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WFP Enterprise Risk Management (ERM) Policy

Second Regular Session of the Executive Board – 26 November 2018

Executive Board Decisions – Second Regular Session 2018

Second Regular Session 2018

- **ERM Policy:** for approval
- **Annex I: Risk Categorization:** for information
- **Annex II: Risk Appetite Statements:** for consideration

Background

Enterprise Risk Management Policy

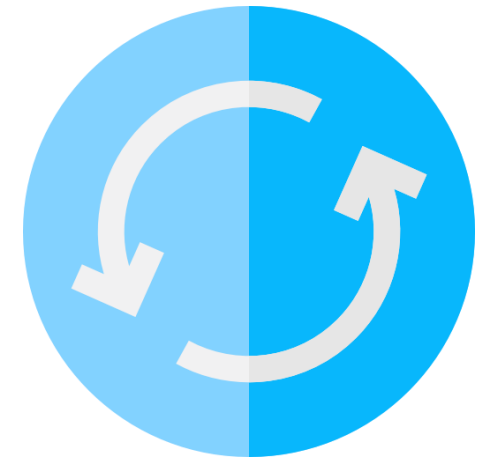
Builds on the governance architecture outlined in the 2018 Oversight Framework, including the three lines of defense

Defines the roles, responsibilities and mechanisms for embedding risk appetite throughout the organization

Includes a Risk Categorization hierarchy and processes for Risk reporting and escalation based on appetite

ERM Policy: Improvements from 2015 to 2018

- Introduced a **comprehensive risk categorization** and **updated risk appetite statements** to align to the new categories
- Explained the working of **three lines of defense**, in particular the interaction of **first line risk owners and second line risk leads**
- Clarified **risk roles and responsibilities** at HQ, Regional Bureaux and Country Offices
- **Structured risk reporting** and **escalation processes** based on **risk appetite**
- **Aligned ERM framework with** the 2017 Committee of Sponsoring Organizations of the Treadway Commission (**COSO**) **ERM framework**



ERM Informal Consultations – Areas Strengthened

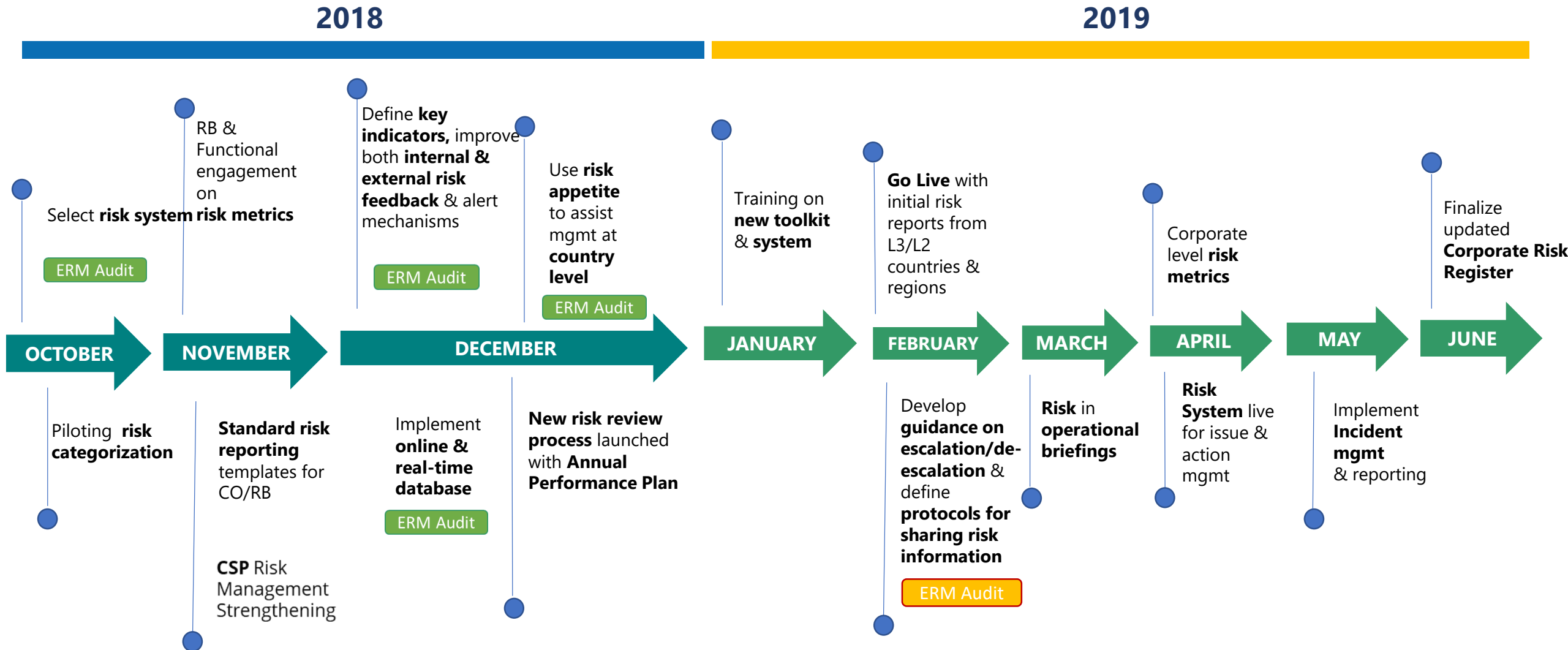
**References to
cross-cutting issues**

**Embedding of risk
discussion in CSPs and
Operational briefings**

**Clarified risk accountabilities
and escalation protocols**

**Cross-references/risk
responsibilities
of the third line of defense**

Key ERM Deliverables



Thank You