



RISK MANAGEMENT POLICY FOR THE WTO SECRETARIAT

1 PURPOSE

1.1. This policy establishes the risk management system for the WTO. Risk management is part of the internal control system established by the Secretariat.

1.2. A risk in the context of this policy is an event that may or may not occur and could have a detrimental impact upon the achievement of the Secretariat's objectives if it were to occur.

2 RISK MANAGEMENT APPROACH

2.1. The Secretariat is adopting a risk management policy based on the following key principles:

- The management of risks is an integral part of the Secretariat's governance process.
- Risks that could potentially affect achievement of the Secretariat's objectives are identified, analysed and monitored. A risk register of the key risks faced by the Secretariat is maintained and regularly reviewed and updated.
- Appropriate risk mitigation measures are implemented to reduce risk exposure to acceptable levels.

3 RESPONSIBILITIES

3.1. The Deputy Director-General in charge of Administration is responsible to:

- Supervise the Secretariat's risk management system.
- Submit to the Director-General at least annually a report with the key risks faced by the Secretariat.
- Alert Senior Management at any time of serious and/or imminent risks that are identified.

3.2. The Risk Officer is responsible to:

- Consult regularly staff across the Secretariat to identify, analyse and monitor risks.
- Maintain the Secretariat's risk register.

3.3. Any staff member wishing to bring a perceived risk to the attention of the Secretariat can contact the Risk Officer or the Deputy Director-General in charge of Administration.

3.4. A Risk Owner is assigned for each risk included in the risk register. The Risk Owner is usually the division that manages directly the risk and is best place to execute a mitigation plan.

4 RISK MANAGEMENT PROCESS

4.1. The purpose of the risk management process is to ensure that risks are addressed at the earliest possible time and that action plans are developed to reduce the likelihood of a risk adversely affecting achievement of the Secretariat's objectives.

4.2 Risk Identification

4.2. The identification of risks takes place throughout the year. Risks can be identified by any staff and reported to the Risk Officer. The Risk Officer regularly meets with management and staff to discuss and identify risks that the Secretariat is potentially facing.

4.3 Risk Analysis

4.3. The Risk Officer, after consulting with the Risk Owner, will propose a score for each risk according to the following formula: Likelihood x Impact = Score.

Risk Scoring Matrix

Impact if the event occurs	High (3)	Moderate 3	High 6	Critical 9
	Moderate (2)	Low 2	Moderate 4	High 6
	Low (1)	Low 1	Low 2	Moderate 3
		Low (1)	Moderate (2)	High (3)
Likelihood of the event occurring				

4.4. The analysis of a risk event is assessed based on the likelihood of the risk event occurring and the impact should the risk event occur. The likelihood and impact are assessed on three levels: Low, Moderate or High.

Risk Likelihood	
Low	An event may occur at some time
Moderate	An event will probably occur in many circumstances
High	An event is expected to occur in most circumstances

4.5. The impact of a particular event is measured based on the potential damage to the credibility, reputation and the capacity of the Organization to fulfil its mandate.

Risk Impact	
Low	Less significant impact on main activities, reputation, or funding status
Moderate	Significant impact on main activities, reputation, or funding status
High	Serious impact on main activities, reputation, or funding status

4.6. The scoring process includes a certain amount of subjectivity. Therefore the risk score only provides an indication of the relative importance of each risk identified.

4.7. The risks that have a score of 6 (high) and 9 (critical) may involve a substantial financial risk to the organization.

4.8. The Risk Officer also categorizes each risk according to one of the following type:

- *Financial*
- *Management*
- *Occupational Safety and Health* in the workplace (OSH)
- *Compliance* with regulations such as the WTO Financial Rules & Regulations, Staff Rules & Regulations, or Procurement Policy and Procedures
- *Political*
- *Technological*

4.9. The Risk Register provides the risk score and type for each identified risk.

4.4 Risk Monitoring

4.10. The monitoring of risk requires first determining actions that can be taken to mitigate risks. The following are possible risk treatment options or mitigating measures:

- Avoid (Prevent)
- Accept
- Reduce Likelihood
- Reduce Impact
- Transfer

4.11. The Risk Officer then maintains and regularly updates a register of major risks faced by the Secretariat.

4.12. The Deputy Director-General in charge of Administration reviews and endorses the risk register, including the actions taken to mitigate risk. He/She submits to the Director-General at least annually a report with the key risks faced by the Secretariat. This report is being discussed in the Senior Management Meeting. He/She also alerts Senior Management at any time of serious and/or imminent risks that are identified.

5 REVISION HISTORY

Rev. No.	Date	Pages	Modification
1.0	19.12.2012	All	First version
1.1	07.03.2014	All	Additional clarification on the policy