic foresight facilitates preparedness, planning and action. IOM work on strategic foresight aims to support decision-making processes at every level by drawing on its field expertise and fostering a forward-looking culture

12. As an integral part of the IOM response to humanitarian emergencies and crisis situations, the Institutional Risk Division worked with the IOM Office in Ukraine to issue several strategic recommendations with action points that, once implemented, will strengthen the Office's structure and governance. A delegate from the Institutional Risk Division will also be joining the IOM Office in Ukraine on a short-term assignment to guide the implementation of the recommendations.

13. Risk management and compliance will play a major role in the Organization's activities in the Occupied Palestinian Territory, leveraging lessons learned from other emergency situations to strengthen governance and increase transparency and accountability, which are core requirements for operations. A dedicated risk management and compliance team will be in place to ensure the effective adoption and implementation of risk management and compliance systems, structures and procedures and to perform a compliance review of programme processes. It will also support management in addressing and implementing the resulting recommendations.

Ongoing cross-cutting institutional initiatives

14. The Institutional Risk Division is also part of the IOM Integrity Group, a coordinating body that ensures regular and effective communication among relevant departments and offices, with the aim of ensuring a respectful working environment and preventing misconduct and mismanagement. Its work includes analysing and responding to systemic trends in IOM based on common audit recommendations and recurring issues identified through internal investigations, as well as identifying gaps in the policy framework and coordinating the development and revision of policies and procedures.

15. A key deliverable of the Integrity Group is the development of an updated institutional policy on the prevention and detection of fraud, the need for which was highlighted during external reviews. In 2024, the Institutional Risk Division outlined a plan to establish and implement an anti-fraud and anti-corruption policy, along with implementation guidelines, training materials and awareness-raising resources. The plan takes into consideration United Nations system-wide guidance on managing fraud

risk from the High-level Committee on Management.¹ The new policy will also provide clarity on the roles and responsibilities at all levels of the Organization and will clarify the related institutional functions as a second line of defence in addressing fraud.

16. In line with the 2023 external audit recommendations regarding the need for an updated internal control framework as a second line of defence against fraud, the Institutional Risk Division has identified key controls for all processes that present a risk to the achievement of IOM objectives. The Division is working with other IOM units to determine responsibility and accountability for implementing specific controls, such as the segregation of duties, in the new enterprise resource planning system. The Division's work to inform other units of the key principles of risk management and ensure that the enterprise resource planning system is implemented in an automated and efficient way will help to reduce the risk of errors and fraud.

17. One key area of cross-functional importance is the ongoing revision of IOM's Project Handbook to improve the identification and recording of project risks in the Project Information and Management Application (PRIMA) and support its subsequent integration into IOM's new enterprise resource planning system, WAVE. These developments seek to enhance IOM's ability to monitor, analyse and escalate project risks, in line with international best practice. Efforts have been made to actively collaborate with business areas across the Organization to ensure that risk management is effectively integrated into IOM's normative and operational frameworks, including for monitoring, reporting and localization.

Regional risk management and compliance capacity

18. Building on the development of regional and country risk assessments, the next step is to empower the regions by linking risks to strategic objectives and operational contexts. The creation of a position dedicated to overseeing risk and compliance in each regional office is part of this empowerment strategy.

19. These regional risk and compliance officers will support the implementation of institutional policy related to risk in the country offices in their region. They will also provide oversight, internal control and technical guidance to promote the integration of risk management into regional and country office operations and programmes. The goal is to monitor reputational, fiduciary and other types of risks related to strategic planning and decision-making at both country and regional levels.

Thematic risk assessments

20. Cross-cutting thematic risk assessments are a very efficient way of addressing risk at IOM. They bring valuable insights and an organized approach across different locations and activities. The Institutional Risk Division continues to prioritize areas with high risk and broad coverage as detailed below.

21. Building resilience to climate change is a key priority to which IOM is fully committed. Strong risk management processes implemented across all IOM locations and activities involving all actors will be paramount in achieving the ambitious results of the United Nations' Greening the Blue initiative. The aim is to gather auditable, verifiable and accurate information that will support reporting and provide further guidance as to the procedures that need to be implemented to comply with environmental policy requirements.

¹ United Nations Chief Executives Board for Coordination – High-level Committee on Management, [Guidance Notes: Managing Fraud Risk](#) (New York, United Nations Chief Executives Board for Coordination, 2020).

22. The Institutional Risk Division has been supporting the Migration Health Assessment Programme's risk assessment exercise. It was instrumental in the publication of a report highlighting the key risks facing the Programme's activities across the globe. More recently, the Division has been collaborating with the Programme to update this study with a focus on laboratory operations, where there are a multitude of administrative and technical risks that need to be thoroughly addressed. The Institutional Risk Division is also incorporating formal and specific risk categories into its templates for the Programme and for the future enterprise resource planning database to enable the collection of data and reporting on laboratory and other health-related operations worldwide.

23. Similarly, cash-based interventions are being reviewed by a team comprising project and subject matter experts. This team is identifying effective ways to support migrants through cash-based initiatives while reducing the risks for all parties involved and increasing the efficiency of operations through a broader and more standardized approach. In addition, a full internal risk assessment, risk management processes and policy were implemented across all projects using cash as part of their beneficiary approach and apply to operations in the field, which assess risk at various levels.

24. IOM continues to remain actively engaged in the United Nations programme criticality framework, which brings together all United Nations agencies for country-wide programme risk assessments in high-risk locations. In 2024, IOM was invited to share its best practices in risk management in field operations at the [Risk Management Forum](#) of the United Nations High-Level Committee on Management. Most recently, IOM actively participated in the annual training session on the United Nations organizational resilience management system.

Risk capacity-building and training

25. In response to the considerable demand from Headquarters and regional and country offices for enhanced guidance and orientation on the effective application of risk management processes at all levels of strategic planning and decision-making, the Institutional Risk Division has developed online tutorials. These tutorials are designed to help staff members with risk management responsibilities gain a deeper understanding of the risk management process. They include step-by-step learning modules on risk management and are accessible to all IOM personnel.

26. Furthermore, as part of its ongoing efforts to mainstream risk management throughout the Organization, the Division continues to appoint risk management focal points among the senior programmatic and operational staff members in IOM's larger and more complex operations.

27. To further augment the essential technical expertise and competence required by its staff, the Division, with the invaluable support of the Staff Development and Learning Unit, has continued to implement a comprehensive training and international certification programme. As a result, its staff members have obtained international certification from various organizations.²

Developments regarding the new enterprise resource planning system

28. IOM's new enterprise resource planning system, WAVE, provides a holistic solution for risk management at IOM. In 2024, IOM has already initiated the integration of risk management and compliance modules into the enterprise resource planning system. These modules cover three critical facets of risk management: advanced access controls, financial reporting compliance and advanced financial controls

² These organizations include the [International Organization for Standardization](#), the [Committee of Sponsoring Organizations of the Treadway Commission](#), the [Institute of Risk Management](#), the [Association of Certified Fraud Examiners](#) and the [United Nations System Staff College](#).

29. The advanced access controls module is key for preventing unauthorized access and for setting the rules for segregation of duties across the organization. The Institutional Risk Division is responsible for overseeing this cross-cutting enterprise resource planning functionality that strengthens and automates segregation of duties and secures access to information for reliable and accurate data and reporting throughout the Organization. Through this function, the Institutional Risk Division now plays an important role in preventing conflicts by implementing the principle of least privilege to user access based on the principles of delegation of authorities and proper segregation of duties. This means that users only have access to the data, resources and applications needed to carry out their specific duties.

30. The financial reporting compliance module is where all of IOM's risk registers will be hosted, consolidating information on risk that is currently being gathered from country and regional offices and Headquarters. The new platform will provide flexibility while preventing loss of data and make it possible to view and report on risks from different angles to serve the various information needs of IOM stakeholders.

31. The advanced financial controls module is an efficient and effective tool for the early detection of transaction errors and attempted fraud. This feature consists of an early warning system which is set up to identify predefined red flags for further investigation. It also serves as a tool to analyse large volumes of transactions for the purposes of detecting trends, identifying inefficiencies and providing solutions as part of continuous and ongoing reviews.

32. Incorporating the three above-mentioned modules into the WAVE risk management platform will enable the Institutional Risk Division to gain access to risk data from various perspectives and thus strengthen its role as a second line of defence. This will ensure the efficiency and effectiveness of the organizational internal control systems while improving IOM's ability to proactively respond to threats before they materialize.

33. The next release of the enterprise resource planning system will be critical as the Institutional Risk Division will take responsibility for the monitoring of advanced access and advanced transactional controls in addition to the review of and oversight over all of IOM's risk management information.

34. As a result of the organizational restructure over the past year, both at Headquarters and regional levels, alongside the roll-out of new systems and tools, it is anticipated that in 2025 risk management at IOM will continue to mature, in line with the High-level Committee on Management's [Reference Maturity Model for Risk Management](#) in the United Nations System.

35. With foundational risk management initiatives now in place, IOM will be in a position to outline and formalize its risk appetite statements, taking into consideration its Strategic Plan and incorporating both Headquarters and regional perspectives. The risk appetite statements will serve to better guide management and operations in line with the level of risk IOM is willing to incur in the pursuit of its objectives. The draft risk appetite statements will be presented to the Standing Committee on Programmes and Finance in 2025.

Staffing and resources

36. As in 2023, the Institutional Risk Division is headed by the Chief Risk Officer who oversees the work of three full-time risk officers at Headquarters. The creation of regional risk management and compliance officer positions in all of IOM's regional offices, which is foreseen in the Programme and Budget for 2025, will supplement this central capacity.