

**UNICEF Enterprise Risk Management  
Instruction 1: Risk Assessment and Reporting, 2015**

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## UNICEF Enterprise Risk Management Instruction 1: Risk Assessment and Reporting, 2015

### A. OVERVIEW

1. Reference is made to CF/EXD/2009-006, in which UNICEF adopted Enterprise Risk Management (ERM). This instruction lays out the reporting requirements for 2015. The following applicable Offices must identify and report on the most significant specific risks to the achievement of their expected programme / office results and management objectives for 2015 (e.g. UNICEF reputation, resource mobilization, both public and private, protection of resources, staff safety and security, and continuity of operations):
  - a. All Country Offices preparing a CPMP for submission to a PBR in 2015 (i.e., all Country Offices presenting new CPDs to the Executive Board in 2015);
  - b. Country Offices with substantial revisions to their CPMP as a result of a mid-term review or other major event;
  - c. All Regional Offices;
  - d. All HQ Divisions; and
  - e. Country Offices that prepared a CPMP for submission to a PBR in 2013 or 2014, or Country Offices that had substantial revisions to their CPMP in 2013 or 2014 as a result of a mid-term review or other major event and have not yet submitted their RCSA.  
*If extenuating circumstances continue to prevent RCSA reporting, contact the ERM Secretariat in DFAM NYHQ for assistance.*
2. All applicable Offices are to identify and report the five to ten most significant risks (however, there is no minimum or maximum) in the *Country Office / Regional Office / Division Risk Assessment Input Form* (Risk Assessment Input Form) of the inSight ERM Tab. (Instruction on how to use inSight ERM can be found in Annex A.) document. For applicable Offices, the deadline for reporting in inSight is **28 February 2015**.
3. For all Country Offices submitting their risk assessment that have structured private sector fundraising activities or other forms of private sector engagement, consider the specific risks related to those private sector activities.  
*For further guidance on this, please contact your Private Sector Regional Support Team.*
4. As in previous years, all Offices should continue to consider significant risks in preparing their annual management plans and report on measures taken to manage significant risks in their annual reports. All Offices that wish to report risks in the inSight ERM Tab, are welcome to do so.

### B. ENTERPRISE RISK MANAGEMENT (ERM) – BACKGROUND

5. UNICEF is committed to implementing [Enterprise Risk Management](#) (CF/EXD/2009-006). ERM is a systematic and proactive approach to identifying, assessing, and managing risks and opportunities across UNICEF using a common language and framework in order to facilitate the achievement of its objectives and planned results.
6. In addition to assisting UNICEF in better managing risks, stakeholders- including the Executive Board, donors, sponsors of multi-lateral reviews, as well as OIAI and the UNICEF Audit Advisory Committee, expect UNICEF to have systematic organization-wide risk management processes in place. The risk control self-assessment is one component of systematic risk management.

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7. ERM should help staff to identify and assess risks in order to accept and better manage them. Staff should identify opportunities to increase success. Management should encourage innovation and responsible risk-taking and discourage lack of risk-taking where the achievement of results may be constrained.
8. Risks that could have an impact on institutional objectives (e.g. UNICEF reputation, resource mobilization, protection of resources, staff safety and security and continuity of operations) or cannot be dealt with by the office (e.g. because they require a change in strategy or policy) should be escalated to the appropriate risk owner or regional office, and timely and appropriate actions should be taken (for the elements of the risk that are within UNICEF's control).

### **C. USE AND APPLICATION OF THE RISK ASSESSMENT PROCESS**

9. The risk assessment process should contribute to the alignment of resources with significant risk mitigation and the establishment of an effective office management plan. Risk information in inSight ERM will help to inform UNICEF's organization-wide risk profile and improve the design of corporate strategies, policies, and guidance.

### **D. DEVELOPING THE RISK ASSESSMENT**

#### **Identifying and analysing risks**

10. The initial stage of the risk assessment process requires the identification of risks. Risks are potential events and circumstances that could affect the achievement of programme or office results, i.e. expected results outlined in the CPMP / ROMP / OMP, and management objectives, e.g. risks for UNICEF's reputation, resource mobilization, protection of resources, staff safety and security, and continuity of operations. They can be a threat to success or an opportunity to increase success. For UNICEF, a significant risk is one which has a high, very high, or extreme risk level based on likelihood and impact.
11. Risks may be identified by collecting information from relevant management and staff through discussion, workshops, and/or surveys and other means. Risks may also be identified by analyzing the challenges behind previous programme and office performance, audit and evaluation observations, previous risk assessments and previous incidents, e.g. interruptions in business continuity.
12. When identifying risks, it is important to think widely about potential internal and external factors that could affect the achievement of results and management objectives. Offices should define significant risks as they recognize them, however, to help prompt the broad consideration of potential areas of risk, Offices should consider the 12 UNICEF risk areas established in 2013 (listed below and mapped to the previous (2010-2012) ERM risk areas in Annex B.)

#### **Risk Category/Area**

##### **Institutional**

1. Fraud and Misuse of Resources
2. Funding and External Stakeholder Relations
3. Governance and Accountability

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### 4. Organizational Strategy and Neutrality

#### Programmatic and Operational

5. Results-based Management and Reporting
6. Budget and Cash Management
7. Human Resources / Unethical Behavior
8. Supply and Logistics
9. ICT Systems and Information Security

#### Contextual

10. Safety and Security
11. Natural Disasters and Epidemics

#### Other

12. Undefined / Unclassifiable

13. When identifying risks, Offices should consider the risk drivers / root causes, the potential impact of the risk, if it were to occur, on the achievement of programme and management objectives and the control / risk mitigation measures that are in place to manage the risk.

### Rating residual risks

14. When rating residual risk, the Office must consider the control / risk mitigation measures that are in place to address each risk, and their effectiveness in addressing the risk, and taking these into consideration, make an assessment of the 'residual' risk likelihood and impact.
15. *Likelihood* of each residual risk is assessed using a five-point scale:

**Risk Likelihood Rating Table**

Likelihood Rating	Definition	Description
1	Unlikely	The risk is unlikely to occur before the expected time of the achievement of the objective (less than 20% chance)
2	Possible	The risk is seen as possible to occur before the expected time of the achievement of the objective (between 20% to less than 50% chance)
3	Likely	The risk is seen as likely to occur before the expected time of the achievement of the objective (approximately 50% chance)
4	Almost Certain	The risk is seen as almost certain to occur before the expected time of the achievement of the objective (between 50% to less than 80% chance)
5	Certain/ Imminent	The risk is expected to occur before the expected time of the achievement of the objective (over approximately 80% chance)

16. *Impact* is assessed using a five-point scale. Each residual risk must be assessed in terms of the overall impact it would have, if it were to occur, on programme and management objectives. The table below provides broad indicators that can be used to guide the assessment of impact. The relevance of all aspects should be considered to determine the overall impact rating of a residual

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risk, e.g. if the financial impact of a risk is negligible but the impact on reputation is critical, the overall impact could be considered critical.

**Risk Impact Rating Table**

Impact rating	Definition	Results	Reputation	Safety and security	Financial / Resources
1	Negligible	No substantive impediment to the achievement of results	Not applicable or limited impact	Not applicable or limited impact	<1% office budget
2	Minor	Minor impact on the timeliness or achievement of results	Isolated external comments within a country	Minor impact on safety and security	1-2% office budget
3	Moderate	Some elements of results will not be achieved or will be delayed	Several external comments within a country	Injuries requiring medical attention	<2-3% office budget
4	Major	Significant elements of results will not be achieved or will be significantly delayed	Comments in international media/forum	Major impact on safety and security	3-5% office budget
5	Critical	Results will not be achieved	Reports in key international media for more than one week	Fatalities or injuries requiring hospitalization	>5% office budget

17. The residual risk significance level is determined taking into consideration the likelihood and impact ratings:

**Risk Level Matrix**

Impact	5 Critical	Low	Medium	High	Very high	Extreme
	4 Major	Low	Medium	High	High	Very high
	3 Moderate	Very low	Low	Medium	High	High
	2 Minor	Very low	Low	Low	Medium	Medium
	1 Negligible	Very low	Very low	Very low	Low	Low
		1- Unlikely	2 – Possible	3 - Likely	4 – Almost certain	5 – Certain / imminent
Likelihood						

### Actions to further manage significant risks, accepting risk and risk escalation

18. The Office must decide if additional actions are required to manage residual risks. If the residual risk is very low, low, or medium, no further action is likely to be required. The Office must periodically monitor the efficiency and effectiveness of its risk mitigation measures and whether the risk significance level has risen. If the risk level is high, very high or extreme, the Office should determine the most appropriate response, i.e. whether to avoid, accept, transfer / share, or further control the risk. The office must define what action is required, by who, and when.

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19. Offices must incorporate the actions identified into relevant work plans and staff performance assessment assignments and ensure that risk mitigation measures are implemented. During the next annual management review, the Office must review its high, very high and extreme risks to assess whether the risk significance level has decreased or other significant risks have emerged.
20. In some cases, escalation of a risk may be necessary. A risk should be escalated if the Head of Office considers that the risk meets one or more of the following criteria:
  - a. The risk significance level is extreme or considered unacceptable;
  - b. Actions required to manage the risk are not adequately covered by existing policy;
  - c. Managing the risk requires resources beyond those of the office;
  - d. The risk could have a wider impact beyond the office;
  - e. The risk cuts across multiple Offices; and/or
  - f. Management of the risk requires corporate action or policy change.
21. Risks requiring escalation should be escalated to the relevant regional office or risk owner. Risk owners have been identified for each of the 12 UNICEF risk areas (Annex C). In cases where it is not known to whom the risk should be addressed, Offices may escalate the risk to the global ERM Manager in DFAM NYHQ, who will review and direct it to the appropriate risk owner.
22. Risk owners are responsible for promptly acting on requests for support in managing risks that have been escalated by Country Offices, Regional Offices and other HQ Divisions.

### **Monitoring and managing risk**

23. Offices must, at a minimum annually, monitor the status of actions defined to manage significant risks and assess / update its risk assessment for emerging and declining significant risks. This can be done by including the significant risks and relevant actions plans in the annual management plan and involving the office management team in periodic monitoring. Offices should review the relevance of their risk assessment, at minimum during annual and mid-term reviews and update the Risk Assessment Input Form in the ERM module of inSight, when significant risks change.
24. This risk assessment process as outlined, can be used to enhance all forms of programmatic and managerial planning and decision making. Risk-informed planning and decision making means that plans and decisions are made upon consideration of the risks and opportunities and their significance (likelihood and impact) in relation to the expected results and the context of the particular situation.

## **E. CONTACT**

For further information, contact:

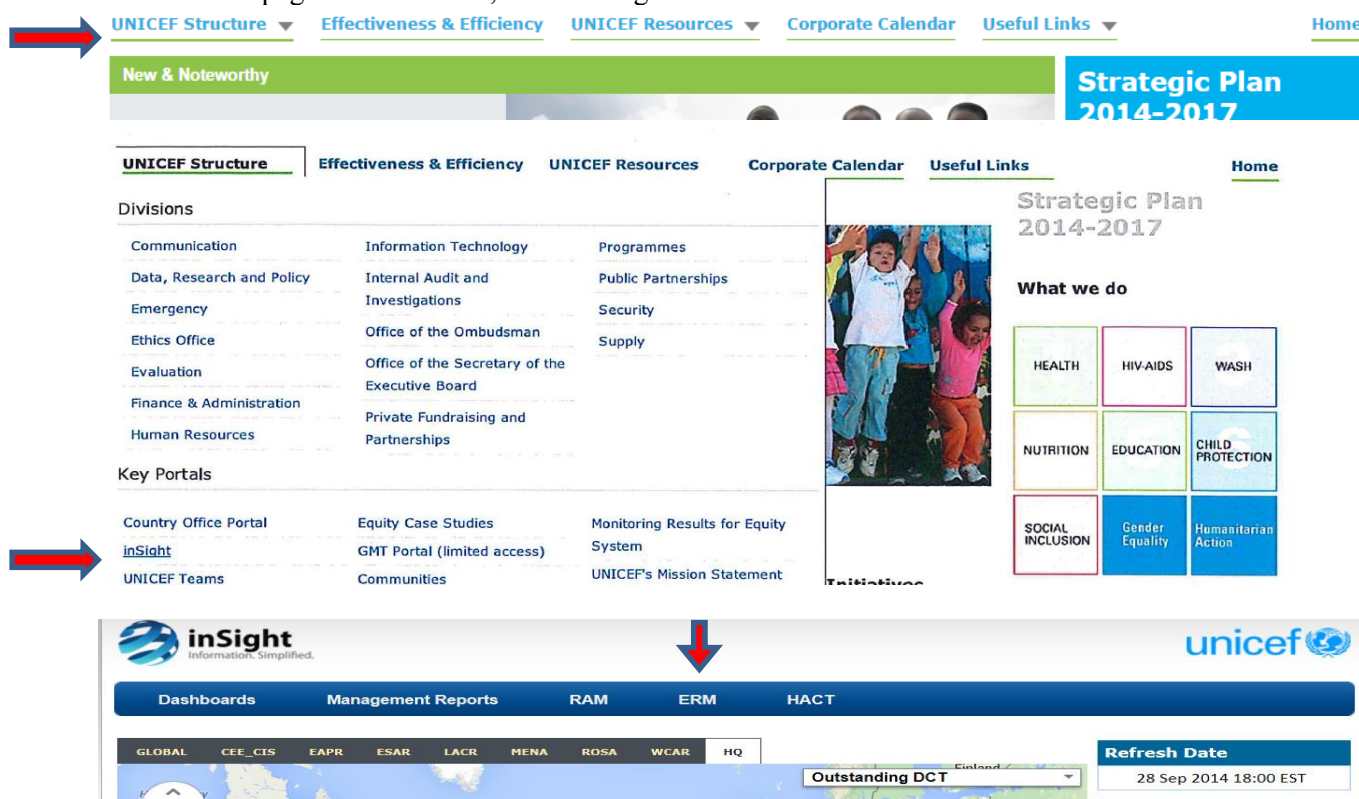
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**Annex A**

**ANNEX A - DOCUMENTING SIGNIFICANT RISKS AND USING THE RISK ASSESSMENT  
INPUT FORM IN INSIGHT**

1. In two to three paragraphs, Offices must summarize their significant risks in the CPMP / ROMP / OMP document and enter those significant risks (recommended five to ten, however, no minimum or maximum) in the Risk Assessment section of inSight.
2. The Risk Assessment section provides the office with an overview of its significant risks for monitoring purposes. Offices are also able to view significant risks and risk management measures identified by other Offices.
3. The Risk Assessment module is accessed through inSight, hovering over “UNICEF Structure” on the home page of the intranet, and clicking “ERM”:



The screenshot shows the UNICEF intranet home page. At the top, there is a navigation bar with links: [UNICEF Structure](#), [Effectiveness & Efficiency](#), [UNICEF Resources](#), [Corporate Calendar](#), [Useful Links](#), and [Home](#). A red arrow points to the [UNICEF Structure](#) link. Below the navigation bar, there is a section titled "New & Noteworthy" with a "Strategic Plan 2014-2017" banner. The main content area is divided into three columns. The left column is titled "UNICEF Structure" and contains a list of Divisions: Communication, Data, Research and Policy, Emergency, Ethics Office, Evaluation, Finance & Administration, and Human Resources. Below this is a section titled "Key Portals" with links to Country Office Portal, inSight, UNICEF Teams, Equity Case Studies, GMT Portal (limited access), Communities, Monitoring Results for Equity System, and UNICEF's Mission Statement. A red arrow points to the [inSight](#) link. The middle column contains a "Strategic Plan 2014-2017" banner and a "What we do" section with a grid of icons for HEALTH, HIV-AIDS, WASH, NUTRITION, EDUCATION, CHILD PROTECTION, SOCIAL INCLUSION, Gender Equality, and Humanitarian Action. The right column contains a "Strategic Plan 2014-2017" banner. At the bottom, there is a section titled "inSight" with a navigation bar: [Dashboards](#), [Management Reports](#), [RAM](#), [ERM](#), and [HACT](#). A red arrow points to the [ERM](#) link. Below the navigation bar, there is a map of the world with a dropdown menu showing "Outstanding DCT" and a "Refresh Date" of "28 Sep 2014 18:00 EST".


4. Information entered in the Risk Assessment section of inSight is accessible to all staff. If the Office has concerns about the confidentiality of a risk, it should consult with the global ERM Manager in DFAM NYHQ. **There is no restriction on who can input, save or delete a risk. Offices should be careful to ensure that their appropriate office / business area is selected.**
5. **Step 1:** Offices should select their Business Area from the drop down menu, e.g. Afghanistan – 0060, ESARO, Kenya – 240R, etc.





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**Country Office / Regional Office / Division Risk Assessment Input Form**

Business Area		Afghanistan - 0060	
Risk Title		Albania - 0090 Algeria - 0120 Angola - 6810 Argentina - 0240 Armenia - 0260 Azerbaijan - 0310 Bangladesh - 5070	
Year			
Risk Description			

6. **Step 2:** Each significant risk is entered separately in a Risk Assessment Input Form, following the risk assessment process described in section D- Developing the Risk Assessment. Instructions on filling out the form are outlined below:

**Country Office / Regional Office / Division Risk Assessment Input Form**

Business Area	Afghanistan - 0060
Risk Title	
Year	2014
Risk Description	
Risk drivers / root causes	
Potential impact of risk	
Risk Area	Fraud and Misuse of Resources
Description of what the office is doing now to mitigate the risk	
Residual risk likelihood	1 - Unlikely
Residual risk impact	1 - Negligible
Residual risk level	Very Low
Action plan to further manage the residual risk	
Escalate risk to higher level	<input type="radio"/> Yes <input checked="" type="radio"/> No
<input type="button" value="Save"/> <input type="button" value="Clear"/>	

	Risk Title	Risk Description	Updated By	Updated On	Action
Select			ravsharma@unicef.org	Sep 04, 2014	Delete

- a. **Risk Description:** Provide a brief description of the risk (approximately 50 words or less), e.g. *Income and resource concentration on a small number of key markets increases impact of*



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*a crisis or poor performance in such markets and may lead to missed opportunities in middle income countries, Opportunity: the growing number of public and private funding agencies provides opportunities to increase the amount of available resources for child related initiatives implemented by national partners.*

- b. **Risk drivers / root causes:** Provide a brief description of the drivers / root causes of each risk (approximately 50 words or less), e.g. *Legislative changes in key markets, inappropriate management structure and/or decisions in key markets, Opportunity: Growing number of public and private funding agencies.*
- c. **Potential impact of risk:** Provide a brief description of the potential impact of the risk (approximately 50 words or less), e.g.: *Potential fall in income (short term), decline in RR income (short and medium term) and/or growth potential remaining unrealised (medium and long term), Opportunity: Need for augmented staff competencies in advocacy.*
- d. **Risk Area:** From the drop-down menu, select one risk area from the 12 UNICEF risk areas that best summaries the nature of the risk. For more details regarding the 12 risk areas see Annex B. In cases where the office is unsure which risk area is the most relevant, it may select 'Undefined / unclassifiable'. These will be analysed by the global ERM Manager in DFAM NYHQ and Offices will be advised appropriately.
- e. **Description of what the office is doing now to mitigate the risk:** Describe what measures the office is taking to currently mitigate the risk (approximately 50 words).
- f. **Residual risk likelihood:** Considering the measures that are currently in place to mitigate the risk, including their effectiveness, select a likelihood value of 1 to 5 from the drop-down menu.
- g. **Residual risk impact:** Considering the measures that are currently in place to mitigate the risk, consider the impact that the risk would have, if it were to occur, on programme and management objectives, and select an impact value of 1 to 5 from the drop-down menu.
- h. **Residual risk level:** This field is automatically populated with the residual risk significance level according to the likelihood and impact selected.
- i. **Action plan to further manage the residual risk:** Describe the additional actions the office plans to take for further manage significant risks including 'by when' and 'by whom' (approximately 50 words).
- j. **Escalate risk to a higher level:** The office can choose to escalate a risk to the Regional Office or directly to a risk owner by selecting 'yes'. The default is 'no'. If 'yes' is selected, a drop down menu will appear for the office to select the office / division to which the risk should be escalated. If the office is unsure to whom it should escalate a risk, the office can select the 'Global ERM Focal Point (HQ ERM Secretariat)' who will analyse the risk and advise appropriately.
- k. The Risk Assessment Input Form is saved by pressing the 'Save' button and cleared by pressing the 'Clear' button. Once saved, the risk will be summarized in a list at the bottom of the screen.

	Risk Title	Risk Description	Updated By	Updated On	Action
Select					Delete

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- l. **Updated By and Updated On:** These fields will be automatically filled. The risk title and risk description in this section will also be automatically filled based upon the information entered in these sections in the beginning of the form.
- m. **Action:** For the current year, the office may wish to delete specific risk information as part of its updating.
7. Reports can be generated that will enable staff to extract: risks by office, risks by risk area, escalated risks, and risks by risk significance level.

#### Important Note:

The RCSA office selection portion of the software relies on organizational coding from the VISION system. Until the coding in VISION is updated and synchronized to the RCSA, the legacy division names remain in RCSA.

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**Annex B**

**ANNEX B - 2013 RISK AREAS AND MAPPING**

2013 Risk Areas		Map to 21 risk areas (2012 ERM)	Map to 26 risk areas (2010-2011 ERM)
<b>Category: Institutional</b>			
1	<p><b>Fraud and Misuse of Resources</b> Main risk owner: DFAM</p> <p>Actual or attempted use of deceit, falsehood, or dishonest means (including willful omission) by staff, non-staff personnel, partners, vendors and / or third parties to secure direct or indirect financial or material gain, personal advantage or other benefit, and includes fraudulent conduct, corrupt conduct, collusive conduct, coercive conduct, and obstructionist conduct (see: UNICEF Policy Prohibiting and Combatting Fraud and Corruption for further explanation of terms).</p> <p>Risk that resources (e.g. funds, assets) are not used in accordance with the terms of agreements, plans and applicable policies and procedures.</p>	<p>Links to elements of the following risk areas:</p> <ul style="list-style-type: none"> <li>Country Environment</li> <li>Partner Relations</li> <li>Ethics and Compliance</li> <li>Financial Management</li> <li>Supply and Logistics</li> <li>Systems and IT infrastructure</li> <li>Rewards and Sanctions</li> </ul>	<p>Links to elements of the following risk areas:</p> <ul style="list-style-type: none"> <li>Country Environment</li> <li>Partner Relations</li> <li>Management of third parties</li> <li>Ethics and Culture</li> <li>Financial Management</li> <li>Supply and Logistics</li> <li>Systems and IT</li> <li>Rewards and Sanctions</li> </ul>
2	<p><b>Funding and External Stakeholder Relations</b> Main risk owner: PFP / PPD</p> <p>Includes risks related to (examples):</p> <ul style="list-style-type: none"> <li>Funding</li> <li>External Stakeholders (donors, National Committees, private sector)</li> <li>Strategic relationships and partnerships</li> <li>Communication</li> </ul>	<ul style="list-style-type: none"> <li>Aid Environment and predictability of funding</li> </ul> <p>Links to elements of the following risk area:</p> <ul style="list-style-type: none"> <li>Partner relations (related to donors, National Committees)</li> </ul>	<ul style="list-style-type: none"> <li>Aid Environment</li> <li>Predictability of funding</li> <li>Management of Third Parties</li> </ul> <p>Links to elements of the following risk area:</p> <ul style="list-style-type: none"> <li>Partner relations (related to donors, National Committees)</li> </ul>
3	<p><b>Governance and Accountability</b> Main risk owner: OED</p> <p>Includes risks related to (examples):</p> <ul style="list-style-type: none"> <li>Roles, responsibilities, accountabilities</li> <li>Office structures, management and oversight</li> <li>UN Coherence</li> </ul>	<ul style="list-style-type: none"> <li>Governance and Accountability</li> <li>UN Coherence</li> </ul>	<ul style="list-style-type: none"> <li>Governance and Accountability</li> <li>UN Reform</li> </ul>
4	<p><b>Organizational Strategy and Neutrality</b> Main risk owner: OED – (Chief of Staff Focal Point)</p> <p>Includes risks related to (examples):</p> <ul style="list-style-type: none"> <li>Organizational strategy, mission and vision</li> </ul>	<ul style="list-style-type: none"> <li>Organizational strategy, mission and vision</li> <li>Neutrality</li> </ul>	<ul style="list-style-type: none"> <li>Strategy, mission and vision (organization)</li> <li>Neutrality</li> </ul>

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2013 Risk Areas		Map to 21 risk areas (2012 ERM)	Map to 26 risk areas (2010-2011 ERM)
	<ul style="list-style-type: none"> <li>• Neutrality</li> <li>• Ability to change</li> <li>• Knowledge management (organizational)</li> </ul>	Links to elements of the following areas: <ul style="list-style-type: none"> <li>• Knowledge management and Information Sharing</li> <li>• Ability to Change</li> </ul>	Links to elements of the following risk areas: <ul style="list-style-type: none"> <li>• Knowledge management and Information Sharing</li> <li>• Ability to Change</li> </ul>
<b>Category: Programmatic and Operational</b>			
5	<b>Results-based Management and Reporting</b> Main risk owner: DRP  Includes risks related to (examples): <ul style="list-style-type: none"> <li>• Programme planning, monitoring and evaluation, and reporting</li> <li>• Partner capacity for programme and financial management</li> <li>• Programme ownership and sustainability</li> <li>• Programme partnerships</li> <li>• Ability to innovate and adapt to country environment and previous results achievement</li> <li>• Strategy around organizational priorities</li> <li>• Data and programme knowledge management</li> </ul>	<ul style="list-style-type: none"> <li>• Programme strategy and technical quality</li> <li>• Results-based management, measurement and reporting on results</li> <li>• Programme process, procedures and controls</li> </ul> Links to elements of the following areas: <ul style="list-style-type: none"> <li>• Country Environment</li> <li>• Partner relations</li> <li>• Knowledge management and Information Sharing</li> </ul>	<ul style="list-style-type: none"> <li>• Programme strategy</li> <li>• Results-based management, measurement and reporting on results</li> </ul> Links to elements of the following risk areas: <ul style="list-style-type: none"> <li>• Country Environment</li> <li>• Partner relations</li> <li>• Capacity for Programme management (partner)</li> <li>• Process, Procedures and Controls (related to RBM)</li> <li>• Knowledge Management and Information Sharing</li> </ul>
6	<b>Budget and Cash Management</b> Main risk owner: DFAM  Includes risks related to (examples): <ul style="list-style-type: none"> <li>• Budget / funds management</li> <li>• Cash management</li> <li>• Payment processing</li> <li>• Foreign exchange</li> <li>• Office efficiency</li> </ul>	<ul style="list-style-type: none"> <li>• Budget Management</li> <li>• Financial Management</li> </ul>	<ul style="list-style-type: none"> <li>• Foreign Exchange</li> <li>• Budget Management</li> <li>• Financial Management</li> </ul> Links to elements of the following risk area: <ul style="list-style-type: none"> <li>• Process, Procedures and Controls (related to financial mgt.)</li> </ul>
7	<b>Human Resources and Unethical behavior</b> Main risk owner: DHR  Includes risks related to (examples):	<ul style="list-style-type: none"> <li>• Talent Management</li> <li>• Rewards and Sanctions</li> </ul>	<ul style="list-style-type: none"> <li>• Talent Management</li> <li>• Organizational Competencies</li> </ul>

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**Annex B**

2013 Risk Areas		Map to 21 risk areas (2012 ERM)	Map to 26 risk areas (2010-2011 ERM)
	<ul style="list-style-type: none"> <li>Staff complement, recruitment and vacancies</li> <li>Staff competencies and capacity</li> <li>Career development</li> <li>Unethical staff behavior (e.g. lack of integrity, conflict of interest, sexual harassment, harassment and abuse of authority)</li> </ul>	<ul style="list-style-type: none"> <li>Ethics and Culture</li> </ul>	<ul style="list-style-type: none"> <li>Rewards and Sanctions</li> <li>Ethics and Culture</li> </ul> <p>Links to elements of the following risk areas:</p> <ul style="list-style-type: none"> <li>Capacity for Programme management (staff)</li> <li>Process, Procedures and Controls (related to HR management)</li> </ul>
8	<b>Supply and Logistics</b> Main risk owner: SD  Includes risks related to (examples): <ul style="list-style-type: none"> <li>Supply management (strategy, planning, monitoring)</li> <li>Warehouse management</li> <li>Logistics management</li> </ul>	<ul style="list-style-type: none"> <li>Supply and Logistics Management</li> </ul>	<ul style="list-style-type: none"> <li>Supply and Logistics Management</li> </ul> <p>Links to elements of the following risk area:</p> <ul style="list-style-type: none"> <li>Process, Procedures and Controls (related to supply &amp; logistics)</li> </ul>
9	<b>ICT Systems and Information Security</b> Main risk owner: ITSSD  Includes risks related to (examples): <ul style="list-style-type: none"> <li>ICT Systems</li> <li>Data security</li> <li>Connectivity</li> <li>Business Continuity</li> </ul>	<ul style="list-style-type: none"> <li>Systems and IT Infrastructure</li> </ul> <p>Links to elements of the following risk area:</p> <ul style="list-style-type: none"> <li>Knowledge Management (related to info security)</li> </ul>	<ul style="list-style-type: none"> <li>Systems and IT Infrastructure</li> </ul> <p>Links to elements of the following risk areas:</p> <ul style="list-style-type: none"> <li>Process, Procedures and Controls (related to systems and IT infrastructure)</li> </ul>
<b>Category: Contextual</b>			
10	<b>Safety and Security</b> Main risk owner: EMOPS  Includes risks related to (examples): <ul style="list-style-type: none"> <li>Violent armed conflict, terrorism, vandalism</li> <li>Business Continuity</li> </ul>	<ul style="list-style-type: none"> <li>Safety and Security</li> </ul>	<ul style="list-style-type: none"> <li>Safety and Security</li> </ul>
11	<b>Natural Disasters and Epidemics</b> Main risk owner: EMOPS  Includes risks related to (examples): <ul style="list-style-type: none"> <li>Natural disasters and epidemics</li> <li>Business Continuity</li> </ul>	<ul style="list-style-type: none"> <li>Natural disasters and epidemics</li> </ul>	<ul style="list-style-type: none"> <li>Natural Environment</li> </ul>

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**Annex B**

2013 Risk Areas		Map to 21 risk areas (2012 ERM)	Map to 26 risk areas (2010-2011 ERM)
<b>Category: Other</b>			
12	<p><b>Undefined / unclassifiable</b> Main risk owner: DFAM– global enterprise risk management as reference point.</p> <p>To be used for all risks for which the office is unsure about which risk area is the most relevant. These will be analyzed by the global ERM focal point in DFAM and Offices will be advised appropriately.</p>		

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**Annex C**
**ANNEX C - RISK OWNERS**

Risk Category/Area		Main risk owners	Joint risk owners
<b>Institutional</b>			
1	Fraud and Misuse of Resources	DFAM	OIAI, ROs, Ethics Office
2	Funding and External Stakeholder Relations	PFP, PPD	DOC, GMA, ROs
3	Governance and Accountability	OED	DFAM, DHR, ROs
4	Organizational Strategy and Neutrality	OED (Chief of Staff focal point)	DRP, PD, EO, ROs
<b>Programmatic and Operational</b>			
5	Results-based Management and Reporting	DRP	EO, ROs
6	Budget and Cash Management	DFAM	ROs
7	Human Resources and Unethical Behaviour	DHR	ROs, Ethics Office
8	Supply and Logistics	SD	EMOPS, PD, ROs
9	ICT Systems and Information Security	ITSSD	DFAM, ROs
<b>Contextual</b>			
10	Safety and Security	EMOPS	DFAM, DHR, ROs
11	Natural Disasters and Epidemics	EMOPS	ROs
<b>Other</b>			
12	Undefined / unclassifiable	DFAM (ERM focal point)	ROs

**Risk owner roles and responsibilities**

1. As the functions of HQ divisions cut across several risk areas and to ensure clear delineation of accountability, risk owners for each of the 12 risk areas are defined based on their accountabilities, and distinction is made between the “main risk owners” and the “joint risk owners”. The “main risk owners” are the main Offices responsible for ensuring that the following responsibilities are effectively and efficiently implemented while the “joint risk owners” support the “main risk owner:”
  - a) Conduct annual review of the risks in their respective risk category/area taking into consideration the risks raised by Offices (COs, ROs, HQs) and identify significant UNICEF-wide risks (extreme, very high and high) for global action together with the related action plan to better manage them;
  - b) As part of the annual update and review of the organization-wide risk profile, recommend changes to the organization-wide risk profile in the risk categories/areas assigned to them taking into consideration the assessments done by Offices (COs, ROs, HQs);
  - c) Consider the extreme, very high and high risks in its work planning and in designing internal control and risk management mechanisms in their respective area, including developing/updating policies, procedures and guidance;
  - d) Act on requests for support in managing significant risks and risks that have been escalated by COs, ROs and other HQ divisions;
  - e) Monitor the progress in lowering the level of extreme, very high and high risks and provide advice/guidance as appropriate; and



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- f) Participate in periodic quality assurance processes over the risks raised by Offices (COs, ROs, HQs) in the risk areas linked to their defined accountabilities.