

UNFPA

Policies and Procedures Manual
Enterprise Risk Management

Policy Title	Enterprise Risk Management
Previous title (if any)	N/A
Policy objective	This policy and procedures outline the process and requirements for effective identification, assessment, and response to risks at UNFPA.
Target audience	This policy and procedures apply to all UNFPA personnel.
Risk control matrix	N/A
Checklist	N/A
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I. Purpose

1. This policy builds on existing processes, best practices, and the most recent literature, standards, and guidanceⁱ to establish the methodology, processes, procedures, and frameworks, as well as the related roles and responsibilities, for an effective Enterprise Risk Management (ERM) at UNFPA, which will enable the organization to achieve its strategic objectives, 2030 Agenda and transformative results through effective management of risks and taking advantage of opportunities.ⁱⁱ
2. ERM is the organization-wide process of structured, integrated, and systematic identification, analysis, evaluation, treatment, and monitoring¹ of risks towards achieving organizational objectives. It is fundamentally about managing uncertainty and includes responding to risks and taking advantage of opportunities. The objective of ERM is to help ensure the organization's sustainability and enable it to meet its goals by better preparing for the future and uncertainty.ⁱⁱⁱ
3. UNFPA's risk management approach is modeled after the Committee of Sponsoring Organizations of the Treadway Commission (COSO) *Enterprise Risk Management – Integrating with Strategy and Performance*. It aims at addressing the requirements underlying the Risk Maturity Model (RMM) for risk management developed by the High-Level Committee on Management (HLCM) and the Joint Inspection Unit (JIU) report "Enterprise risk management: approaches and uses in United Nations system organizations." Reference mapping of ERM policy content to [COSO ERM components and principles](#) and [RMM components and JIU benchmarks](#) is provided in [Annex I](#) and [II](#) of this document.
4. The ERM policy defines the scope of the process, its governance structure, i.e., the key roles and responsibilities of UNFPA management and personnel, the system and tools required to support ERM at UNFPA, the training, and communications needed to enhance risk management capabilities and risk culture, establishes the risk terminology for use throughout the organization and integrates individual risk management practices under an organization-wide risk management framework.
5. This ERM Policy is the umbrella framework for risk management in UNFPA. It brings together several policies, guidelines, individual risk management processes, and practices to manage risk across different areas and leverages second-line roles in an integrated and holistic manner, including:
 - [Policy and procedures for Business Continuity Management](#)
 - [Financial Management Performance Reports](#)
 - [Harmonized Approach to Cash Transfers Framework](#)^{iv}
 - [UNFPA Internal Control Framework](#)
 - [Last Mile Assurance](#)^v
 - [Policy and Procedures for Implementing Partner Review and Sanctions](#)

¹ Please note that for purposes of this policy UNFPA has adopted the COSO framework nomenclature, under which evaluation and treatment are referred to as assessment and response, respectively.

- [Policy for Atlas User Profiles and Directory Application](#)
 - [Prohibition of Harassment, Sexual Harassment, Abuse of Authority and Discrimination](#)
 - [UNFPA Oversight Policy](#)
 - [United Nations System Programme Criticality Framework](#)
 - [UNSMS Security Policy Manual – Policy on Security Risk Management](#)
 - [UNFPA Security Accountability policy](#)
 - [Guidance note on minimum preparedness action](#)
 - [Fraud scenarios – management of programme supplies](#)
 - [Principles on personal data protection and privacy](#)
 - [Management And Accountability Framework of the United Nations Development and Resident Coordinator System](#)
 - [UNFPA Fast Track Policies and Procedures \(FTPs\)](#)
6. ERM is a dynamic process requiring continuous involvement from a wide range of stakeholders across all areas and levels of the organization so that risks, including emerging issues and opportunities, are effectively managed within an ever-changing environment. To be effective and remain relevant, this policy will undergo mandatory review, subsequent revisions, and updates by the Office of the Executive Director to reflect experience and lessons learned from its implementation and changes in risk management literature, standards, and guidance.
7. An [ERM Guidebook](#)², together with other Standard Operating Procedures (SOPs), guidance notes, and training material covering the day-to-day operational details of ERM and a corporate **ERM information technology application**, complement this policy for operationalizing the process in UNFPA in an effective and sustainable manner.
8. This policy also covers the recommended actions from the ERM process assessment report and sets the roadmap for ERM maturity at UNFPA.

II. Policy

A. Policy Statements

9. This policy applies to all UNFPA personnel and serves as an "enabler" in achieving the organization's [Strategic Plan](#) goals and outcomes^{vi} by:
- a) Improving strategic planning, decision-making, and implementation by ensuring a comprehensive and structured understanding of organizational objectives, practices, and related risks.

² The ERM Guidebook is a living document that will be updated on a regular basis to reflect the evolving process

- b) Helping management and personnel identify and address challenges and uncertainties, adapt to exploit opportunities, prepare and respond to crises, and become more resilient and agile.³
 - c) Identifying common and cross-cutting risks and opportunities, improving organization-wide communication and collaboration, and instituting a consistent and collaborative process to manage risks.
 - d) Bringing a shared corporate risk and risk appetite understanding throughout UNFPA.
 - e) Allowing UNFPA management and personnel to make risk-informed decisions and take advantage of opportunities, including the ability to accept risks outside the established risk appetite levels^{vii} when required to address key programme needs, through escalation to the appropriate management roles.
 - f) Optimizing allocation and use of resources by identifying risks and opportunities and protecting assets and organizational reputation.
 - g) Reinforcing accountability and integrating internal controls.
 - h) Assisting governing bodies in fulfilling their oversight and accountability roles and responsibilities by anticipating uncertainties and supporting management in risk-informed decision-making.
10. All UNFPA personnel must adhere to the [ERM process](#) as outlined in the procedures section of the policy.
 11. Heads of units⁴ must ensure that fraud risks receive appropriate attention during the ERM process. Instances of fraud and other proscribed practices are contrary to the mission of the United Nations and UNFPA's core values, harm UNFPA's ability to meet its strategic objectives, result in waste of resources, and may prevent UNFPA from delivering results in an efficient, effective, and transparent manner, damage UNFPA's reputation and donors' trust, and adversely affect the motivation and morale of UNFPA personnel.
 12. The [Enterprise Risk Management Secretariat \(ERMS\)](#) must regularly monitor and review the ERM process at all levels to ensure effective functioning and continuous improvement.
 13. The [ERMS](#) must ensure that all UNFPA personnel has adequate guidance and tools to embed risk management into day-to-day activities and decisions to respond to risks effectively and take advantage of opportunities.
 14. The [Chief Risk Officer \(CRO\)](#) and [ERMS](#) must actively collaborate with other United Nations entities to ensure risks are considered through a common United Nations system-wide perspective, using a quality, consistent, agile, and continuously reviewed approach.

³ JIU/REP/2020/5 - benchmark 6, systematic and dynamic processes.

⁴ The UNFPA head of unit refers to the representative, division director, regional or subregional director, country director or the Chief of Operations (or the delegated officer), as appropriate.

15. The [CRO](#) is responsible for formal reporting to the Executive Board on the effectiveness and results of the ERM process annually through the report of the Executive Director to the Executive Board.

B. Key definitions

16. For the purpose of this policy, and in line with UNFPA practices, the below terms are defined as follows.
- a) **Enterprise Risk Management:** ERM is the organization-wide process of structured, integrated, and systematic identification, analysis, evaluation, treatment, and monitoring⁵ of risks towards the achievement of organizational objectives
 - b) **Impact:** the result or consequence of a risk. There may be a range of possible impacts associated with a risk on UNFPA's strategy or business objectives.^{viii}
 - c) **Current/Inherent/Present Risk:** for purposes of this policy and in line with UNFPA practices, inherent risk is defined as the level of risk assessed based on the likelihood of occurrence and estimated impact of a risk, considering the effectiveness of the controls and other risk mitigation measures in place at the time of the assessment.⁶ For purposes of this policy, current risk, inherent risk, and present risk are used interchangeably.
 - d) **Likelihood:** the possibility that a given event will occur. UNFPA measures likelihood using a qualitative scale.^{ix}
 - e) **Portfolio view:** a composite view of risks at different organizational levels which allows a clearer understanding of the number, types, severity, and interdependencies of the risks faced and how they may affect the overall performance and the achievement of strategic and business objectives.^x A portfolio view allows management to determine whether the residual risk profile aligns with the overall risk appetite.
 - a) **Residual risk:** the level of risk that remains after implementing any required additional controls or other risk response actions.⁷
 - f) **Risk appetite:** the amount of risk that UNFPA is prepared to accept, differentiated by risk category, to achieve its objectives, as reflected in the [UNFPA Risk Appetite Statement](#).

⁵ Please note that for purposes of this policy UNFPA has adopted the COSO framework nomenclature, under which evaluation and treatment are referred to as assessment and response, respectively.

⁶ This definition is consistent with that used in the Programme Critically Framework, which defines present/current risk as follows: The security risk based on the threats and the security measures and procedures currently in place.

⁷ This definition, which aligns to the current UNFPA ERM practices, differs from those used in the “COSO Enterprise Risk Management - Integrating with Strategy and Performance, June 2017” which distinguishes between the actual residual risk (“the risk remaining after management has taken action to alter its severity”) and the target residual risk (“the amount of risk that an entity prefers to assume in the pursuit of its strategy and business objectives”).

- g) **Business Unit:** headquarters divisions, branches, and units; representation offices; regional and sub-regional offices and country offices through which UNFPA operates and implements its programmes.
- h) **Escalation:** the process established to bring risks assessed to be outside the defined risk appetite levels to the attention of the levels of management with authority for decisions regarding the most appropriate risk response.
- i) **Risk assessment:** the process followed to assess the likelihood and significance of risks faced by UNFPA, both individually and in the aggregate, and identify, prioritize, and respond to areas where UNFPA operates outside the defined risk appetite levels.
- j) **Risk category:** groups or classes of risks, categorized by nature and areas of potential impact and subject to differentiated risk appetite levels, used to allow a consistent and structured assessment and reporting of risk exposures. Risk categories are interrelated.
- k) **Risk registers:** the set of records and documents used as a repository for assessing, responding to, and escalating the risks reflected in the IRF.
- l) **Risk response:** the process whereby risk response options (reduce, share, accept, avoid) are examined, cost-benefit analyses performed, a response strategy formulated, and risk response plans developed.^{xi}
- m) **Three lines model:** the UNFPA Internal Control Framework is based on the three lines model developed by the Institute of Internal Auditors.^{xii} This model distinguishes three groups (or lines) involved in effective risk management. The first line is provided by the field offices and headquarters units that own and manage the risks related to UNFPA's programmes and support services. The second line is provided by those functions that oversee risks, mainly regional offices, and the headquarters units responsible for monitoring the effectiveness of internal control. The third line involves the roles that provide independent assurance: at UNFPA, they include the audit and investigations, evaluation, and ethics offices.

C. Policy implementation and ERM maturity in UNFPA

- 17. The ERMS must procure or develop a corporate ERM information technology application with data integration with the Enterprise Resource Planning (ERP) system and other transaction monitoring tools, a key requirement for implementing this policy. In addition to serving as a repository for risk assessment and response documentation, this corporate ERM application must facilitate measuring and monitoring key risk indicators and provide automated workflow features for all risk management processes and actions.
- 18. An [ERM Guidebook](#), a centralized resource for all ERM-related learning and training documentation, must be hosted on an ERM community website or integrated into the corporate ERM information technology application.

19. The ERMS must implement the related milestones as set out in the estimated implementation timeline ([Annex III](#)).

III. Procedures

A. Governance

20. UNFPA utilizes the three lines model.^{xiii} (**Figure 1**) and integrates this approach into its policies, procedures, and business processes. Under this model, risk management roles and responsibilities are distributed between "first line" risk decision-makers, who own and respond to risks as part of their day-to-day responsibilities; "second line" units and roles, who are responsible for setting standards and for managerial oversight of risk and controls; and "third line" independent assurance mechanisms.^{xiv}

UNFPA ERM Three Lines Model

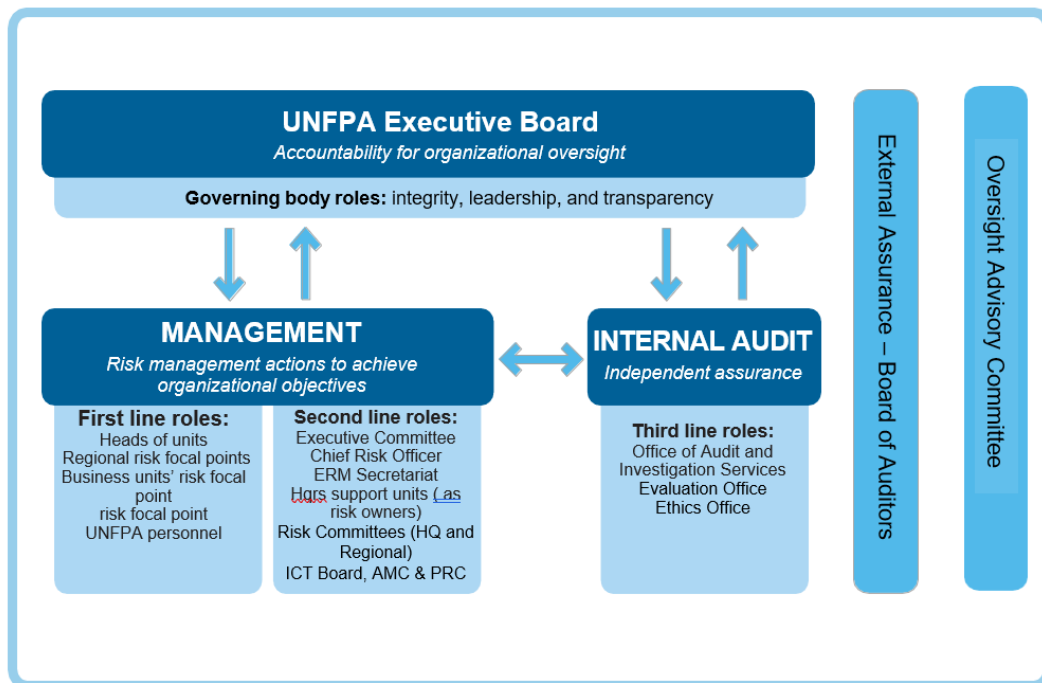


Figure 1 -UNFPA ERM three lines model

21. First-line roles are personnel who directly implement and support programme activities and the related operational activities. First-line role personnel lead and support risk management actions. The heads of the units, regional risk focal points, business unit risk focal points, and risk focal points are typical first-line roles. They make risk-informed decisions based on the risks faced by UNFPA and the corresponding risk appetite levels.

22. Second-line roles personnel provide complementary expertise, support, monitoring, and oversight related to risk management, as detailed in relevant policies, procedures, and business processes. The executive committee, chief risk officer, ERM secretariat, risk committees, headquarters support units, audit monitoring committee, information communication technology (ICT) board, and programme review committee (PRC) perform the second line roles for all or selected IRF components.
23. The distinction between the first and second-line roles is not rigid. Regional offices and headquarters units implementing programmes or responsible for operational and financial management activities directly perform the related first-line activities. These offices' monitoring and oversight functions (for the activities undertaken at the country office level) fall under the second line.
24. Independent oversight functions, such as the Office of Audit and Investigation Services (OAIS), the Internal Audit Branch, the Investigations Branch, the Evaluation Office, and the Ethics Office, perform third line functions by providing advice, reviewing the risk management process, and providing observations and assessments of UNFPA's internal controls and effectiveness of the ERM process.
25. The Oversight Compliance Monitoring Committee (OCMC) must monitor and report the status of implementation of risk response actions every quarter. OCMC must escalate any actions that are not timely or effectively implemented that continue to originate significant risk exposures.
26. The heads of relevant headquarters units, as corporate risk owners of risk areas, must establish comprehensive risk-control frameworks for the functional area/business processes for which they have been designated as process /risk owners; define and operationalizing risk metrics for these business processes and put in place adequate second-line controls to ensure that internal controls operate effectively and mitigate the risks identified.

B. Roles and responsibilities

Risk management roles and responsibilities are assigned to UNFPA personnel at country, regional, and headquarters levels. Key roles specific to the ERM process are outlined below.

- a) **Chief Risk Officer (CRO):** reporting to the Executive Director, Is the ultimate champion of ERM and provides leadership and direction to the ERM Secretariat
- b) **Enterprise Risk Management Secretariat (ERMS):** Under the overall leadership of CRO and supervision of the ERM Coordinator, ERMS is responsible for designing, managing, and coordinating the risk management process and ensuring its effectiveness.
- c) **Head of the unit:** representative, deputy representative, or assistant representative (country offices); head of representation offices; head of headquarters units (divisional directors and branch or office chiefs) and regional directors; responsible for the effective end-to-end management of the risks and opportunities related to the departments, programmes, projects and processes they manage.

- d) **Risk committees:** established at headquarters and regional offices, composed of subject matter experts who support Division and Regional Directors and the CRO by providing the programmatic, technical, operational, and financial management expertise required to manage risks effectively.
 - e) **Business unit ERM focal point:** personnel responsible for supporting heads of the unit in the discharge of their risk management responsibilities and acting as primary contact for the ERMS.
 - f) **Risk focal point:** designated by heads of unit, personnel responsible for the effective assessment of and agreed risk response to the risks under their responsibility.
27. A comprehensive list of all risk management roles and responsibilities, as per the UNFPA ERM three lines model, is provided in [Annex IV](#).

C. Integrated risk framework (IRF)

28. UNFPA's risks are organized in an [integrated risk framework \(IRF\) \(Annex V\)](#) by key [risk categories](#) from the risk appetite perspective (external, delivery, operational, reputational, fiduciary, and safeguarding) and are classified under different [IRF components](#) (strategic, programme, funding proposals, processes, projects, ICT, and humanitarian) that provide further granularity through key risk areas and sub-areas and risk factors.
29. The framework allows the integration of risk management across different organizational components, risk categories, and [applicability](#). It gives the ability to map the risks under the various IRF components to the relevant UNFPA business units.
30. The IRF provides a view of UNFPA's risks under different organizational components, risk categories,^{xv} and applicability at different assessment entity levels, As shown in **Figure 2** below.

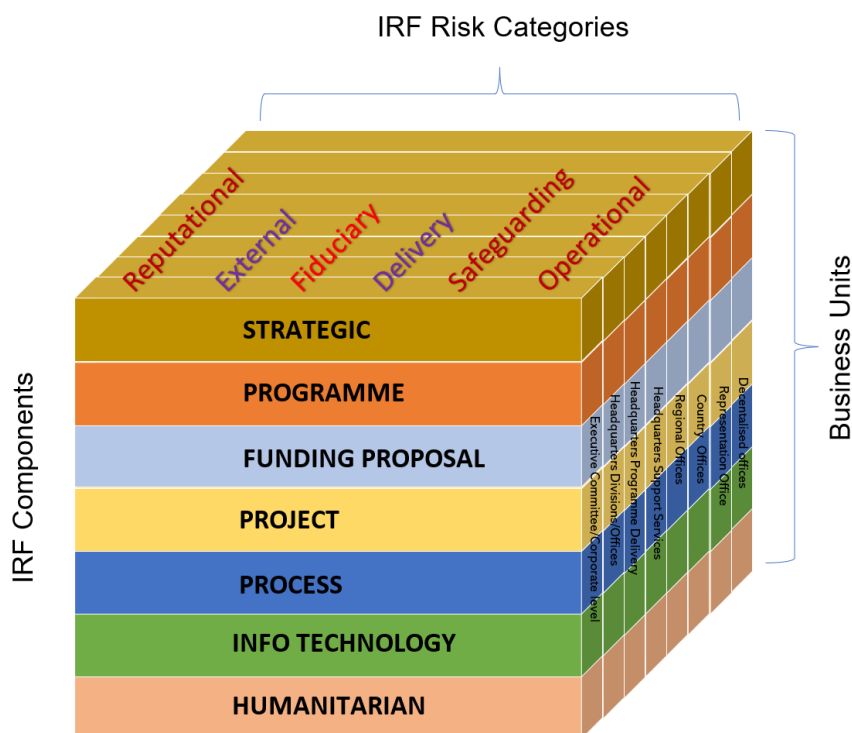


Figure 2 - Integrated risk framework

D. Risk appetite

31. [Risk appetite](#) is the amount of risk that UNFPA is prepared to accept, differentiated by risk category, to achieve its objectives. **Table 1** presents the four-point scale adopted by UNFPA to assign and communicate the level of risk it is willing to accept for each of the risk categories mentioned above.

Table 1 - Risk appetite scale

Level	Description
High Risk	Areas in which UNFPA will accept a higher risk level because the potential upside benefits outweigh the potential costs, which need nevertheless to be managed within a reasonable balance.
Medium Risk	Areas in which UNFPA continually acts to ensure a reasonable balance between the potential downside costs and the potential upside benefits of a given decision by appropriately reducing the likelihood or impact of risks materializing.

Low Risk	Areas in which UNFPA acts to minimize the likelihood or impact of risks materializing because it has been determined that the potential downside costs outweigh the potential upside benefits.
Zero risk	Areas in which UNFPA avoids risks or acts to eliminate the likelihood or impact of risks materializing because it has been determined that the potential consequences are not acceptable.

32. Decisions regarding how much risk UNFPA is prepared to accept in pursuit of its programme objectives and mandate are guided by the UNFPA [Risk Appetite Statement](#).

E. UNFPA ERM Process – Overview

33. UNFPA takes a holistic approach to risk management. **Figure 3** below presents an overview of the UNFPA ERM process depicting the various steps and their relationship with the different elements of the integrated risk framework.
34. Heads of the unit are responsible for the timely and effective completion of the risk assessments for the programmes, business units, processes, and projects they manage, in line with the requirements of this policy and of other risk management guidelines, and the [ERM calendar](#) issued by the ERMS.

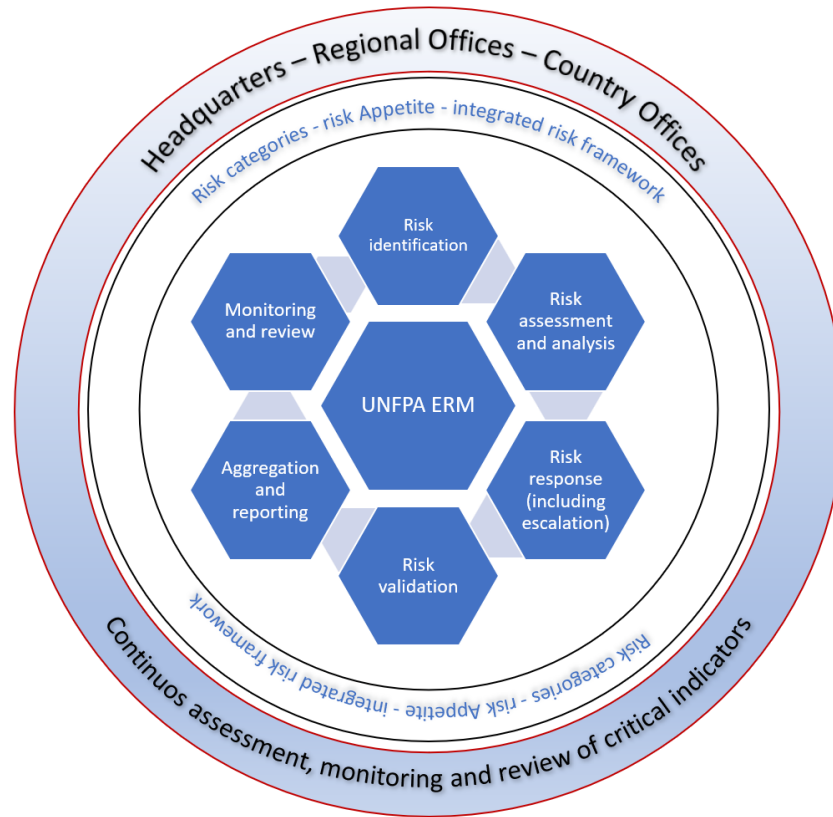


Figure 3 – UNFPA ERM process overview

35. The ERMS will provide step-wise ERM process guidance for the other IRF components in the [ERM guidebook](#) as per the estimated timeline of their development.

F. ERM Process – at the business unit level

36. The ERM process must start at the business unit level based on the [ERM calendar](#) (defined and communicated by the ERMS) with the list of business units mandated to undertake ERM assessments. Subject to meeting certain criteria and ongoing monitoring of a set of critical indicators, the ERMS may also request/trigger an ad hoc ERM assessment of any business unit. Alternatively, any business unit may also request initiation of a new risk assessment, if required.
37. Figure 4 outlines the step-wise ERM process requirements at the business unit level.

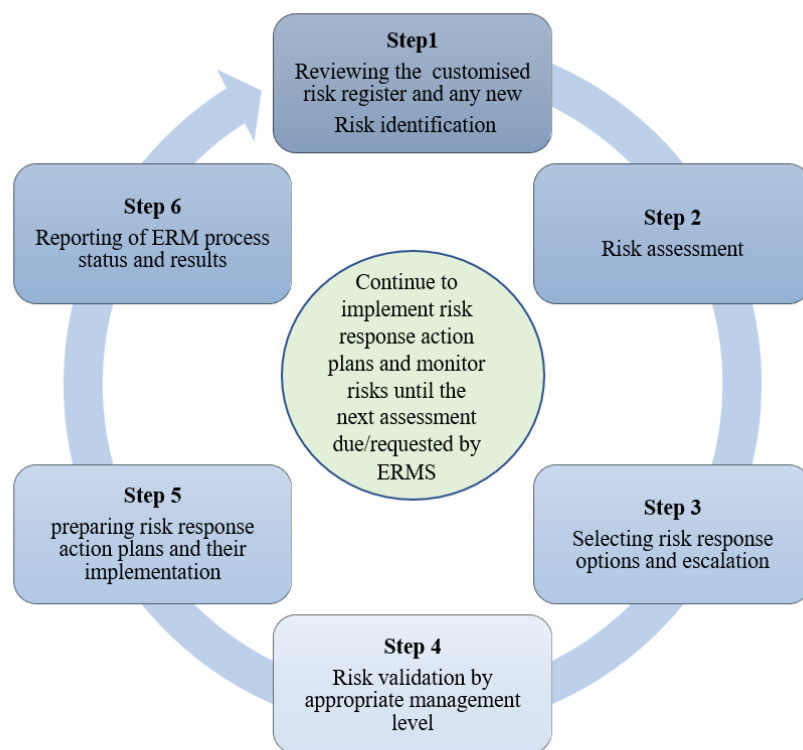


Figure 4 – ERM process at the business unit level

Step 1: Risk identification

38. As a first step in the end-to-end ERM process, the heads of the unit must identify any additional risks relevant to situation analysis or local context, other than [customized risk registers](#), which are to be updated regularly to reflect emerging and changing risks.

Step 2: Risk assessment

39. The Risk assessment includes the analysis and evaluation of the risks related to the strategic, programmes, funding proposals, processes, projects, ICT, and Humanitarian components in terms of their likelihood of occurrence and impact considering the effectiveness of existing controls (as part of risk register and mapped to the relevant risks) and practices with the periodicity and at times established by the ERMS. The objective is to allow first-line responders to make adequately risk-informed decisions. The heads of the unit must complete a risk assessment (**Figure 5**) following a consultative, disciplined, and systematic approach as explained in the [ERM Guidebook](#).

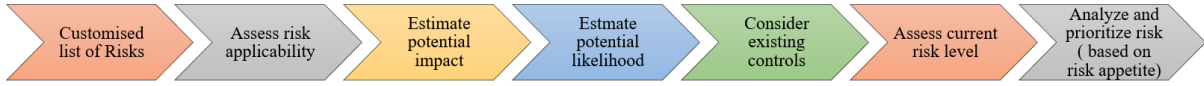


Figure 5 – Risk assessment flow diagram

Step 3: Selecting risk response options & escalation

- 40. The Risk response is the process of identifying and implementing measures regarding risks for which current risk levels have been assessed as operating outside the established risk appetite levels and leveraging strategic opportunities. The heads of the units and UNFPA personnel at all levels have the primary responsibility for an effective risk response to fulfill their day-to-day tasks.^{xvi} and remain fully accountable for ensuring that risks related to their areas of responsibility are managed within the defined risk appetite levels.
- 41. The heads of the unit must select an appropriate risk response option from the below four options outlined in **Figure 6** below. The [ERM Guidebook](#) provides detailed step-by-step guidance on choosing the appropriate risk response options.

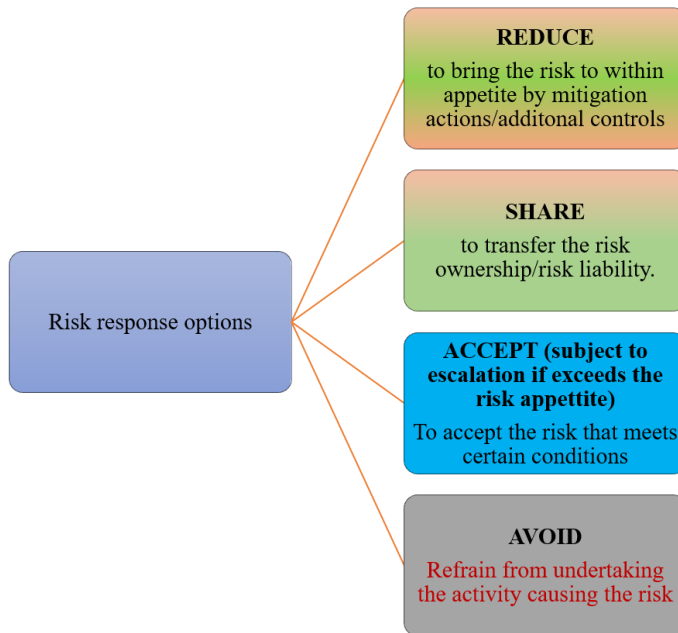


Figure 6– risk response options

42. When the available risk response options would not allow heads of the unit to manage the risks within the established risk appetite levels, they should escalate (as per escalation conditions shown in **Figure 7**) to the appropriate management level (as defined in the ERM Guidebook). Please refer to the [ERM Guidebook](#) for detailed escalation process guidance and procedures.

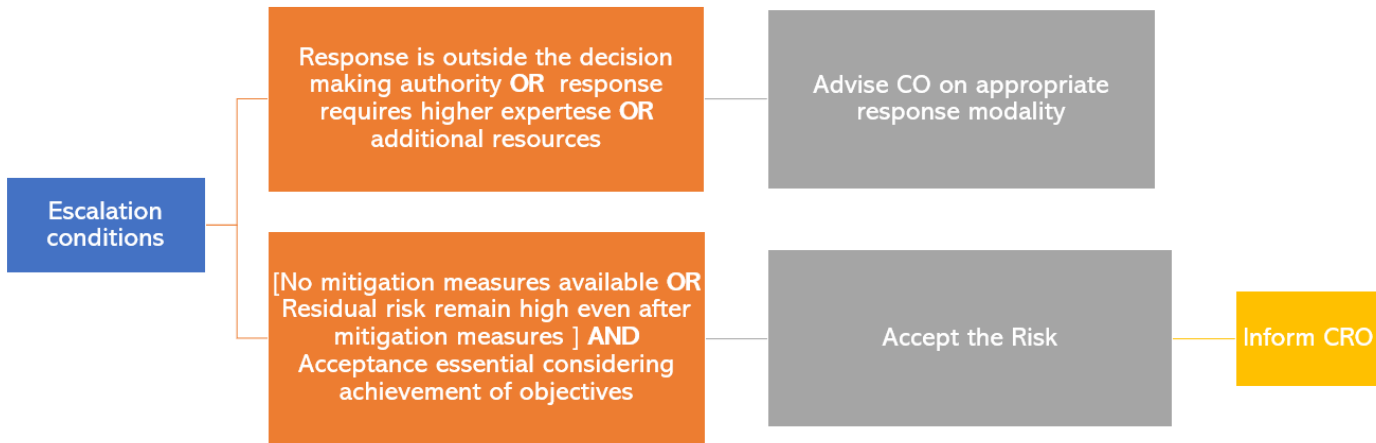


Figure 7 - Escalation conditions

Step 4: Risk validation by appropriate management level

43. Heads of units must submit the risk assessment with selected risk response options to the appropriate management level for validation (as per the responsibility table defined in the ERM Guidebook). It ensures a comprehensive, effective, and consistent evaluation and prioritization of risks and selecting appropriate risk response options to the identified risk exposures, in line with the established risk appetite levels, considering global, country, and regional programme requirements, trends, and priorities. The risk validation process, workflow, and responsibility table for validation are provided in the ERM Guidebook.

Step 5: Risk response action plans and their implementation

44. Heads of units, as per validated risk response options, must promptly put in place appropriate response action plans. The risk response action plans should be implemented under the responsibility of the [assigned risk focal points](#). [ERM Guidebook](#) provides detailed step-by-step guidance on preparing risk response action plans by selecting appropriate

mitigation actions/additional controls from the risk response actions library for different risk areas.

Step 6: Reporting of ERM process status and results

45. Heads of the unit are responsible for reporting risk assessment results, risk response plans, and the implementation status of risk response actions through the corporate UNFPA ERM application or other tools prescribed by the ERMS. They must be available to all UNFPA personnel in the ERM application.

G. ERM process - at the ERM Secretariat level

46. The Enterprise Risk Management Secretariat is responsible for and must undertake the following key activities in the UNFPA ERM process:

ERM calendar

47. To define and communicate ERM calendar of activities.

Customized risk registers

48. To provide a customized risk register for each business unit based on its role and the [applicability](#) of relevant risks, with an option to add any new risks during the risk identification stage. The existing controls will be mapped to the risk factors as part of the risk registers.
49. To make available updated risk registers in the corporate information technology ERM application and the [ERM Guidebook](#).

Quality-assurance

50. To undertake quality assurance of selected risk assessment and response activities regularly to ensure that all relevant risks are identified, correctly, and consistently assessed and that adequate risk responses are put in place to efficiently and effectively address significant risk exposures.

Aggregation and Reporting

a. Aggregation

51. With the support of the [regional and headquarters risk committees](#), to analyze, aggregate, and prioritize risks to determine UNFPA's risk exposure at the regional, programme, corporate, and process levels by using the corporate ERM application and other tools and, as appropriate,
52. To identify systemic issues, their root causes, and the appropriate risk response actions in a holistic manner and take a portfolio view of risk.

b. Reporting of ERM process status and results

53. To undertake formal risk reporting to the UNFPA Executive Committee^{xvii} on a quarterly basis regarding key risk exposures and the implementation status of risk response actions. As required in the circumstances, more frequent reporting will occur regarding emerging risks⁸ and events that could materially affect UNFPA's risk exposure or require immediate management attention.

c. Reporting to oversight functions and bodies

54. To undertake formal risk reporting to the OAIIS at least on a bi-annual basis, with a timing appropriate to inform the OAIIS opinion on UNFPA's Governance, Risk Management and Control (GRC) framework, as well as the OAIIS audit risk assessment process and annual internal audit plan.
55. Risk reporting to the Oversight Advisory Committee (OAC) at each OAC meeting allows the committee to independently review and provide advice to the Executive Director on UNFPA risk management, risk exposure, and steps taken to manage risks.

d. Reporting to the Executive Board and key stakeholders

56. Reporting to the key stakeholders, including donors and programme partners, as needed to ensure maximum transparency and allow joint risk responses as appropriate. UNFPA risk management approach and principles will be publicly available on UNFPA's website.
57. To analyze, aggregate, and prioritize the risks to provide a portfolio view of the risks faced for reporting UNFPA's risk exposure to senior management, governing bodies, and external stakeholders.

Monitoring, reviews, assessments & evaluations

58. To monitor and review the design and operating effectiveness of the end-to-end ERM process for continuous improvement^{xviii} and optimization by identifying and leveraging lessons learned and opportunities for improvement.
59. To effectively use the corporate ERM application, leveraging the ERP and other information technology solutions, to monitor key indicators and controls to ensure that risk assessments and response plans are timely updated to new and emerging risks and must also support capturing key events and incidents that could significantly affect UNFPA's risk exposure.

⁸ Including updates on time-sensitive risks related to new humanitarian response projects, in collaboration with the Humanitarian Office.

60. To facilitate formal internal assessments (every two years) and external independent evaluations (every four years) to assess the operating effectiveness of the process and identify opportunities for improvement and UNFPA ERM maturity against the Reference Maturity Model for Risk Management published by the High-Level Committee on Management (HLCM).

Information, Communication, and Training

61. To develop a risk communication strategy and events^{xix} to enhance risk awareness and culture and ensure a consistent risk management approach across the organization.
62. To develop, present, and facilitate specialized risk management training and related materials available to all staff to ensure a consistent approach to risk management techniques across the organization. ERMS must also arrange for mandatory risk management training for all UNFPA personnel to be refreshed every three years.
63. To develop and regularly update an [ERM Guidebook](#) as an integral part of the corporate ERM application that must serve as a central resource for all ERM-related training documentation, process guidance, the corporate application user guide, and other learning materials.

IV. Other

Culture, Interagency coordination, and Information technology system

a. Culture

64. The Executive Director sets the tone of the organization for risk management, establishes the related organizational governance arrangements, and actively reinforces the risk management culture through communication and leadership. In exercising this overall leadership on risk management, the Executive Director is directly supported by the Chief Risk Officer (CRO) and the ERM Secretariat (led by ERM Coordinator), housed in the Office of the Executive Director. This is further complemented by the related fiduciary risk management roles undertaken by the UNFPA Comptroller (i.e., the Director, Division for Management Services), per the relevant UNFPA policies and procedures
65. Setting the 'tone at the top' is the most critical senior management responsibility. This is done by continuously reinforcing the importance of risk management; leading by example and acting as a role model, providing personnel with the skills, tools, and support needed to make informed risk decisions during the performance of day-to-day duties; and adhering to the established oversight responsibilities.

b. Interagency coordination

66. ERMS must make every effort to implement an integrated approach to risk management across the organization and the United Nations system.
67. ERMS must engage and collaborate actively with United Nations entities to ensure that risks are considered through a common United Nations system-wide perspective, using a quality, consistent, agile, and continuously reviewed approach.^{xx}
68. UNFPA, OAIS actively collaborates with United Nations entities oversight offices and investigation services to refer matters of mutual importance to investigation services. Rapid referral of an issue that falls under the jurisdiction of an investigations office of another United Nations entity is a form of interagency coordination on risk management (i.e., referring operational, fiduciary, safeguarding risk to the office with the authority to investigate it).
69. The ERMS must actively collaborate with United Nations interagency mechanisms as a member of the relevant task forces and forums of the High-level Committee on Management (HLCM) and participates in all relevant initiatives at corporate and country levels. This policy is informed by the Reference Maturity Model for risk management and makes full use of the guidance and practical guidelines developed by the HLCM task force.

c. ERM tools and documentation

70. The UNFPA risk registers, risk assessment results, risk response plans and actions, and the status of their implementation, with risks aggregated and prioritized, must be documented, maintained, and reported using the UNFPA corporate information technology ERM application and other tools established by ERMS.^{xxi}

1. Annex I - Mapping of ERM policy contents to HLCM RMM and JIU report

- Reference Maturity Model (RMM) for Risk Management, High-Level Committee on Management (HLCM)
- Joint Inspection Unit (JIU) report "Enterprise risk management: approaches and uses in United Nations system organizations."

RMM dimension	JIU Benchmark	ERM Policy references
ERM Framework and Policy	Adoption of ERM framework and policy (<i>benchmark 1</i>)	Purpose Key policy principles and requirements
Governance and Organizational Structure	Internal organizational structure for ERM (<i>benchmark 2</i>)	Governance Roles and responsibilities
	Role of legislative/governing bodies in ERM (<i>benchmark 4</i>)	Reporting to the Executive Board
Process and Integration	ERM Integration (<i>benchmark 5</i>)	Risk identification Aggregation
	Systematic and dynamic processes (<i>benchmark 6</i>)	Key policy principles and requirements Risk identification Monitoring and review
Systems and Tools	Information technology systems and tools for enterprise risk management (<i>benchmark 7</i>)	ERM tools and documentation
Risk capabilities	Communication and training to create risk awareness, promote risk policy and establish risk capabilities for ERM implementation (<i>benchmark 8</i>)	Communication and training
Risk culture	Organizational culture embracing ERM (<i>benchmark 3</i>)	Governance - Senior management responsibilities
	Periodic review for continuous improvement (<i>benchmark 9</i>)	Monitoring and review
Other	Inter-agency cooperation and coordination for systematic knowledge-sharing and management of common and United Nations	Interagency coordination

	system-wide risks (benchmark 10)	
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2. Annex II – Mapping of policy contents to COSO ERM framework

- 2017 Enterprise Risk Management Framework (COSO) Committee of Sponsoring Organizations of the Treadway Commission

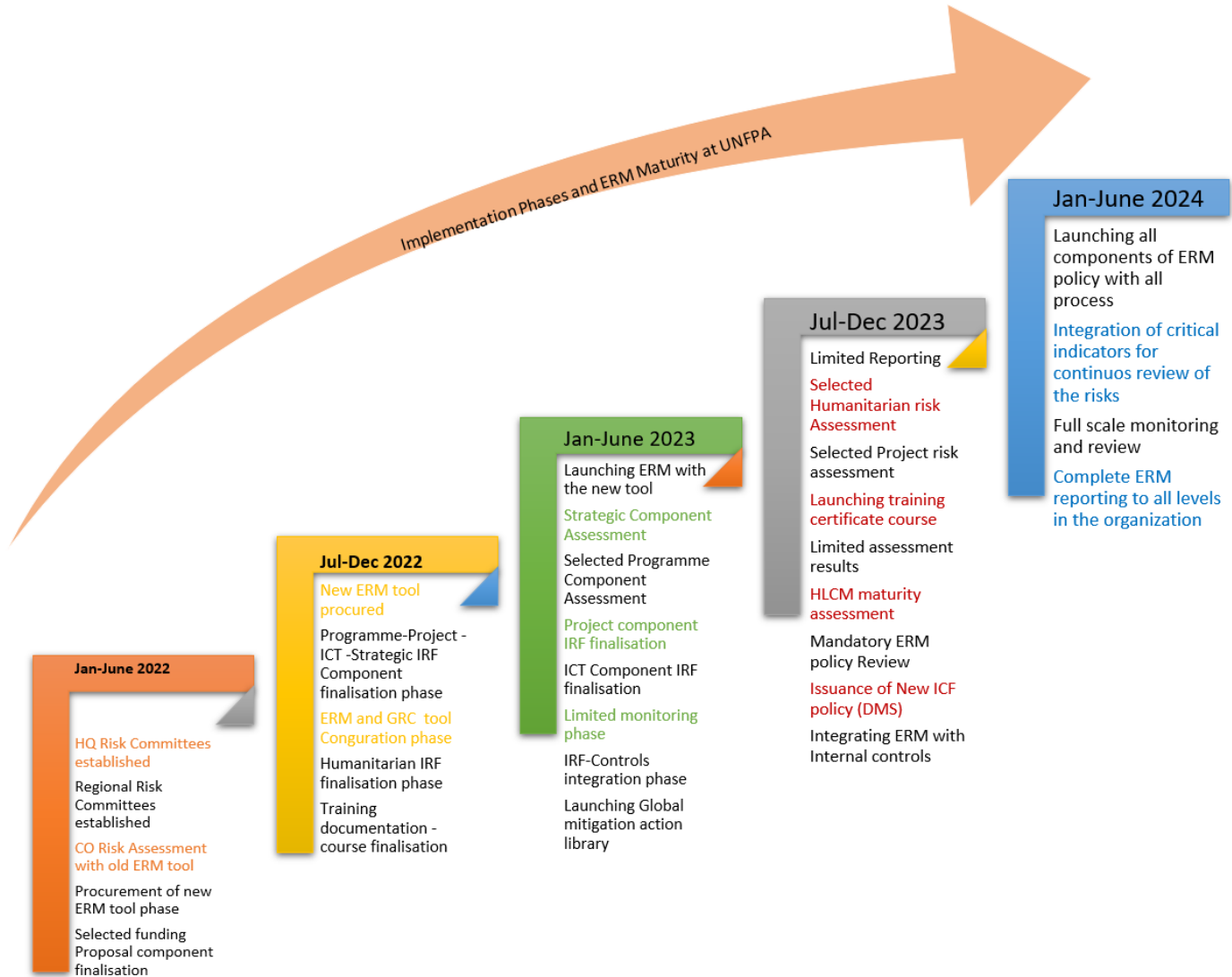
COSO Components	COSO Principles	UNFPA Policy references
Governance and Culture	Exercises Board Risk Oversight	Reporting of ERM process status and results <ul style="list-style-type: none"> ▪ Governing Bodies
	Establishes Operating Structures	<ul style="list-style-type: none"> ▪ UNFPA Strategic Plan: V. Organizational effectiveness and efficiency ▪ Policy and Procedures for Organizational Structuring; III. Procedures; A. Establishing or restructuring organizational units
	Defines Desired Culture	ICF policy
	Demonstrates Commitment to Core Values	UNFPA Performance Appraisal and Development – Guidebook and revised competency framework.
	Attracts, Develops, and Retains Capable Individuals	<ul style="list-style-type: none"> ▪ UNFPA Strategic Plan: V. Organizational effectiveness and efficiency ▪ Policy on personnel of UNFPA: Principles; II. Principles relating to the personnel of or service in UNFPA; competency framework
2. Strategy and Objective-Setting	Analyzes Business Context	Definitions
	Defines Risk Appetite	Risk appetite
	Evaluates Alternative Strategies	Risk response - Risk Response options
	Formulates Business Objectives	<ul style="list-style-type: none"> ▪ UNFPA Strategic Plan: II. Strategic direction of the UNFPA strategic plan ▪ UNFPA Strategic Plan: III. Expected development results of the strategic plan

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		<ul style="list-style-type: none"> ▪ UNFPA Strategic Plan: IV. How UNFPA will achieve the development results of the strategic plan
Performance	Identifies Risk	Risk identification
	Assesses Severity of Risk	Risk Assessment
	Prioritizes Risks	Risk assessment results Risk Validation
	Implements Risk Responses	Risk Response
	Develops Portfolio View	Definitions Aggregation and reporting
Review and Revision	Assesses Substantial Change	Monitoring
	Reviews Risk and Performance	<ul style="list-style-type: none"> ▪ UNFPA Strategic Plan: VIII. Monitoring and evaluating the strategic plan ▪ ICF policy: Taking Action to Enhance and Strengthen UNFPA's Overall System of Internal Controls
	Pursues Improvement in Enterprise Risk Management	Monitoring and review <ul style="list-style-type: none"> ▪ ICF policy: Taking Action to Enhance and Strengthen UNFPA's Overall System of Internal Controls
Information, Communication, and Reporting	Leverages Information Systems	ERM tools and documentation
	Communicates Risk Information	Communication and training
	Reports on Risk, Culture, and Performance	Aggregation and reporting Culture

3. Annex III – Policy Implementation timeline and ERM maturity



4. Annex IV - Roles and responsibilities

Governance	
Executive Board (Governing Body)	The Executive Board is regularly informed about the risk appetite levels defined by UNFPA in its ERM policy and risk appetite statement . It receives annual updates on the status of implementation, effectiveness, and results of the ERM process to allow member states to understand and provide advice regarding significant risk exposures faced by UNFPA.
Oversight Advisory Committee (Advisory to the Executive Director with periodic reporting to Governing Body)	The OAC independently reviews the UNFPA risk management process, risk exposure, and the steps taken to manage risks. It provides advice to the Executive Director to enhance the design and operating effectiveness of the ERM process.
UN Board of Auditors	Provides observations and assessments of UNFPA's internal controls and related risks and the effectiveness of the ERM process.

Title	Roles and Responsibilities
Executive Director	<p>The Executive Director has the overall responsibility and accountability for sound risk management, which is a key integral part of strategy and objectives setting.</p> <p>To ensure that UNFPA's strategic objectives are met requires the Executive Director's direct sponsorship of the risk management process by:</p> <ul style="list-style-type: none"> ● setting the tone of the organization for risk management establishes the related organizational governance arrangements and actively reinforces the risk management culture through communication and leadership

		<ul style="list-style-type: none"> ● Promoting the development of a culture that supports effective risk management and innovation and that encourages informed and balanced risk-taking in line with UNFPA's risk appetite; ● Providing strategic direction for setting risk appetite at levels commensurate with UNFPA strategic objectives and constraints; ● Ensuring that risk management is embedded into decision-making processes across the organization; ● Ensuring that adequate resources are allocated to enable effective risk management; ● Enforcing the responsibility and accountability of senior managers for ensuring risks are adequately managed within their areas of responsibility.
Executive Committee		<ul style="list-style-type: none"> ● Setting the vision and objectives for ERM; approving the UNFPA risk policies, Risk Appetite Statement; Integrated Risk Framework; ERM annual plan and calendar; and providing advice and endorsing decisions on significant or pervasive risk exposures and the appropriate risk response strategies. ● Advising and supporting the Chief Risk Officer in identifying, assessing, and mitigating strategic risks at the corporate level.
Third-line roles		
Office of Audit and Investigation Services		<ul style="list-style-type: none"> ● Providing independent and objective assurance and advice on the adequacy and effectiveness of governance and risk management ● Providing relevant feedback and advice for identifying risks and areas where UNFPA operates outside risk appetite, assessing the operating effectiveness of the ERM process, and improving its design and performance.
Second-line roles		

<p>Deputy Executive Directors & Divisional Directors</p>		<ul style="list-style-type: none"> Supporting and overseeing risk management for the programmes, projects, and key business processes managed by the headquarters units reporting to them and ensuring that their risk exposures are adequately identified and remediated or escalated, as required.
<p>Regional Directors <i>(in their second-line role)</i></p>		<ul style="list-style-type: none"> Supporting and overseeing risk management at the country offices that report to them and ensuring that their risk exposures are adequately identified and remediated or escalated, as required.

<p>Chief of Staff, Office of the Executive Director as Chief Risk Officer</p>		<p>Is the ultimate champion of ERM and provides leadership and direction to the ERM Secretariat</p> <ul style="list-style-type: none"> Management and oversight of the end-to-end ERM process across UNFPA. Overseeing the development and regular updating of the ERM policy, risk appetite statement, and ERM Guidebook. Reporting and communicating to Senior Management, Executive Committee, and the governing bodies,^{xxii} for advice and decisions, as necessary, on UNFPA's risk exposures (i.e., the areas where UNFPA operates outside the defined risk appetite levels) and the appropriate risk response strategies, including increased managerial oversight, through proper tools. Ensuring that requirements and recommendations from oversight bodies and functions and best practices in the field are considered, and necessary adjustments are made to the ERM process accordingly. Chairing the Headquarters Risk Committee <p>Under the guidance and leadership of the Executive Committee</p>
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	<ul style="list-style-type: none"> ● Leading risk management process for the risk related to the design and implementation of the UNFPA Strategic Plan and other corporate-level risks under the strategic component.
<p>ERM Coordinator & Enterprise Risk Management Secretariat (ERMS)</p>	<p>Under the overall leadership and guidance of the Chief Risk Officer, supervises the ERM Secretariat:</p> <ul style="list-style-type: none"> ● Designing and coordinating risk management and related processes in UNFPA and monitoring their effectiveness. <p>RISK FRAMEWORK OWNERSHIP</p> <ul style="list-style-type: none"> ● Maintaining the UNFPA IRF, risk registers, and the risk response library, which are the bases for risk assessment, response, aggregation, and reporting; Also ensuring that it reflects the list of common risk factors and their causes to support and facilitate the identification of relevant risk by UNFPA management and personnel. ● Supporting the Chief Risk Officer in discharging responsibilities through the design, management, and coordination of the UNFPA ERM process and ensuring that it operates effectively. <p>SUPPORT TO THE ERM PROCESS</p> <ul style="list-style-type: none"> ● Defining the annual ERM calendar. ● Quality-assuring the risk assessment and response activities regularly to ensure that all relevant risks are identified, correctly, and consistently assessed and that adequate risk responses are put in place to efficiently and effectively address significant risk exposures. ● Monitoring, with support of the OCMC, the status of implementation of risk response actions; <p>MONITORING</p>

		<ul style="list-style-type: none"> ● Establishing the processes and tools required (including regular monitoring of financial, programmatic, and operational data and indicators) to ensure that risk assessments and response plans are timely updated in response to new and emerging risks and events (including changes in the context, size, or complexity of the programme and operational activities) that could significantly affect the risk exposure of UNFPA business units and programmes. ● Monitoring and reviewing the ERM process for continuous improvement. <p>AGGREGATION & REPORTING</p> <ul style="list-style-type: none"> ● Analyzing and aggregating risks identified at country, regional, headquarters, as well as for significant Strategic, Programmes, Project, business processes, and other IRF components to develop a holistic view of UNFPA risk exposure, identify trends, prioritize risks, and identify consistent risk response strategies; ● Quarterly Reporting to the UNFPA Executive Committee upon completion of risk assessments and response plans, as regards key risk exposures and ● Regular reporting regarding the implementation status of risk response actions, the areas where UNFPA continues to operate outside the established risk appetite levels, the resulting risk exposures, and the activities required to mitigate the risk. ● Reporting risks that require the Executive Committee's attention or other senior management levels. <p>TRAINING AND LEARNING MATERIAL</p> <ul style="list-style-type: none"> ● Responsible for the development and presentation of general and specialized training courses on risk management, as well as a risk communication strategy and events, which serve the following purposes: <ul style="list-style-type: none"> ○ Enhance risk awareness and culture; ○ Ensure a consistent approach to risk management across the organization;
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		<ul style="list-style-type: none"> o Provide required knowledge and guidance regarding roles and responsibilities for risk management, including risk identification and assessment tools and techniques, risk response options, and risk escalation and reporting. ● Developing and maintaining an ERM Guidebook containing relevant ERM policies, guidelines, and processes to manage risk across the different functional areas, ensure they remain relevant, reflect experience and lessons learned from its implementation, and consider risk management literature standards and guidance changes. <p>OTHERS</p> <ul style="list-style-type: none"> ● Representing UNFPA at interagency risk management initiatives and bodies. ● Coordinating the activities of the headquarters risk committee.
<p>Heads of relevant headquarters units as corporate risk owners of risk areas or risk factors</p>		<ul style="list-style-type: none"> ● Establishing comprehensive risk-control frameworks for the functional area/business processes for which they have been designated as process /risk owners; ● Defining and operationalizing risk metrics for these business processes; ● Putting in place adequate second-line controls to ensure that internal controls operate effectively and mitigate the risks identified and report on their results.
<p>Headquarters and Regional Risk committees</p>		<p>The terms of reference and the membership of the committees will be further detailed in the ERM Guidebook. The membership of the respective Headquarters and Regional Risk committees will be based on the functions. It will be composed of subject matter experts with the combined programmatic, technical, operational, and financial management knowledge and expertise required for an effective assessment of and response to risks. Risk Committees membership is functional and not personal.</p>

		<ul style="list-style-type: none"> • Providing advice and support to the deputy executive directors, divisional and regional directors, and the CRO to discharge their risk management process responsibilities. • Enabling the validation of risk assessments and risk response plans for risk areas operating outside the established risk appetite levels.
Oversight Compliance Monitoring Committee (OCMC)		<p>RISK RESPONSE FOLLOW-UP</p> <ul style="list-style-type: none"> • Monitoring and reporting the status of implementation of risk response actions every quarter • Escalating to senior management any actions not timely or effectively implemented that continue to originate significant risk exposures.
ICT Board		<p>OVERSIGHT OF ICT COMPONENT OF THE IRF</p> <ul style="list-style-type: none"> • Monitoring and advising on the risk related to the ICT component of the IRF and the ICT projects
Programme Review Committee (PRC)		<p>OVERSIGHT OF PROGRAMME COMPONENT OF THE IRF</p> <ul style="list-style-type: none"> • Monitoring and advising on the risk related to the Programme component of the IRF.
First-line Roles		
Heads of units		

<p>Heads of country offices; heads of representation offices; heads of headquarters units (divisional directors and branch or office chiefs); and regional directors;</p>	<p>Key' on the ground' responders to the key risks UNFPA faces in implementing its programmes (including country, regional and global programmes) and execution of operational processes.</p> <ul style="list-style-type: none"> ● Effective end-to-end management of the risks and opportunities related to the units, programmes, projects, and processes they manage. ● Setting the 'tone at the middle' and embedding and sustaining effective management of the risks. ● Raising the risk awareness of the personnel they supervise (i.e., ensuring they understand the risks faced by UNFPA and their potential impact) and their understanding of the UNFPA internal control framework; ● Promoting effective and timely planning and the use of consultations and quality assurance mechanisms as pillars of effective risk management; ● Managing the risks related to the programme components for which implementation they are responsible and for allocating the resources required to that effect <p>RESPONSIBILITY FOR COMPLETING RISK ASSESSMENTS</p> <ul style="list-style-type: none"> ● Completing the risk assessments for the programmes, business units, processes, and projects they manage, in line with this policy's requirements and other risk management guidelines and the ERM calendar issued by the ERMS. <p>RESPONSIBILITY FOR RISK RESPONSE AND ESCALATION</p> <ul style="list-style-type: none"> ● Designing and implementing (in consultation with all relevant local, regional, and global stakeholders) adequate response actions for any risks under their responsibility assessed as not being managed within the defined risk appetite levels.
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		<ul style="list-style-type: none"> Escalating to the appropriate management levels if available risk response actions will not allow them to manage the risks within the established risk appetite levels or if there is a need for acceptance of a higher risk level.
Designated Programme/Project managers, Heads of the Global, Regional programmes		<ul style="list-style-type: none"> Managing risks related to global and regional programmes, corporate initiatives, and projects at all levels at which they are implemented with the support and under the oversight of the heads of the units to which they report.
Director of the Information Technology Solutions Office (ITSO)		<ul style="list-style-type: none"> Managing the risks related to the ICT component of the IRF and the related ERM process activities.
Regional ERM Focal point		<ul style="list-style-type: none"> Supporting heads of the Regional Office in the discharge of their risk management responsibilities Serving as the main regional contact point for the ERMS. Coordinating regional risk committee meetings
Business unit Risk Focal point		<ul style="list-style-type: none"> Coordinating, supporting, and monitoring the ERM process activities in the department/business unit. Serving as the main contact point for the ERMS. Supporting heads of the unit in the discharge of their risk management responsibilities.
Risk focal point /alternate/support risk focal points		<p>Risk Focal points are assigned by the heads of the unit, for individual risks at global, regional, or country level, within a business unit for any IRF component based on the principle of who is 'best suited' to take responsibility for managing a or group of risks, on account of the persons' roles, competencies, and authority level, and noting that several people (as an alternate/support focal point) may need to be involved to that effect.</p>

		<ul style="list-style-type: none"> Ensuring that individual risks assigned to are adequately managed (i.e., effectively assessing and designing, and implementing agreed risk responses) with the support and under the oversight of the heads of the unit.
All UNFPA personnel/staff		<ul style="list-style-type: none"> Responsible for managing the risks that affect the achievement of objectives related to their work areas within their delegated authority.

5. Annex V - Integrated Risk Framework (IRF)

Integrated risk framework (IRF)

- The IRF provides a portfolio view of risks across the different organizational components (strategic, programmes, funding proposals, projects, processes, ICT, and Humanitarian) under different risk categories (external, delivery, fiduciary, operational, reputational, safeguarding).
- The IRF constitutes the backbone of the UNFPA ERM process. It allows UNFPA to take a holistic and systemic view of risks for effective prioritization of response actions by embedding ERM in UNFPA's strategic, operational, and programmatic planning, informing the design of the organization's internal controls and day-to-day decisions through a risk lens. The IRF must be developed as per the [proposed implementation plan \(Annex III\)](#) annexed to the policy. This must be reviewed and updated as needed, but at minimum, in conjunction with the mandatory review of this policy.

IRF component

- Strategic:** risks that can inhibit UNFPA's ability to achieve its strategic objectives. These risks are primarily related to the design and implementation of the UNFPA Strategic Plan and other risks associated with governance, management, and other contextual environmental factors at different levels in the organization.
- Programme:** risks related to the design and implementation of global, regional, and country programmes,^{xxiii} joint programmes implemented with other United Nations organizations, and large-scale individual programmes implemented by UNFPA field offices.
- Funding proposals:** risk related to the development of funding proposals with estimated budgets exceeding the threshold determined by the ERMS before submission to the

donors,⁹ as a basis for determining the required risk mitigation measures and estimating and budgeting their cost.

- d) **Project:** risks related to the design and execution of projects and corporate initiatives, such as innovation, system implementation, and change management initiatives, typically linked to operational effectiveness and efficiency goals in the UNFPA Strategic Plan.
- e) **Processes:** risks related to the design, implementation, and oversight of key business processes. Key processes include but may not be limited to procurement, supply-chain management, human resources, financial management, IP management, and programme management.
- f) **Information and Communication Technology (ICT): risks** related to the different ICT processes, including the cyber security risks assessed and managed following the information security policy and related procedures based on the ISO27001^{xxiv} framework. ICT risk management is subject to the governance and oversight of the ICT Board, based on the COBIT-5 framework.^{xxv}
- g) **Humanitarian:** Risks related to the design, implementation, and oversight of interventions in humanitarian and emergency settings.

IRF risk categories

3. The IRF is structured around six risk categories:
 - a) **External:** risks related to the context in which the programme implementation and operational activities take place that could affect the achievement of intended results. It includes operating in fragile contexts and/or conflict-affected countries or countries facing economic, political, or environmental instability and high corruption levels. External context risks include political and social opposition to UNFPA activities and mandate, as well as country, regional, and global-level policy shifts that might affect programme activities, such as reductions in donor funding or changes to national legislation, as well as corruption levels.
 - b) **Delivery:** risks related to the lack of or insufficient capacity of UNFPA and its partners to effectively implement planned programme activities and achieve the intended objectives. It refers to the events or circumstances that could potentially undermine the effectiveness of UNFPA's development or humanitarian assistance. These risks can include lack of or insufficient resources or capabilities, such as weak national supply chains affecting the effective and timely delivery of goods or services to beneficiaries,

⁹ The threshold applies to co-financing agreements only. All global, regional and Country programmes need to be subject to a risk assessment at the time they are developed regardless of their amount.

lack of required assets and infrastructure, and/or limited human resources to implement complex programmes.

- c) **Operational:** risks related to the lack of alignment of essential internal operational capabilities (resources, competencies, systems, and processes) to those required for effective implementation of UNFPA's programme activities. This category refers primarily to the risks related to essential UNFPA support services, such as (a) human resources; (b) procurement; (c) finance (including treasury management); (d) supply-chain management; (e) information and communications technology, and (f) safety & security.
- d) **Fiduciary:** risks related to UNFPA's ability to achieve value-for-money, manage, and safeguard its assets effectively, prevent financial commitments in excess of available resources, ensure funds are used for the intended purposes and prevent waste or losses (including those arising from fraudulent and other proscribed practices) or liability to UNFPA. It also refers to conflicts of interest that could adversely affect accountability for donors' contributions. Realization of fiduciary risk can be due to a variety of factors, including lack of essential capabilities, inefficiency, and fraudulent and other proscribed practices.
- e) **Reputational:** risk of damaging UNFPA's standing or credibility in the eyes of relevant stakeholders, such as donors, the interagency community, host-country governments, multilateral institutions, implementing partners, beneficiaries, and the public at large. Reputational risk can arise from communication failures. It can also arise from inappropriate behavior and actions of our personnel and implementing partners, misuse of funds, major programme or operational failures, or other issues regarding the successful delivery of programmes. It is one of the most potentially damaging risks faced by UNFPA, as it may undermine the confidence of key stakeholders.
- f) **Safeguarding:** risks of unintended harm to people (including UNFPA beneficiaries, personnel, and implementing partners) or the environment as a result of our programmes and operational activities. It includes social and environmental risks such as the risk of harassment, sexual harassment, sexual exploitation and abuse, violations of security, health and safety standards, risks posed by labor and working conditions, and environmental damage, among other risks that impede sustainability and accountability of UNFPA programming¹⁰. The safety and security risks are governed by the United Nations Security Management System (UNSMS) Framework for Accountability and the UNFPA Security Accountability Policy. UNFPA's security policies and procedures are aligned with the UNSMS policies and procedures, developed, reviewed, and approved by the Inter-Agency Security Management Network (IASMN), the High-Level Committee on Management (HLCM), and the Chief Executive Board (CEB).

¹⁰ [UNFPA Social and Environmental Standards for Programming](#)

IRF Applicability of risks to the business units

4. The IRF interlinks and gives the ability to map the risks under the different IRF components to the relevant UNFPA business units. A customized risk register must be available for each business unit based on its role and the applicability of relevant risks, with an option to add any new risks during the risk identification stage. The [ERM Guidebook](#) has more details.

6. Endnotes

[i] Including but not limited to: (i) processes and practices in place at UNFPA at the time the policy was developed; (ii) the guidance and standards issued by recognized standards-setting and governance bodies including: (a) the [2017 Committee of Sponsoring Organizations of the Treadway Commission \(COSO\) enterprise risk management framework \(revised version of this Framework published in June 2017\)](#); (b) the Institute of Internal Auditors (IIA); (c) the [Chief Executives Board for Coordination \(CEB\) - High-Level Committee on Management \(HLCM\) - Risk Management Task Force](#); and (d) the Joint Inspection Unit (JIU), in particular the [2020 report of the JIU “Enterprise Enterprise risk management: approaches and uses in United Nations system organizations” JIU/REP/2020/5](#).

[ii] JIU/REP/2020/5, benchmark 1 - “Adoption of enterprise risk management framework and policy (...) linked to the organization’s strategic plan”.

[iii] Extract from the JIU report “Enterprise risk management approaches and uses in United Nations system organizations”.

[iv] HACT - Harmonized Approach to Cash Transfers Framework of the United Nations Sustainable Development Group. A risk-based approach that establishes common principles and processes for managing cash transfers to implementing partners. Available at <https://unsdg.un.org/resources/harmonized-approach-cash-transfers-framework> and the policies and procedures established by UNFPA to operationalize the HACT Framework.

[v] A risk-based process established by UNFPA to provide assurance that programme supplies delivered by UNFPA are adequately managed and safeguarded by implementing partners across all levels of the supply-chain, minimizing waste and fraud, and reach the service delivery points where beneficiaries can access the supplies in a timely and effectively manner. Available at <https://www.unfpa.org/last-mile-assurance>, and at the Policies and Procedures Manual and the Financial Management Community.

[vi] JIU/REP/2020/5 - benchmark 1, link to Strategic Plan.

[vii] JIU/REP/2020/5 - benchmark 6, systematic and dynamic processes.

[viii] COSO Enterprise Risk Management - Integrating with Strategy and Performance, June 2017.

[ix] COSO Enterprise Risk Management - Integrating with Strategy and Performance, June 2017.

[x] COSO Enterprise Risk Management - Integrating with Strategy and Performance, June 2017.

[xi] [COSO ERM Risk Assessment in Practice. Thought-Paper. October 2012](#).

[xii] [The IIA’s Three Lines Model - An update of the Three Lines of Defense. The Institute of Internal Auditors, July 2020](#).

[xiii] The Three Lines Model (The Institute of Internal Auditors Inc, January 2013 updated in July 2020) is adopted by the High-level Committee on Management of the Chief Executives Board for Coordination (CEB).

[xiv] JIU/REP/2020/5, benchmark 2 - Internal organizational structure for enterprise risk management.

Governance and Organizational Structure is the second substantive dimension of the [RMM](#) published by the HLCM. This dimension “sets out the internal risk governance structure, the appropriate delegated authority, roles and responsibilities, and organizational entities to assure the effective management of risk. Subdimensions: Governance structure; Delegation of authority; Function”. UNFPA will assess this dimension in accordance with the guidance and recommendations from the model.

[xv] JIU/REP/2020/5, benchmark 5 - Integration of enterprise risk management.

Enterprise Risk Management (ERM) Framework and Policy is the first substantive dimension of the [Reference Maturity Model for Risk Management \(RMM\)](#) published by the High-Level Committee on Management (HLCM). This dimension includes “the collection of policies, procedures and other documents that together describe how the organization undertakes its risk management. Subdimensions: Framework implementation and appetite; Framework components and coverage”.

[xvii] JIU/REP/2020/5, benchmark 4 - Role of legislative/governing bodies in enterprise risk management.

[xviii] JIU/REP/2020/5, benchmark 9 - Periodic review for continuous improvement.

[xix] JIU/REP/2020/5, benchmark 8 - Communication and training plans to create risk awareness, promote risk policy and establish risk capabilities for the implementation of ERM. Risk capabilities is the fifth substantive dimension of the [RMM](#) published by the HLCM. They “are the skills, ability, knowledge and capacity that an organization must effectively manage risks to deliver its results. Subdimensions: Competencies; Capacity; Reporting”. UNFPA will assess this dimension in accordance with the guidance and recommendations from the model.

[xx] JIU/REP/2020/5, benchmark 10 - Inter-agency cooperation and coordination for systematic knowledge sharing and management of common and/or United Nations system-wide risks.

[xxi] JIU/REP/2020/5, benchmark 7 - Information technology systems and tools for enterprise risk management.

Systems and tools is the fourth substantive dimension of the [RMM](#) published by the HLCM. They “are the IT components used to record, analyze, integrate and communicate/report on risk information. Subdimensions: Platforms, systems, and tools; Links to other systems”. UNFPA will assess this dimension in accordance with the guidance and recommendations from the model.

[xxii] JIU/REP/2020/5, benchmark 4 - Role of legislative/governing bodies in enterprise risk management.

[xxiii] Covers all the spectrum of UNFPA programmes, including global programmes, such as the UNFPA Supplies Partnership and the joint Programme to Eliminate Female Genital Mutilation; the Global and Regional Interventions (GRI); country programmes; and large individual programmes implemented at regional and country level, regardless of their funding sources.

[xxiv] [ISO/IEC 27001](#) is the ISO standard which specifies the requirements for establishing, implementing, maintaining, and continually improving an information security management system within the context of the organization.

[xxv] COBIT (Control Objectives for Information and Related Technologies) is the IT management framework developed by the ISACA to help businesses develop, organize, and implement strategies around information management and governance.