**Example 2.1.9 - Risk Management Plan**

*Note: this is a real example of a risk management plan that was developed for the Ukraine 2022 response that illustrates how different risk registers relate to each other in a larger operation and the overall framework of risk management in a big operation.*

# **Purpose**

The purpose of this document is to outline how to undertake risk management within the Ukraine & Impacted Countries Response (the Response). Specifically, it sets out:

* The risk Management process including minimum standards, as per the IFRC Risk Management Policy and Regional Director’s expectations on risk management for the Response.
* Standard Operating Procedures for risk management, including risk register, risk escalation process and how these fit into the overall governance for the operation.
* Risk framework of accountabilities.

The IFRC [Risk Management Policy and Framework](https://fednet.ifrc.org/PageFiles/255626/259_e_v100_Risk_Management_Policy.pdf) sets out the framework and principles for the Ukraine & Impacted Countries Response Risk Management Plan (RMP).

# **Scope**

Managing risks effectively is a responsibility of everyone. To that effect, the plan is intended for everyone involved in the Ukraine and Impacted Countries Response.

# **Risk Management Process**

Our risk approach entails four key steps outlined below.

# Risk identification and assessment:

The aim of risk identification and assessment process is to understand how the risks we face may affect the objectives of the Emergency Response. **The Operations Team is responsible for identifying risks to their objectives** and to **use the risk matrix to assess the likelihood of the risk occurring and the potential impact on the operation.**

In the IFRC, risks are assessed on a 5x5 grid based on the likelihood and impact. You should:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Likelihood | 5 | Almost certain |  |  |  |  |  |
| 4 | Highly Likely |  |  |  |  |  |
| 3 | Likely |  |  |  |  |  |
| 2 | Possible |  |  |  |  |  |
| 1 | Unlikely |  |  |  |  |  |
|  | 1 | 2 | 3 | 4 | 5 |
| Insignificant | Minor | Moderate | Major | Severe |
| Impact |

1. Consider the **likelihood** of the risk occurring. You should use your judgement and the best available evidence.
2. Consider the **impact** if the risk materialised. You should use your judgement and the best available evidence
3. Assign your risk one of the four risk ratings (based on likelihood and impact scores): minor, moderate, major, severe

# Risk treatment

Following risk assessment, the **risk owner should decide the** **most appropriate approach towards the risks (mitigating actions).** Treatment of all risks falls into one of the five categories.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Terminate** | **Tolerate** | **Transfer** | **Treat** | **Take more** |
| *Avoid, terminate or reduce the scope of the activity or circumstance that drives the risk.* | *Consciously accept the level of risk.* | *Transfer or share the responsibility of the risk with another party, for example, a delivery partner.* | *Take mitigating action to change the likelihood that the risk will materialise or the impact should it materialise.* | *Take more risk to pursue an opportunity.* |

In majority of the cases, we will decide to tolerate risks or to treat risks (take action to minimize the impact). **Decisions on mitigating actions should be clearly documented** in a risk register.

**Risks are assessed prior to treatment** (‘inherent’ risks) **and after treatment** (‘residual’ risks). This **provides an insight into how effective our response is** in reducing the risk.

# Risk monitoring

Regular and consistent monitoring is critical for good risk management and delivery. It supports informed and risk-based decision making, ongoing learning and accountability for achieving results.

Monthly review is good practice, quarterly review is a minimum standard.

Risk **monitoring** will take a form of a **discussion between the Risk Owners and the Risk Delegate** on a monthly basis.

*The Risk Delegate provides* ***monthly updates on the operation’s risk profile*** *to the* ***Deputy Regional Operations Manager****. For complex risks affecting more than one country, risk will be included as an agenda item on standing meetings (as per the Roles & Responsibilities document for the Operation).*

 Risk owner Risk Delegate

 Senior leadership / key forums

Before each discussion, **risk owners should consider**:

# Risk reporting

**Risks can be escalated at any time** **outside of the standing monthly risk review process set out above.**

Before escalating risks, please consult the Risk Management Delegate for the Response who will provide support in articulating the risks and potential consequence as well as who to escalate to (e.g., DROM / ROM / Director). Escalations should be in writing, clearly stating whether they are for information only of whether a specific support or advice is needed. They should be addressed to the level you are escalating to (e.g., DROM / ROM / Director) with the Risk Delegate in copy.

Risks should be escalated when:

***Things to remember when escalating risks:***

*\*Risks can be escalated for info or for support.*

*\*Risk Owners continue to manage the risk once escalated but with the awareness / support from senior leadership.*

*\*Risk Owners are responsible for ensuring there is a written record.*

a) Risks exceed risk appetite (to be designed in Q1 2023).

b) Risks require support or advice from the regional leadership team.

c) Risks that require awareness at a regional level because they warrant a significant financial, delivery or reputational risk to the IFRC.

1. **Standard operating procedures for risk management.**

**All risks should be recorded and monitored in a risk register.** Risk registers should clearly articulate the risk statement including:

* its cause and potential impact.
* inherent (gross) risk rating (likelihood and impact of the risk materialising before any mitigating action is taken),
* concrete mitigating actions that will be put in place and monitored.
* Residual (net) risk assessment (likelihood and impact of risk materialising after mitigations are applied).
* risk owner
* risk trend/trajectory.

The operational risk registeris saved [here](https://ifrcorg.sharepoint.com/%3Ax%3A/s/UkraineConflictandneighboringcountries/Ee8DxJKhdCdPmCnOst2_o5QBA7IqWAdNEzsTuKcvOF25IQ?e=wL9TnU).

Operational risks that are affecting more than one country and risks that could affect the whole operation (e.g. nuclear incident in Ukraine). The risk register is **reviewed monthly**. The Deputy Regional Operations Manager **(DROM) owns the risk register** and is accountable for ensuring that all risks are managed to an acceptable level. **Risk owners are responsible for reviewing their risks monthly.** The Risk Delegate is responsible for coordinating the monthly risk register reviews with the risk owners. Following the monthly review, the Risk Delegate will provide a summary of key changes to the DROM.

Country risk registers

**Operational risks unique to each country are recorded in separate tabs (one for each country) in the operational risk registers. Country Operations Managers are accountable** for ensuring risks at country level are managed to an acceptable level and responsible for updating the country tab monthly; this will be done during monthly risk calls with the Risk Delegate.

The Strategic risk registeris saved [here](https://ifrcorg.sharepoint.com/%3Ax%3A/s/UkraineConflictandneighboringcountries/EQ04qnUc_-1Pqzna7wN0BksBTOwxoLPxocIAOS-rAhPV4g?e=mYsDlY).

Top cross-cutting strategic risks that could impact the achievement of the Ukraine & Impacted Countries Strategy. The risk register is **reviewed quarterly**. The Regional Operations Manager **(ROM) owns the risk register** and is accountable for ensuring that all risks are managed to an acceptable level. On a quarterly basis, the Risk Delegate will coordinate updates for the strategic risk register and support the ROM in providing updates of key highlights and changes to the Regional Director.

External risk reporting:

All risk registers are internal documents and must not be shared externally unless explicitly agreed with the Regional Risk Management Team. (Risk Delegate and Regional Risk Management Officer). For external purposes, there is a Donor Strategic risk register is saved [here](https://ifrcorg.sharepoint.com/%3Ax%3A/s/UkraineConflictandneighboringcountries/EU02WxFehG5ArZjTIZZ4cg4B8qAGReo70pFwaXvx_e5-Kg?e=lZus9f). Please consult the Risk Delegate before sharing the document externally, so that we keep track of who has received the information.

**ANNEX 1**

**Roles and responsibilities in risk management.**

|  |  |
| --- | --- |
| **Role** | **Accountability** |
| Regional Director | Overall responsible for the implementation of the IFRC risk management plan for the Response. This This includes embedding the right values and behaviours, putting risk at the heart of decision-making approving deviation to the global risk appetite at the regional level and for escalating any risks with global impact to the Global Leadership Team. |
| HoC / HoD | Responsible for ensuring that the Risk Management Plan for the Ukraine Response is fully embedded across the operations in their geographic area funded from the Ukraine Appeal. This includes embedding the right values and behaviours; putting risk at the heart of decision-making and ensuring that risks to the Response are promptly escalated to the DROM / ROM. |
| Regional Operations Manager | **Accountable** to the ROE Directorfor effective **management of strategic and operational risks to the objectives of the Emergency Response**. The ROM **escalates risks** that require Regional Director level awareness / support **to the ROE Director**. They shall consider risks escalated to them, give a clear response and document those which require ongoing oversight or supportive action. The ROM is **responsible for** ensuring the **Strategic Risk Register for the Ukraine Appeal** is reviewed and updated quarterly.  |
| Deputy Operations Manager | **Accountable** for effective **management of operational risks** **to the Emergency Response** at a regional (whole of the emergency appeal) level. They should consider risks escalated to them, giving a clear response and documenting those which require ongoing oversight or supportive action in the operational risk register. The DROM **escalates operational risks** that require senior management awareness / support **to the ROM**. They are **responsible for** reviewing and updating the **operational risk register** on a monthly basis and to discuss risk and updates to mitigations with country Operations Managers. |
| Country Operations Manager | **Accountable** for effective **management of risks to the operation at a country level**. This includes identifying, assessing, managing risks at a country operation level. Risks should be captured in a country risk register and reviewed monthly. They shall **escalate operational risks** that require support from or the awareness of the DROM, or from Technical Units in the Regional Office through the Operations Risk register. |
| Risk Owners | **Responsible** for **implementing risk mitigations**, **monitoring** the development of risk and for **escalating** to the relevant authority as necessary. |
| Risk Management Delegate | **Responsible** for coordination of risk management efforts across the Emergency Response including technical assistance with risk identification, assessment, monitoring; support in identifying and implementing effective mitigations and for conducting risk. They are also responsible for conducting risk assessments for specific aspects of the operation as per demand.  |
| Regional Risk Management Officer | In collaboration with the Risk Management Delegate, determine on a case-by-case basis when risk registers can be shared with external parties. |
| Senior Officer, Global Risk Management | Supporting the Regional Office in the set-up of the risk management structure for the operation, including the recruitment of risk management staff.Acts as global leader for risk management responsible for ensuring risk management for the operation is aligned with IFRC risk management framework and policy. |

# **Revision history**

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| --- | --- | --- |
| **Date** | **Version** | **Author(s)** |
| 07/04/2022 | 1 | Name 1 |
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