



INTERNAL AUDIT DIVISION

REPORT 2019/105

**Audit of the enterprise risk
management process in the United
Nations Mission in the Republic of
South Sudan**

**Mission leadership needed to strengthen its
involvement in the implementation of
enterprise risk management to ensure it is
properly embedded in strategic planning and
decision-making processes**

**11 November 2019
Assignment No. AP2019/633/01**

Audit of the enterprise risk management process in the United Nations Mission in the Republic of South Sudan

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the enterprise risk management (ERM) process in the United Nations Mission in the Republic of South Sudan (UNMISS). The objective of the audit was to assess the adequacy and effectiveness of the ERM process in UNMISS. The audit covered the period from 1 July 2017 to 31 May 2019 and included a review of: ERM governance and organizational structure; implementation of the ERM process; monitoring and reporting of risks; and management of risks and opportunities related to increased authority delegated to the Special Representative of the Secretary-General (SRSG).

UNMISS had developed a Mission-wide risk register in May 2018, but Mission leadership needed to strengthen its involvement in the implementation of ERM to ensure it is properly embedded in the Mission's strategic planning and decision-making processes.

OIOS made four recommendations. To address issues identified in the audit, UNMISS needed to:

- Implement proper risk governance mechanisms to enhance oversight of the ERM process;
- Conduct a training needs assessment for risk management, and prioritize training of risk focal points and other staff with risk management responsibilities;
- Identify Mission components or functions that are required to develop operational level risk registers, and develop an ERM implementation plan; and
- Ensure that key risks and mitigating measures are regularly reviewed and re-assessed and that the risk register, and risk treatment and response plans, are updated accordingly.

UNMISS accepted the recommendations and has initiated action to implement them.

CONTENTS

	<i>Page</i>
I. BACKGROUND	1
II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY	1-2
III. AUDIT RESULTS	2-7
A. Governance and organizational structure	2-4
B. Implementation of the enterprise risk management process	4-5
C. Monitoring and reporting of risks	5-6
D. Management of risks and opportunities related to the new delegation of authority	6-7
IV. ACKNOWLEDGEMENT	7
ANNEX I Status of audit recommendations	
APPENDIX I Management response	

Audit of the enterprise risk management process in the United Nations Mission in the Republic of South Sudan

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the enterprise risk management (ERM) process in the United Nations Mission in the Republic of South Sudan (UNMISS).
2. The United Nations faces high risks owing to the complexity of its operations and mandates. A comprehensive risk management and internal control system is critical to UNMISS's ability to deliver on its mandate, especially due to ongoing management reforms intended to improve effectiveness and strengthen accountability by aligning responsibilities for mandate implementation with the authority to manage resources.
3. ERM is a systematic and holistic approach to risk management that supports an organization's achievement of strategic and operational objectives by proactively identifying, assessing, evaluating, prioritizing and controlling risks across the organization. Risk management is a core responsibility of management.
4. General Assembly resolution 64/259 of 5 May 2010 requested the Secretary-General to enhance the Organization's capabilities for risk assessment and mitigation and associated internal controls. In May 2011, the Management Committee approved the Organization's ERM and Internal Control Policy and Methodology (the ERM framework) which provided a systematic and common approach for assessing, treating, monitoring and communicating strategic and operational risks. Security Council resolution 71/283 of 20 April 2017 required the Secretary-General to ensure comprehensive implementation of ERM in all peacekeeping operations. Also, to support the new management paradigm and enhanced accountability system, the Secretary-General in his report A/72/773 dated 1 March 2018 called for enhanced risk management systems, including implementation of ERM by all departments, offices and missions.
5. In UNMISS, the Strategic Planning Unit (SPU) in the Office of the Chief of Staff and the Business Analytics and Compliance Section (BACS) in the Office of the Deputy Director of Mission Support are jointly responsible for the implementation of ERM. SPU is headed by an Officer-in-Charge at the P-5 level and supported by two international staff at the P-4 and P-3 levels and one United Nations volunteer. BACS is headed by a Chief at the P-5 level who is also the Mission's Risk Management and Compliance Officer (RMCO) and is responsible for Mission-wide coordination of risk management and compliance activities. UNMISS has also established a Business Analytics and Risk Management Unit (BARMU) with two staff, a P-4 level Risk Officer and an Administrative Assistant at the FS-5 level. This Unit reports to the Chief of BACS.
6. Comments provided by UNMISS are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7. The objective of the audit was to assess the adequacy and effectiveness of the ERM process in UNMISS.
8. This audit was included in the 2019 risk-based work plan of OIOS due to the importance of managing risks that may impact the achievement of UNMISS mandates and objectives.

9. OIOS conducted this audit from March to August 2019. The audit covered the period from 1 July 2017 to 31 May 2019. Based on an activity-level risk assessment, the audit covered higher and medium risk areas in the ERM process, which included: ERM governance and organizational structure, implementation of the ERM process, monitoring and reporting of risks, and management of risks and opportunities related to implementation of the new delegation of authority.

10. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documents related to the ERM process in the Mission; and (c) analytical review of available risk registers.

11. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

III. AUDIT RESULTS

A. Governance and organizational structure

Need to strengthen risk governance, and roles and responsibilities

12. Proper risk governance, and clear roles and responsibilities, are critical for the adoption of an effective ERM. Instructions issued by the erstwhile Department of Field Support (DFS)¹ in 2016 called for the establishment of a Risk Management Committee (RMC) with representation from across the Mission to oversee and monitor the overall effectiveness of the ERM process. It also required the establishment of an adequately staffed and independent risk management function distinct from operational management to facilitate and coordinate the integration of risk management into all aspects of strategic planning and decision-making. Posts have been approved in the UNMISS budget to assist in this, including the P-4 Risk Officer post.

13. UNMISS did not establish an RMC but was using its existing Operations Coordination Committee (OCC), chaired by the Chief of Staff, for overseeing the implementation of its ERM process. The Special Representative of the Secretary-General (SRSG) was also of the view that OCC, which was responsible for addressing cross-cutting issues in the Mission including emerging risks, was well placed to undertake the risk management oversight responsibilities.

14. OIOS review of minutes of 10 meetings of OCC showed that it discussed the status of emerging risks related to current events and deliberated on strategies to mitigate them. These included regular discussions on safety and security issues as well as the spread of the Ebola Virus Disease. However, OCC was not effective in the overall management of the Mission's risks. For instance, the OCC did not: (a) dedicate time to validating and prioritizing the Mission-wide risks included in the Mission's risk register; (b) review the final risk register; and (c) regularly review and validate the adequacy of measures being implemented to mitigate risks. More importantly, the annual reviews and updates of the risk register together with the planned risk treatment measures were not submitted to the SRSG for review and approval. The composition of the OCC did not include broad representation from substantive and support sections to ensure an integrated consideration of Mission-wide risks and coordination of risk mitigating measures. Additionally, the RMCO who had a key role in coordinating risk management activities was not part of the OCC to be able to facilitate and coordinate risk management activities in the Mission.

¹ Effective 1 January 2019, the Department of Management Strategy, Policy and Compliance (DMSPC) assumed all risk management functions previously carried out by DFS and is responsible for the dissemination of ERM guidance and best practices to enhance the United Nations Secretariat's risk management culture. DMSPC however confirmed that the DFS guidelines are still applicable for peacekeeping missions.

15. The Mission had appointed 69 risk focal points and alternates to support operational managers in their risk management responsibilities. The Chief, BACS/RMCO worked closely with BARMU and SPU to coordinate the identification of risks and mitigation measures by both support and substantive components. However, the Mission-wide risk register, and related risk treatment and response plans, were not up-to-date, and proposed risk mitigating strategies were not adequately monitored. In addition, other ERM-related tasks that BARMU and SPU were responsible for, such as training and raising awareness of staff on ERM, were not being conducted. This was mainly because BARMU and SPU staff were involved in performing non-related ERM activities, impacting the facilitation and coordination of the Mission-wide implementation of ERM.

16. As a result, UNMISS did not have a fully effective ERM in place, impeding its ability to comprehensively review and manage its risks and to ensure the ERM process was embedded in its strategic planning and decision-making processes. Mission leadership was also of the view that the ERM framework required a heavy workload to fully implement and it was not sufficiently linked with other planning policies and frameworks, making it difficult for the Mission to prioritize the management of Mission-wide risks. UNMISS further explained that it lacked the capacity and as it was not anticipating additional resources, in its view, the full implementation of the ERM framework was not feasible. It was however exploring the most pragmatic way of managing risks within its existing capacity.

(1) UNMISS leadership should implement proper risk governance mechanisms to enhance its oversight of the enterprise risk management process, such as by establishing a Risk Management Committee or alternatively ensuring that the Operations Coordination Committee is properly discharging its risk governance and oversight role and responsibilities and that it includes wide representation from across Mission components and participation of the Risk Management and Compliance Officer.

UNMISS accepted recommendation 1 and stated that it would develop an ERM implementation plan that includes a process and timeline for the review, validation and monitoring of the Mission-wide risk register, roles and responsibility of a RMC or other forum to assume its functions, and roles and responsibilities of various Mission components. Recommendation 1 remains open pending receipt of evidence that UNMISS has established an effective governance mechanism that ensures effective implementation of ERM in the Mission.

Need to increase staff awareness and training on ERM

17. An effective ERM process requires commitment of staff to foster a risk aware culture where staff can manage risks in their day-to-day operations. Management should nurture and encourage the establishment of a risk aware culture throughout the Mission.

18. At the time of the audit, UNMISS had not undertaken a risk awareness campaign. Nonetheless, in January and June 2018 UNMISS, in collaboration with DFS, conducted workshops in Juba and the Regional Service Centre in Entebbe which covered the ERM policy and guidelines. However, 30 of the 69 focal points did not have the opportunity to attend the training. The Office of Human Resources had a voluntary online course on risk management which was available to all staff in the Inspira system. UNMISS had yet to encourage its staff to complete the training, with only 26 staff having completed this training. Relevant staff including risk management focal points should be encouraged to take this course as it covers important aspects of the ERM process, such as the identification, assessment, treatment and monitoring of risks.

19. The above occurred because UNMISS senior leadership had not: (a) conducted a training needs assessment and encouraged staff to take the online ERM course in Inspira; and (b) emphasized the importance of training of risk focal points and other staff with risk management responsibilities. Going

forward, UNMISS could seek assistance in identifying training requirements for its staff from the Business Transformation and Accountability Division, DMSPC, which is tasked with developing appropriate communication and training programmes to enhance the Secretariat's risk management culture.

20. Inadequate knowledge and awareness of the ERM process and principles increases the likelihood of staff not being able to adequately identify, assess and monitor risks and take appropriate mitigation measures in their day-to-day operations.

(2) UNMISS should: (a) conduct a training needs assessment for risk management and emphasize training of risk focal points and other staff with risk management responsibilities on the enterprise risk management (ERM) process; and (b) encourage staff to take the online ERM course in Inspira.

UNMISS accepted recommendation 2 and stated that it would conduct a training needs assessment and communicate with the Business Transformation and Accountability Division on the available training sessions. It would also encourage staff to take the online ERM course in Inspira, even though this was not mandatory training. Recommendation 2 remains open pending receipt of evidence that UNMISS has conducted a training needs assessment for risk management and that risk focal points and other staff with risk management responsibilities have been adequately trained.

B. Implementation of the enterprise risk management process

Need to strengthen the risk assessment, validation and prioritization process

21. For an efficient and effective ERM process, the Mission-wide risk register should focus on key risks that threaten the achievement of the Mission's mandated objectives. Consistent and comprehensive identification and assessment of risks are required to ensure that effective risk mitigation measures are implemented. Also, the involvement of senior management in the risk assessment process and validation of risks is critical in ensuring that identified risks are properly linked to strategies, objectives and underlying processes.

22. The Mission-wide risk register was finalized in May 2018 after workshops and consultations with managers from support and substantive components and the 10 field offices. The exercise was led by the RMCO, Officer-in-Charge of SPU, and representatives from DFS. The risk register contained 25 risks related to the Mission's mandated strategic and operational objectives and were categorized in accordance with the United Nations Secretariat risk universe and assessed and rated using the approved ERM methodology and scoring criteria for measurement of impact, likelihood and level of control effectiveness.

23. However, whilst the Mission's ERM process required heads of sections to identify risks pertaining to their respective operations to support the preparation of the Mission-wide risk register, only 13 of the 56 sections/units documented their risks in operational level registers. Although operational level registers were not required, they facilitated the identification of operational level risks and also ensured that risks that originate from one Mission component but impact other components were properly captured. Further, UNMISS did not maintain records of the process to aggregate risks from the operational level risk registers into the Mission-wide register, in order to demonstrate that the process was holistic and had considered all key risks.

24. The above occurred because UNMISS had not determined which Mission components and functions were required to develop operational level risk registers to support the preparation of the Mission-wide risk register. There was also no ERM implementation plan with clear roles and responsibilities of all

relevant parties to ensure a coordinated process for identifying and assessing Mission-wide risks. This may have resulted in some risks not being considered and aggregated into the Mission-wide risk register and appropriately managed.

(3) UNMISS should: (a) identify Mission components or functions that are required to develop operational level risk registers; and (b) develop an enterprise risk management (ERM) implementation plan to clarify the process for risk validation, prioritization and updating of the Mission-wide risk register as well as the allocation of ERM roles and responsibilities to all relevant parties.

UNMISS accepted recommendation 3 and stated that it would identify mission components or functions that are required to develop operational level risk registers and develop an ERM implementation plan. Recommendation 3 remains open pending receipt of evidence that UNMISS has developed operational risk registers for identified Mission components or functions, and a copy of the finalized ERM implementation plan.

C. Monitoring and reporting of risks

Need to strengthen review and monitoring of risks to ensure effective risk management process

25. Continuous review and monitoring of risks and risk response strategies are critical in identifying emerging risks, and in ensuring the effectiveness of designed controls and the appropriateness of risk treatments for effective decision-making and achievement of objectives. Risk treatment and response plans for each response strategy identified in the risk register need to be regularly monitored and re-assessed, and the Mission's risk governance and oversight committee is required to regularly validate the risks and treatment and response plans. The approved risk register requires quarterly monitoring and reporting of progress to senior management.

26. The OCC, assigned by the SRSG to govern ERM in the Mission, did not regularly review the 25 risks included in the Mission-wide risk register, or monitor the status of the risk response strategies and report on progress thereof to the SRSG. BARMU and SPU initiated the first update of the risk register in the last quarter of 2018, but as of July 2019 it was yet to be presented to the OCC for review and validation. A review of the updated risk register showed that 108 of the 137 (78 per cent) risk response strategies did not include the required monitoring indicators, milestone dates and assigned staff for effective and timely implementation.

27. Also, in December 2018, UNMISS prepared a draft risk treatment and response plan to address response strategies in the risk register. However, at the time of the audit, only 8 of the 105 mitigating measures (7 per cent) had been updated with a status of either "completed" or "ongoing".

28. The slow progress resulted because the OCC had not implemented the required ERM monitoring mechanisms to ensure holistic review and monitoring of risks. Regular review and monitoring of risks and status of risk response strategies would strengthen the risk management process by ensuring adequate attention is given to all key risks.

(4) UNMISS should implement a monitoring mechanism to ensure that key risks and mitigating measures are regularly reviewed and re-assessed and that the risk register, and risk treatment and response plans, are updated accordingly.

UNMISS accepted recommendation 4 and stated that it would regularly monitor and review key risks and mitigating measures in accordance with the ERM implementation plan to be developed. Recommendation 4 remains open pending receipt of evidence that UNMISS is regularly monitoring the adequacy of its risk mitigating measures.

The Mission agreed to take action to improve reporting on the status of risk management and compliance issues

29. Regular risk reporting to senior management is needed to ensure that pertinent information related to risk management is considered in decision-making and strategic planning processes. The RMCO is required to provide quarterly risk management and compliance briefings to the SRSG and senior management. The 2016 DFS instructions required the SRSG to provide quarterly attestations to DFS on the status of risk management and compliance in the Mission.

30. UNMISS prepared and submitted the required quarterly reports to DFS that were certified by the RMCO and approved by the SRSG for the period from July 2017 to March 2019. However, these reports did not provide relevant information on the status of key risks and response strategies reflected in the Mission's risk register, such as progress made in addressing the Mission's key strategic risks and SRSG's outlook on critical emerging risks facing the Mission. Also, OIOS noted that quarterly reports were sometimes delayed.

31. The above occurred because of delays encountered by the Office of the Chief of Staff in summarizing and consolidating risk-related information provided by various sections and units. Management also explained that the 2018 fourth quarter report was delayed because the Mission did not have clarity on which department at Headquarters the reports should be sent to following the implementation of organizational reforms on 1 January 2019. However, UNMISS committed to seek clarification from DMSPC on the reporting requirements and to ensure that the quarterly risk management and compliance reports are henceforth submitted in a timely manner.

D. Management of risks and opportunities related to the new delegations of authority

Action was being taken to address risks and opportunities related to the exercise of the new delegations in all delegated areas

32. In accordance with the new delegation of authority (DoA) framework issued by the Secretary-General to heads of entities to decentralize decision-making, align authorities with responsibilities, and strengthen accountability, the SRSG was delegated various authorities in the areas of human resources, budget and finance, procurement and property management, and also granted authority to further sub-delegate to other staff. The SRSG was required to put measures in place by 1 July 2019, using a risk-based approach, to ensure delegations are appropriately exercised and in accordance with relevant policies, regulations and rules.

33. The UNMISS SRSG received 157 delegations in the above-mentioned four areas. The Division of Mission Support recommended that the SRSG sub-delegate 146 of them to Mission officials whilst retaining 11 delegations. The SRSG approved the recommended sub-delegations in February 2019, which

were subsequently recorded in the DoA online portal. To monitor the appropriate exercise of authorities delegated to heads of entities, in January 2019, DMSPC rolled out an accountability framework with 16 key performance indicators. In addition to reporting against the indicators, UNMISS was required to put measures in place to proactively manage risks related to the exercise of delegations.

34. UNMISS had identified and assessed risks and opportunities in the areas of budget and finance and procurement and was implementing mitigating measures and monitoring mechanisms to ensure the delegations would be appropriately exercised. For example, it identified the risk of delays for engineering construction projects of \$250,000 or more due to the requirement for all peacekeeping missions to obtain Local Procurement Authority from the Procurement Division in Headquarters for such projects, and the risk of inefficient cash management in field offices lacking banking facilities. To address these risks, UNMISS was initiating advance processing of shopping carts for engineering projects of \$250,000 or more and implementing advance cash planning and engaging with banks to re-open closed branches. Also, BACS was reviewing access granted to staff in Umoja to ensure that these were in line with the sub-delegations granted to them.

35. Subsequent to the completion of the audit field work, senior management also finalized the identification of risks and opportunities in the areas of human resources and property management. The Mission also assessed the potential exposure of the new delegated authorities to fraud, abuse of power, and other possible misconduct, and was compiling the key performance indicators for reporting to DMSPC. In this process, the Mission identified human resources management related risks such as fraudulent entitlement claims, abuse of attendance records, and travel and leave requests for fraudulent purposes, and instituted mitigation controls such as signing of attendance sheets and strengthening supervisory enforcement and monitoring of compliance with United Nations policies and procedures. Similarly, for property management, risks associated with misappropriation and unauthorized sale or disposal of Mission property for personal gain were identified, together with mitigation controls such as defining and enforcing approval authorities based on thresholds for Mission property disposal transactions. Given the actions being taken, OIOS did not make a recommendation.

IV. ACKNOWLEDGEMENT

36. OIOS wishes to express its appreciation to the management and staff of UNMISS for the assistance and cooperation extended to the auditors during this assignment.

(Signed) Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the enterprise risk management process in the United Nations Mission in the Republic of South Sudan

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	UNMISS leadership should implement proper risk governance mechanisms to enhance its oversight of the enterprise risk management process, such as by establishing a Risk Management Committee or alternatively ensuring that the Operations Coordination Committee is properly discharging its risk governance and oversight role and responsibilities and that it includes wide representation from across Mission components and participation of the Risk Management and Compliance Officer.	Important	O	Receipt of evidence that UNMISS has established an effective governance mechanism that ensures effective implementation of ERM in the Mission.	31 December 2019
2	UNMISS should: (a) conduct a training needs assessment for risk management and emphasize training of risk focal points and other staff with risk management responsibilities on the enterprise risk management (ERM) process; and (b) encourage staff to take the online ERM course in Inspira.	Important	O	Receipt of evidence that UNMISS has conducted a training needs assessment for risk management and that risk focal points and other staff with risk management responsibilities have been adequately trained.	31 March 2020
3	UNMISS should: (a) identify Mission components or functions that are required to develop operational level risk registers; and (b) develop an enterprise risk management (ERM) implementation plan to clarify the process for risk validation, prioritization and updating of the Mission-wide risk register as well as the allocation of ERM roles and responsibilities to all relevant parties.	Important	O	Receipt of evidence that UNMISS has developed operational risk registers for identified Mission components or functions, and a copy of the finalized ERM implementation plan.	31 December 2019

² Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

³ Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

⁴ C = closed, O = open

⁵ Date provided by UNMISS in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the enterprise risk management process in the United Nations Mission in the Republic of South Sudan

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
4	UNMISS should implement a monitoring mechanism to ensure that key risks and mitigating measures are regularly reviewed and re-assessed and that the risk register, and risk treatment and response plans, are updated accordingly.	Important	O	Receipt of evidence that UNMISS is regularly monitoring the adequacy of its risk mitigating measures.	31 December 2019

APPENDIX I

Management Response



To: Mr. Daeyoung Park
Chief, Peacekeeping Audit Service
Internal Audit Division, OIOS

Date: 6 November 2019

FROM: David Shearer
Special Representative of the Secretary-General
United Nations Mission in the Republic of South Sudan

SUBJECT: **Response to the Draft Report on an Audit of the Enterprise Risk Management process in the United Nations Mission in the Republic of South Sudan (Assignment No. AP2019/633/01)**

1. UNMISS acknowledges receipt of the draft report referenced OIOS-2019-, dated 17 October 2019, on the Audit of the Enterprise Risk Management process in the United Nations Mission in the Republic of South Sudan (Assignment No. AP2019/633/01).
2. Please find attached the UNMISS comments on the recommendations of the draft report provided in Appendix 1.
3. The Mission would like to register our continued disagreement on the statements made in paragraph 16 of the draft report. It is our view that within the number of competing operational and management priorities, the Mission managed to develop a comprehensive risk register and was rather effective in identifying, monitoring and mitigating risks through its daily operations, including through the Operational Coordination Committee. It has, thus, effectively implemented the risk management framework within its existing capacity. The Enterprise Risk Management framework requires heavy workload to fully implement, but it is not sufficiently linked with other planning policies and frameworks, which makes the Mission difficult to prioritise. The Enterprise Risk Management policy should be more flexible, practical and focused on achieving the intended goal of improving risk management in the United Nations, including in the high-tempo field operations like UNMISS.
4. The Mission would also like to point out the following factual inaccuracies on the draft report:
 - a) Page 1, paragraph 5 – “UNMISS has also established a Risk Management Unit (RMU) with two staff, a P-4 level Risk Officer and an Administrative Assistant at the FS-5 level. This Unit reports to the Chief of RMCO.” Please note that the correct name of the unit is the Business Analytics and Risk Management Unit. The unit reports to the Chief of the Business Analytics and Compliance Section (BACS) instead of the Risk Management and Compliance Officer (RMCO).
 - b) Page 3, paragraph 14 – “More importantly, the quarterly reviews and updates of the risk register together with the planned risk treatment measures were not submitted to the SRSG for review and approval.” Please note that based on the last clarification from the United Nations headquarters, the risk register only needs to be reviewed annually.

c) Page 5, paragraph 26 – “RMU and SPU initiated the first update of the risk register in March 2019.” Please note the first review/update started during the last quarter of 2018 when the risk of Ebola was identified and incorporated as a new risk.

5. Thank you for your consideration and support.

cc: Mr. Paul Egunsola, Chief of Staff, UNMISS
Ms. Victoria Browning, Director of Mission Support, UNMISS
Mr. Timothy Crowley, Deputy Director of Mission Support, UNMISS
Mr. Joel Beasca, Audit Focal Point, UNMISS
Mr. Naoki Ishikawa, Officer-In-Charge, Strategic Planning Unit, UNMISS
Mr. James Suglo, Chief Resident Auditor, Internal Audit Division, OIOS
Ms. Cynthia Avena-Castillo, Professional Practices Section, IAD, OIOS

Management Response

Audit of the enterprise risk management process in the United Nations Mission in the Republic of South Sudan

c. no.	Recommendation	Critical/ ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNMISS leadership should implement proper risk governance mechanisms to enhance its oversight of the enterprise risk management process, such as by establishing a Risk Management Committee or alternatively ensuring that the Operations Coordination Committee is properly discharging its risk governance and oversight role and responsibilities and that it includes wide representation from across Mission components and participation of the Risk Management and Compliance Officer.	Important	Yes	Chief of Staff	31 December 2019	UNMISS will develop an ERM implementation plan that includes a process and timeline for the review, validation and monitoring of the Mission-wide risk register; roles and responsibility of a Risk Management Committee or other forum to assume its functions; and roles and responsibilities of various mission components.
2	UNMISS should: (a) conduct a training needs assessment for risk management and emphasize training of risk focal points and other staff with risk management responsibilities on the enterprise risk management (ERM) process; and (b) encourage staff to take the online ERM course in Inspira.	Important	Yes	Risk Management and Compliance Officer, Business Analytics and Compliance Section Senior Mission Planning	31 March 2020	a) UNMISS will conduct a training needs assessment and communicate with DMSPC on the available training sessions. b) UNMISS will encourage staff to take the online ERM course in Inspira. However, it should be noted that this is not a mandatory training.

¹ Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

² Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Management Response

Audit of the enterprise risk management process in the United Nations Mission in the Republic of South Sudan

c. no.	Recommendation	Critical/ Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
				Officer, Strategic Planning Unit		
3	UNMISS should: (a) identify Mission components or functions that are required to develop operational level risk registers; and (b) develop an enterprise risk management (ERM) implementation plan to clarify the process for risk validation, prioritization and updating of the Mission-wide risk register as well as the allocation of ERM roles and responsibilities to all relevant parties.	Important	Yes	Risk Management and Compliance Officer, Business Analytics and Compliance Section Senior Mission Planning Officer, Strategic Planning Unit	31 December 2019	a) It should be noted that ERM process does not require the development of operational level risk registers or to document the process to aggregate risks from the operational-level risk registers into the Mission-wide Risk Register. However, UNMISS will identify Mission components or functions that are required to develop operational level risk registers. b) UNMISS will develop an ERM implementation plan.
4	UNMISS should implement a monitoring mechanism to ensure that key risks and mitigating measures are regularly reviewed and re-assessed and that the risk register, and risk treatment and response plans, are updated accordingly.	Important	Yes	Chief of Staff	31 December 2019	UNMISS will regularly monitor and review key risks and mitigating measures in accordance with the ERM implementation plan to be developed.