


## FROM THE EXECUTIVE OFFICE

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14 May 2009

**FOR ACTION**

To: Global Management Team  
Representatives and Deputy Representatives  
Deputy Division Directors

From:   
Omar Abdi  
Deputy Executive Director

cc: Change Management Office

Subject **Enterprise Risk Management in UNICEF**

The purpose of this memo is to issue UNICEF's Risk Management Policy.

The complex programming environment in which UNICEF operates presents managers with a considerable degree of uncertainty, challenging their ability to maintain strategic focus and ultimately deliver results for children. To be successful, UNICEF managers must be able to analyze their environment to identify opportunities to pursue, and risks to manage, which is the essence of Enterprise Risk Management (ERM). ERM is a systematic and integrated approach to manage opportunities and risks.

In 2009, the ERM initiative will focus on four major priorities:

1. Ensure that UNICEF core business processes and related guidance are risk-informed and amended accordingly.
2. As part of the UNICEF Change Management initiative, develop risk management training material, and train Headquarters, Regional and Country Offices to apply the risk management philosophy and principles in their work. Based on an assessment of the training needs of HQ and field offices, additional modules to manage specific risk categories – i.e., financial or procurement – will be developed and rolled-out with the relevant HQ Divisions.

3. Establish corporate Risk Governance:
  - a. Establish a Senior Staff Risk Committee to provide corporate risk governance and direct risk management activities in UNICEF.
  - b. Establish an Risk Management Secretariat to support the Senior Staff Risk Committee and to serve as the focal point for the ERM initiative.
  - c. Develop a network of Risk Liaisons to assist with ERM implementation and to act as a reference group for the development of training materials and roll-out.
4. Coordinate with inter-agency partners to harmonize risk management approaches.

It is expected that by the 2012-2013 biennium, all UNICEF policies and procedures, and all office work plans, will be systematically risk-informed. This means that staff will be supported through training to apply risk-management practices to assess controls, practices and plans to ensure they are context-appropriate. In 2009, risk management training will focus on a risk-informed approach to creating programme results and orienting Risk Liaisons. In 2010 select field and Headquarters staff will be trained to apply a risk-informed approach to business process improvement and to conduct the *Risk and Control Self-Assessment*, the first of which will be required at the end of 2010. Additional risk management training may be undertaken in some offices to address particular needs. Based on lessons learned during training development and roll-out, the Risk Management Guide will be issued at the end of 2009.

The Risk Management Secretariat will communicate with you directly on the next steps.

We count on your full participation and support.

Thank you.