

UNICEF evolved enterprise risk management framework

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Vision for risk management

Robust enterprise-wide risk management will help UNICEF to secure success in its work for every child – recognizing that the **biggest risk is not reaching children**. It will enable a proactive and resilient organization to **safely face the risks** posed by the current environment and **confidently take the risks** required to achieve its objectives.

- Use as an **active management tool** to help the organization to take the right amount of the right type of risks, thus informing planning and decision-making;
- Be a forward-looking organization that **systematically anticipates** potential issues before they happen, manages expectations effectively and takes proactive action to reduce vulnerabilities and secure success;
- Build a comprehensive and streamlined system of risk assessment, control and assurance functions that **work together efficiently** based on a shared understanding of key risks;
- Apply risk mitigation, control and oversight efforts that are **proportionate to the levels of risk** associated with the delivery of results for children;
- Foster an **open culture of risk awareness** that encourages all stakeholders to transparently flag risks ahead of time, confidently take necessary risks and plan for and learn from failure.



Bringing ERM to its next level of maturity, building on solid foundation of existing risk management practices

Safely face and confidently take risks required to deliver results for children

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- Be a forward-looking organization that systematically anticipates potential issues before they happen, manages expectations and takes proactive action to reduce vulnerabilities and secure success;
- Build a comprehensive and streamlined system of risk assessment, control and assurance functions that work together efficiently based on a shared understanding of key risks;
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- Foster an open culture of risk awareness that encourages all stakeholders to transparently flag risks ahead of time, confidently take necessary risks and plan for and learn from failure

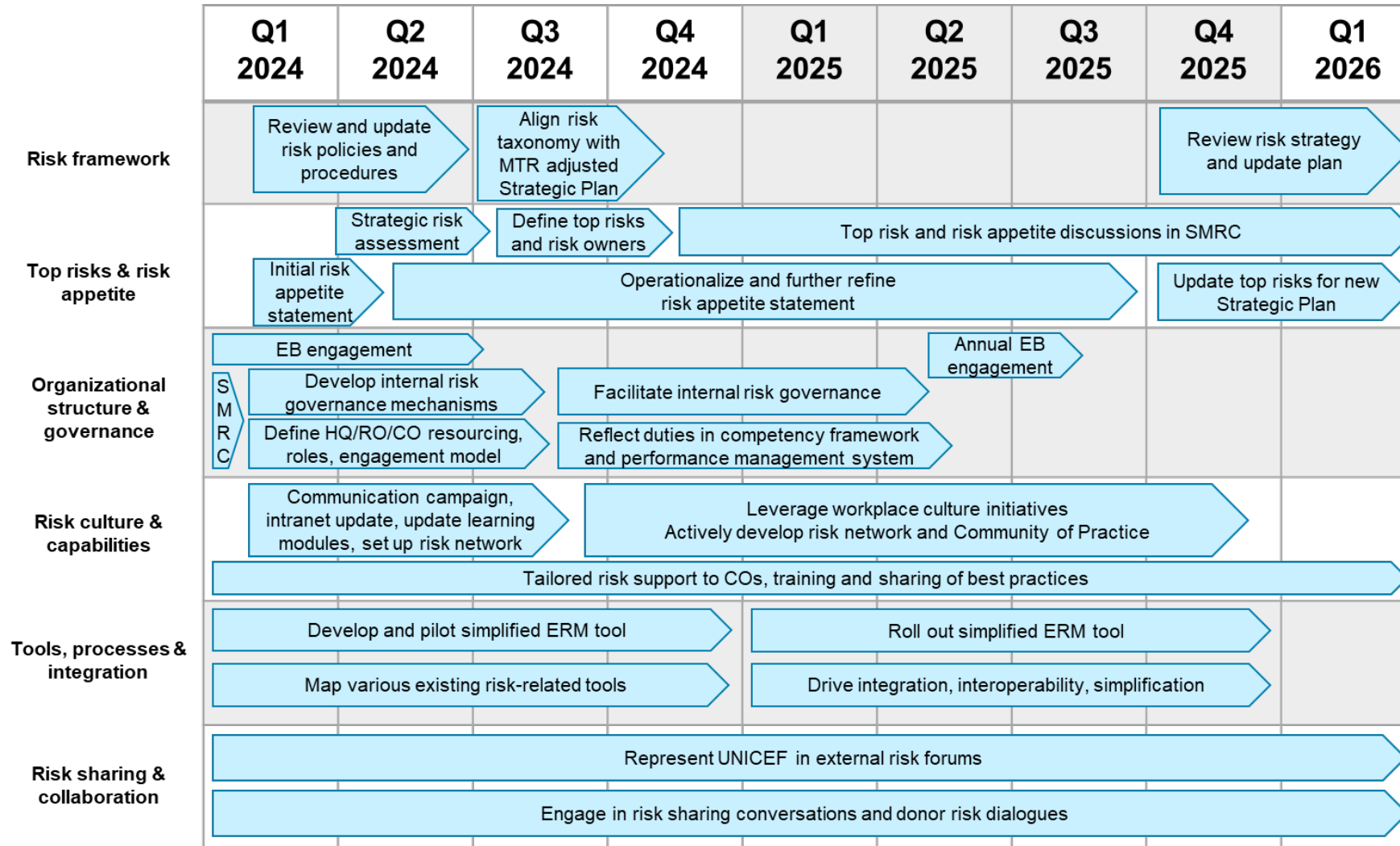
➤ **Make it actionable**

➤ **Keep it simple**

➤ **Bridge the siloes**

<p>1. A simplified risk policy and risk framework, centered on results for children</p>	<p>2. Defined top risks for the organization and clarified risk appetite</p>	<p>3. A formalized organizational structure and governance for risk management</p>	<p>4. A positive culture of risk awareness and strong risk management capabilities</p>	<p>5. Simplified and harmonized tools and processes, integrated into planning and decision-making</p>	<p>6. A collaborative stakeholder and peer environment embracing risk sharing</p>
<ul style="list-style-type: none"> • Revise key risk policies and procedures • Simplify guidance and taxonomy of risk categories • Align around results for children during midterm review 	<ul style="list-style-type: none"> • Strategic risk assessment • Have risk appetite discussions as part of top risks and updated emergency procedures • Capture risk appetite in overall risk appetite statement 	<ul style="list-style-type: none"> • Define roles and responsibilities across three lines of defense, and across CO/RO/HQ • Review risk manager roles and risk team structures in CO/RO • Assign top risks to risk owners • Define governance and engagement on risk 	<ul style="list-style-type: none"> • Communication campaign to propagate risk vision and training to target cultural change • Risk data and knowledge management with updated enterprise risk management intranet • Tailored risk support to COs/initiatives and sharing of best practices • Set up risk network and community of practice 	<ul style="list-style-type: none"> • Pilot simplified ERM tools and procedures • Integrate and simplify existing programmatic and operational risk tools • Review operational rules-based risk controls in policies, procedures and processes 	<ul style="list-style-type: none"> • Represent UNICEF in UN Risk Management Forum and other external forums • Engage in risk sharing conversations with stakeholders and donors

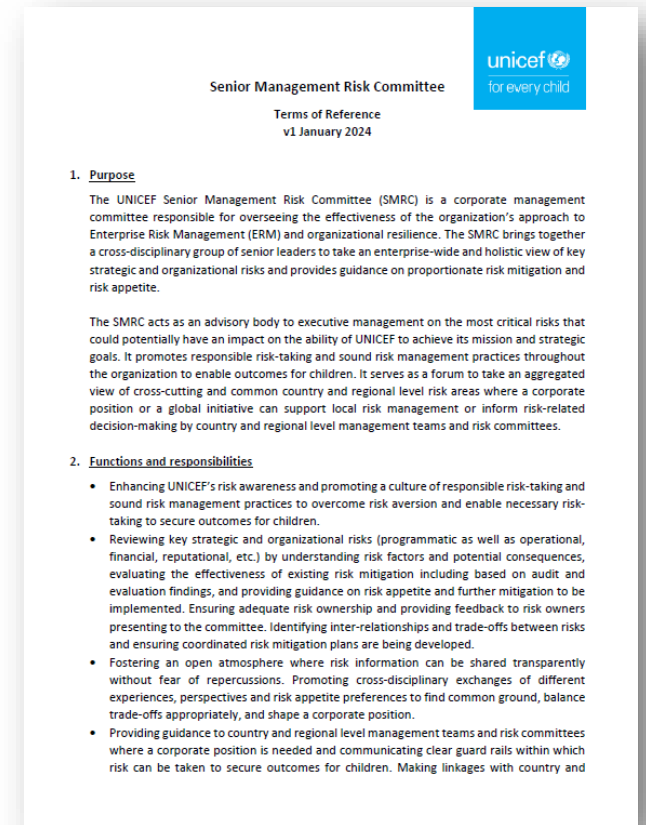
Many activities already underway



Risk governance

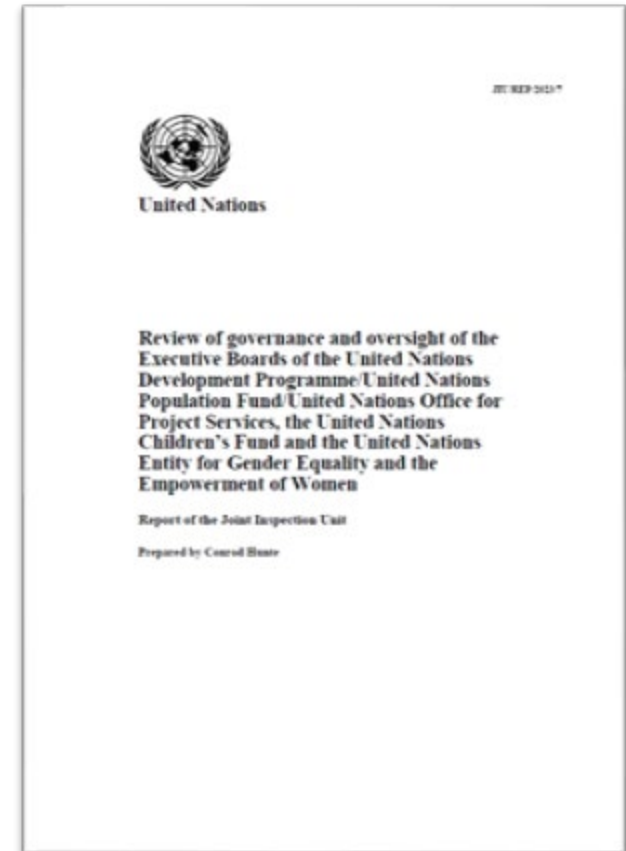


- **Three Lines Model**
- **Senior Management Risk Committee**
- **Global, Regional and Country Management Teams**
- **Various other management committees**
- **Executive Board**



Executive Board engagement on risk

- Proposal to use **annual risk updates**, starting in 2025, to support the Executive Board in its risk oversight duties
- Annual risk report to provide an update on **risk management arrangements** in place as well as on the **most critical risks** that could potentially have an impact on the ability of UNICEF to achieve its mission and strategic goals in the future
- Annual session would best align with UNICEF internal workplanning and risk identification processes



Thank you.

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