



Implementing Organizational Risk Management System

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Purpose

This workshop will

- ❖ **Identify the steps** to implementing an organizational risk management system.
- ❖ **Identify and discuss the challenges** to achieve this result in MRPAM.

Toward an Organizational Risk Management System



How to Begin

"The reasons for the slow adoption and progress of ERM (Enterprise Risk Management) in the (UN) system are many, such as: a lack of collective understanding and commitment by senior management..."

Terzi, C. and Posta, I. 2010. Review of Enterprise Risk Management in the United Nations System. Benchmarking Framework. Geneva: Joint Inspection Unit.

As underlined in the Treasure Board Guide, important first steps are:

- Brief and train senior managers about risk management in general and in an organization.
- Identify a risk champion at a very high level.

Assignment 1: Find two challenges or opportunities in MRPAM to achieving these conditions.

Multiplying Effects

The next steps involve getting staff involved in building understanding of risk management:

Means	Conditions
Putting together a group of specialists	Finding the most relevant specialists to guide and support the risk champion in producing a diagnosis.
Working group created	Assigning a clear mandate to begin planning the system: approaches, systems, etc.
Design an action plan	Mobilize all relevant stakeholders, increase number of training, share experiences with other divisions, agencies, and administrations.

What Information Needs to be Gathered

- Results of a readiness assessment analysis: external or self-assessment;
- Formatted relevant materials for training workshops and briefing;
- Baseline productions from divisions to determine risk profile: reports, risk tolerance levels, plans, guidelines, and procedures manuals;
- HR assessments of risk management capacities.



Draw a Blueprint of the System



Bridging the Elements of the System under Construction

Human resources, documentation, and processes are required to set the system in motion. These include:

- The risk champion, focal points in the divisions, relevant specialists, and all other stakeholders involved.
- Written guidance on framework, policy, or operating principles have been disseminated according to a well-designed strategy.
- Operating components (guidance on roles and responsibilities, program targets, critical success factors, performance measures, and sources and kinds of risk) have been setup.
- Integration of risk management in decision-making as well as building of organizational capacities are successful.

Testing the Risk Management System

"Engage the whole organization by aligning integrated risk management fully with objectives in all policies, plans, and operations and integrating results of risk management into practices to all levels"

Canada. Treasury Board. 2004. Integrated Risk Management Implementation Guide. Ottawa: Treasury Board.

The keywords as stated in the guide are:

- Enable people and support them;
- Consult and communicate;
- Learn from experience.

Final Exercise

Two teams of participants will each examine one core element of the risk management system:

- **Team 1:** It will identify the specific elements in the human dimension of the planning and deployment of the system
- **Team 2:** It will do an inventory and analysis of the administrative components (rules and regulations).

Both teams will identify the challenges they will have encountered in their analyses.

Will it Happen?



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