

COUNCIL  
116th session  
Agenda item 4

C 116/4  
5 May 2016  
Original: ENGLISH

## STRATEGY, PLANNING AND REFORM

### Outcome of the Secretariat's Risk Management Exercise 2016-2017

#### Note by the Secretary-General

#### SUMMARY

*Executive summary:* This document provides the report on the outcome of the risk management exercise 2016-2017 carried out by the Secretariat, together with the associated risk event tables, as well as a summary of the 2014-2015 risk management exercise

*Strategic direction:* 4

*High-level action:* 4.0.4

*Planned output:* 4.0.4.1

*Action to be taken:* Paragraph 52

*Related documents:* C 113/D, C113/3/2, C113/3/3; C 112/D and C112/3

#### Introduction

1 The Secretariat carried out the 2016-2017 risk management exercise in accordance with the Risk Management Framework approved by the Council, at its 113th session (C 113/3/3) at the beginning of 2016. The 2016-2017 risk management exercise covered risk events potentially affecting the delivery of the Secretariat's Business Plan for the 2016-2017 biennium.

2 The purpose of the 2016-2017 exercise was to implement the agreed risk management process (C 113/3/3), taking into account lessons learned from the 2014-2015 risk management exercises, as well as the comments provided by Council at its 112th session (C 112/D) and to identify any issues or areas for further improvement.

3 The 2016-2017 exercise was conducted in four phases involving:

- .1 review of the risk events identified, analysed and reported on in the 2014- 2015 exercise;

- .2 application of the risk management process to the Secretariat's Divisional Business Plan for the 2016-2017 biennium, identifying possible new risk events;
- .3 an exercise to consolidate similar risk events that occur across several divisions into Secretariat-wide risk events;
- .4 a reassessment of the impact and probability of each risk event to further harmonize the risk assessment; and
- .5 a high-level analysis of the outcome of the 2016-2017 exercise and the production of the summary report (the risk event tables of each identified risk event can be found in the annex).

### **Review of the outcome of the 2014-2015 risk management exercise**

4 The first phase of the biennial risk management exercise consisted of updating the 2014-2015 risk events in order to:

- .1 identify developments that influenced the assessment of the risk events in 2015<sup>1</sup>. These developments mostly consisted of changes to the scope of the risk events or the introduction of additional risk controls;
- .2 identify risk events that were no longer relevant because they have been overtaken by developments or mitigated successfully;
- .3 determine, whether the assessed risk level of the remaining risk events were still relevant or changed as a result of risk mitigations applied and could therefore be eliminated from consideration in the 2016-2017 risk management exercise; and
- .4 carry over the remaining 2014-2015 risk events to the 2016-2017 risk management exercise.

5 The 2014-2015 risk event exercise had identified 46 risk events. During the biennium, three additional risk events were added in relation to the outbreak of the Ebola Virus. The 49 individual risk events were distributed into 12 risk event categories.

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<sup>1</sup> A similar exercise of updating the 2014-2015 risk events was conducted at the beginning of 2015, capturing the developments in 2014. Those developments were reported to the Senior Management Committee.

6 At the end of 2015, these 12 risk event categories are distributed across the following risk levels of the risk matrix:

		Impact	Very Low	Low	Medium	High	Very High
			≤ £10,000, Information with no harm, political impact within organization, danger to one or more individuals	> £10,000, Information with harm to an individual, political impact through specialized media, injury to individual	> £100,000, Information with harm to Member States, political impact through complaints of Member States, injury to several individuals	> £1,000,000, Information with extreme political or security implications, political impact through national press, serious injury to several individuals	> £10,000,000, Information with harm to IMO operations, political impact through widespread adverse publicity, loss of lives
Probability			1	2	3	4	5
Very High	99%	5					
High	75%	4			12. Human resources measures		
Medium	50%	3			2. IMO Meetings 6. TC Delivery 10. Treasury Placements	3. ITC System Failure 7. GESAMP and REMPEC support	
Low	25%	2		11. Accounting for in-kind services	4. Disruption of SAP system and services 5. Staff Recruitment and retention 9. Internal Oversight		1. Budget Shortfall
Very Low	1%	1					8. Incidents at HQ

Table1: Risk Matrix of the 12 risk categories

7 The 12 risk categories are distributed as follows: two risk categories are of a small risk level, seven risk categories are of a moderate risk level, three risk categories are of a significant risk level and no categories are of the critical risk level.

8 Compared to the initial risk assessment at the beginning of 2014, six of the 12 risk categories remain unchanged with regard to their probability, impact and risk level. The probability of one risk category (staff recruitment and retention) was reduced from medium to low with an unchanged impact and risk level. The impact of two risk categories increased but a simultaneous reduction of probability (ITCP delivery, internal oversight) lead to an unchanged risk level. The impact of one risk category (budget shortfall) increased from medium to high, but the risk level remained at a moderate level. The impact and probability of one risk category (treasury placements) increased, but the risk level remained unchanged. The risk level of only one risk category (accounting for in-kind services) decreased from moderate to small. The main developments for the individual risk categories during the biennium are set out below.

**RISK CATEGORY 1: Shortfall of the approved budgets**

9 A risk event affecting the objectives of the Secretariat, as a whole, was the possible shortfall on the approved budgets owing to lack of sufficient financial resources. There were no major developments in this risk category.

***RISK CATEGORY 2: Timely organization, preparation, running and support of IMO meetings***

10 The timely organization, preparation, running and support of IMO meetings was a risk event affecting the objectives of the Secretariat's Business Plan. In this category, two risk events occurred. The first risk event that occurred was the SI/AV equipment failure during MSC 94. As a consequence, the sound system in the Main Hall has been replaced in the second half of 2015. The sound systems in Committee Rooms 9 and 10 will be replaced in the summer of 2016.

11 The second risk event that occurred was associated with the compliance with IMO guidelines for submitting meeting documents. Due to the lack of adherence to the relevant guidelines, some deadlines were not met. This led to minor delays in the translation and distribution of IMO documents during meetings, but did not affect the running of meetings.

12 To further mitigate risk events, improvements of existing controls were implemented, such as the aforementioned replacement of the sound and interpretation systems, the Information Security Management System (ISMS), the introduction of an electronic document management system (eDocs), which supports the control of deadlines for the submission of documents, as well as the expansion of the pool of interpreters as part of the succession planning needed to ensure the success of the meetings.

***RISK CATEGORY 3: Failure of ICT systems and inability to implement the update plans***

13 Failures or breakdowns in the IT infrastructure remained a significant risk for the Secretariat. There were no major issues with the ICT system during the biennium. However, as the Secretariat becomes more dependent on technology, for example with the introduction of an electronic document processing system, it also becomes more susceptible to this risk and therefore more risk averse. To further mitigate this risk event, a back-up system was implemented. Additionally, several existing control mechanisms were improved, in particular with the implementation of the Information Security Management System (ISMS).

14 Furthermore, the risk event associated with a new Library Management System (LMS) occurred. The need for a new LMS had already been identified at the beginning of the biennium. A replacement system has been identified and the implementation process has begun.

***RISK CATEGORY 4: Disruption of SAP system and services***

15 System faults and failures that may have an impact on the full functioning of the SAP system to support administrative, budgetary, financial, and non-financial operations of the Organization was a relevant risk event. None of the risk events occurred, and transition to a new SAP service provider is under way.

***RISK CATEGORY 5: Unavailability of key staff, retaining and recruitment of staff***

16 Risk events that occurred and remain relevant were those associated with the unavailability of key staff and the inability to retain or recruit staff in highly specialized areas, including temporary staff (i.e. interpreters, translators). Risk control mechanisms were improved and new controls implemented, such as the improvement of training of junior translators and the maintenance of a database of temporary staff.

17 A risk event that did not occur was related to the delivery of the goal-based standard obligations that could result in the delay of the implementation of the new SOLAS regulation II-1/3-10. An additional staff member was recruited to assist with the implementation of the GBS and the first stage of the implementation process is under way.

18 Two risk events are no longer relevant. First, the risk event related to the lack of resources for the production of the statement of internal control, as the work on the statement on internal control has been completed. Second, the risk event related to the availability of key staff in Executive Office of the Secretary-General is no longer relevant due to a more flexible distribution of tasks among staff.

***RISK CATEGORY 6: Technical cooperation planning and delivery***

19 The risk events concerning the planning and delivery of technical cooperation remained relevant. Risk events concerning the planning of TC activities did not occur, but nevertheless, control mechanisms were introduced, to reduce the overall risk. Those controls included the monitoring of inputs in the GISIS module on Country Maritime Profiles (CMP) and the inclusion of CMP in the planning of TC activities. The risk events related to the delivery of TC activities occurred, i.e. some TC activities could not take place as planned, mainly due to the outbreak of the Ebola Virus in some countries of West and Central Africa.

***RISK CATEGORY 7: Support of REMPEC and GESAMP activities***

20 The risk events attributed to the financial support of REMPEC and GESAMP occurred. As a consequence, a restructuring of the REMPEC centre was initiated and fundraising activities as well as limited sponsorships for GESAMP have been introduced.

***RISK CATEGORY 8: Incidents at the HQ building***

21 The potential of accidents (e.g. fire, failure of lifts), natural disasters (e.g. flood) or politically motivated acts of violence remained relevant. The risk event did not occur and was mitigated by regular inspections and maintenance. The risk event related to the potential impact of the Ebola Virus disease outbreak on the HQ is no longer relevant.

***RISK CATEGORY 9: Internal oversight activities***

22 This risk event relates to difficulties in the implementation of internal oversight activities in accordance with the approved risk-based annual plan and work programme and remains relevant. This risk event did not occur and was successfully mitigated by the employment of an additional staff member in the general staff category to assist in the delivery of the work programme and the impact assessment of ITCP activities.

***RISK CATEGORY 10: Inappropriate treasury placements***

23 A risk event related to the Organization's budget is the lack of capital to invest due to poor collection rate for the annual assessment or inappropriate treasury placements. This risk event did not occur but remained relevant. This risk event was mitigated by encouraging Member States to settle their dues promptly and by ensuring that treasury placements are made in accordance with the Treasury Committee's decisions.

**RISK CATEGORY 11: Accounting for in-kind services**

24 This risk event addressed the timely implementation of the accounting for and reporting on in-kind support provided by donors and recipients. This risk event did not occur but remained relevant. At present, this risk events is acceptable, but the Secretariat started the development of a policy, methodology, process and procedures for accounting for in-kind support.

**RISK CATEGORY 12: Human resource measures**

25 Two risk events related to the implementation of human resource measures, i.e. the internal justice system and the performance appraisals. The risk events did not occur but remained relevant. With regard to the performance appraisal the existing controls were improved by the introduction of new career development mechanisms which is expected to improve staff morale and engagement. Additionally, proposals on how to improve the appraisal system are being prepared. With regard to the internal justice system, an appendix to the Staff Regulations and Staff rules has been prepared that deals with cases of retaliation after staff members raise a concern.

**End-of-biennium analysis**

26 At the end of the biennium, a final assessment of the risk events was conducted to assess the final status of each risk event and to identify if the risk events that remained would be relevant for the next biennium. This end-of-biennium assessment has shown that 33 of the 49 risk events did not occur due to a successful mitigation, but remain relevant. Ten risk events occurred and remain relevant. Six risk events are no longer relevant due to a complete mitigation or because they have been overtaken by developments.

**Outcome of the Risk Management Exercise 2016-2017**

27 Following the Council's proposals to improve the risk management process (C112/D), the Secretariat made changes to the risk event tables, including separating current risk controls from the possible additional risk controls. Additionally, the option to estimate the costs of an additional risk control was added. However, currently specific costs are only added if the additional risk control entailed additional human or other resources (e.g. hiring of additional staff, purchase of software), as most risk events are associated with internal processes for which the costs of additional activities to mitigate the risks are difficult to assess. The Secretariat also completed the implementation of an internal risk management database, which is now used to update the risk events throughout the biennium.

28 In order to further improve the effectiveness of risk management and to implement the requests of C 113, a number of risk events were consolidated for the 2016-2017 Risk Management Exercise. The 2016-2017 risk event exercise therefore identified 25 risk events, which is a significant reduction from the 49 risk events identified during the 2014-2015 exercise. Due to the reduction in the number of risk events, the risk events can be displayed in the risk matrix without the need to only depict the risk categories.

29 The 25 risk events are distributed across the following risk levels of the risk matrix:

		Impact	Very Low	Low	Medium	High	Very High
			≤ £10,000, Information with no harm, political impact within organization, danger to one or more individuals	> £10,000, Information with harm to an individual, political impact through specialized media, injury to individual	> £100,000, Information with harm to Member States, political impact through complaints of Member States, injury to several individuals	> £1,000,000, Information with extreme political or security implications, political impact through national press, serious injury to several individuals	> £10,000,000, Information with harm to IMO operations, political impact through widespread adverse publicity, loss of lives
Probability			1	2	3	4	5
Very High	99%	5					
High	75%	4					
Medium	50%	3		16 Staff appraisal 21 GBS implementation	2 Treasury placements 9 ICT system 11 SI/AV equipment 22 REMPEITC support 23 GESAMP support		
Low	25%	2		3 Services-in-kind 7 Bravery award nomination 8 NGO/IGO participation 17 Internal justice system	12 LMS migration 13 SAP system 14 Staff absence 19 TC implementation 20 TC funding 24 IMSAS implementation	4 IMO meeting support 18 ICSC compensation package implementation	1 Budget shortfall
Very Low	1%	1			6 ICT meeting support 10 ICT upgrades 15 Staff attraction	5 IMO meeting participation	25 HQ health and safety

Table 2: Risk Matrix of the 25 risk events

30 The 25 risk events are distributed across the risk matrix as follows: 9 risk events are of a small risk level, 16 risk events are of a moderate risk level, no risk categories are of a significant or critical risk level. The 25 risk events are categorized in seven risk categories based on their characteristics, and these categories are presented below.

### Finance and budget

31 A risk event affecting the objectives of the Secretariat is the possible **shortfall on the approved budget (risk event 1)** owing to lack of sufficient financial resources. If external factors assumed in the budget formulation deviate greatly, there is a risk of incurring overruns in the approved budgets and the associated deliverables may not be fully delivered as planned. There are various reasons for this such as changes to specified outputs/deliverables, adoption of additional work or shift in policy and legislative decisions.

32 Present risk control strategies are based on budgetary monitoring of expenditure by directors, including a quarterly status report to the Senior Management Committee. These measures could be improved by strengthening the budgetary control procedures and devise strategies and policies, including austerity measures, to mitigate budgetary risks, if need be.

33 A risk event also related to the Organization's budget is the **lack of capital to invest** due to poor collection rate for the annual assessment or **inappropriate treasury placements (risk event 2)**. To mitigate the risk event, there is a robust process in place for reminding Member States of their outstanding contributions. Additionally, the Organization has a Treasury Policy which defines the amount and duration of any placements which can be made. All investment placements are reviewed monthly and the Treasury Committee includes an external financial advisor. To improve the efficiency of the risk controls, the Treasury Committee could monitor performance against targets on a quarterly basis and advise on requirements to change the Organization's investment policy, should it be necessary.

34 Another risk event addresses the timely **implementation of the accounting for and reporting on in-kind support (risk event 3)** provided by donors and recipients. The timeline for implementation of in-kind support was based in part on the assumption that best practice in this respect already exists elsewhere in the United Nations System. However, currently there is little progress on accounting for services in-kind in the United Nations system. A delay in implementation would mean a continued under-reporting of donor contributions in-kind and, to some extent, unbalance the picture of contributions made to support the delivery of the Organization's technical cooperation activities. Therefore, IMO has made good progress in developing its own policy, methodology, process and procedures. Work remains to implement this during early 2016, but this is an issue primarily of resource availability.

#### ***Organization, preparation, running and support of IMO meetings***

35 The **timely organization, preparation, running and support of IMO meetings (risk events 4, 6 and 8)** is another risk event affecting the objectives of the Secretariat as a whole. This event may be triggered by lack of internal coordination, shortage of staff within the Secretariat or a breakdown or non-availability of equipment and/or rooms due to technical problems or damages. To mitigate the risk events, effective management and control mechanisms have been established including better coordination within the Secretariat. With regard to the preparation of documents, deadlines are established for all relevant meeting documentation and monitoring is in place. With regard to the provision of meeting services, regular maintenance patterns have been introduced and plans have been drawn up well in advance to better utilize existing human resources.

36 To improve the existing risk controls, close monitoring and modernization of document processes, agenda prioritization and exact time management could be implemented. Further, the continued development of eDocs and SAP reporting capabilities will improve reporting systems in the divisions. The installation of new equipment to ensure sufficient back-up, e.g. to add Committee Room 9 to the audio recording system, will enhance the back-up facilities. Additionally, formal training for all staff from technical divisions responsible for preparing IMO documentation could be introduced to ensure that good standard practices are achieved throughout the Secretariat.

37 Another risk event that could result in the disruption of meetings is an **inadequate participation of Member States in IMO meetings (risk events 5 and 8)** or conferences due to a significant disruption of international travel, or decisions by Member States not to participate in certain IMO meetings due to external events. To mitigate this risk event, the responsible divisions monitor the developments with regard to travel disruptions or restrictions as well as safety, security or health-related information. Should the safety, security or health situation change substantially, additional measures would be introduced following the recommendations of United Nations organizations and the UK Government's authorities, if need be.



### ***ICT and SAP systems and services***

38 **Failure of ICT systems (risk event 9)** remains a significant risk for the Secretariat. Failures of IT systems affect the ability of the Secretariat to support staff, delegates and visitors. The inability to **implement system updates (risk event 10)** affects the ability of the Secretariat to ensure that the computing capabilities remain appropriate for their purpose, including for example the **SI/AV equipment (risk event 11)** or a new **Library Management System (risk event 12)** for acquiring, managing and disseminating knowledge and collections of the Maritime Knowledge Centre. The mitigations of these risk events include routine data back-ups, frequent maintenance and close cooperation with all divisions. Additional controls can be developed and introduced following an examination of reasons for system crashes or equipment failures.

39 **SAP System failures (risk event 13)** can have an impact on the full functioning of the SAP system to support administrative, budgetary, financial, and non-financial operations of the Organization. Existing controls include the proactive monitoring and testing of hardware and software performance. To lower the risk of insufficient SAP support, a proactive management of SAP knowledge has been established. To further reduce the risk, the performance of SAP service providers could be monitored more closely and a favourable and flexible SAP service delivery contract could be negotiated.

### ***Human resource measures***

40 The risk of **sudden absences of staff members or the inability to attract new staff members (risk events 14 and 15)** continues to be an issue throughout the Secretariat. Due to the specialized functions, limited functional back-up of staff or length of the recruitment process, the sudden absence of staff members or a delay in the recruitment of staff can limit the performance of the Secretariat. Existing controls to mitigate the risk are that the resource management has been improved by, for example, implementing budgetary provisions to reinforce the teams with temporary staff, if necessary. At divisional level the restructuring of divisions allows relevant cover to take over the day-to-day running of business and increases the sharing of knowledge and information within divisions. Nevertheless, additional efforts are made to expand the pool of contractual translators, temporary staff and consultants. Further, the Secretariat relies on seconded resources from Member States to meet the demands for the delivery of the workload.

41 Further possible mitigations are to ensure that sufficient budgetary provisions are made for the recruitment of contractual and temporary staff, as required, and to further improve working conditions. With regard to the attraction of new staff, a review of current practices would be needed in order to identify areas for improvement, including an identification of cross-divisional responsibilities and synergies, with a view to identifying long-term human resource requirement to sustain the workload and deliver as requested.

42 The risk event associated with the **performance appraisals of staff (risk event 16)** relates to performance appraisals either not being completed or done inadequately. To mitigate this, Human Resource Services monitors compliance, though the quality of the information and the credibility of the system have yet to be assessed. To further mitigate the risk, proposals for a reform of the current system is under consideration.

43 An effective and timely operation of the **internal justice system (risk event 17)** can prevent or handle internal conflicts and may subsequently prevent cases from being processed within the United Nations Appeals Tribunal. To mitigate the risk event, the internal justice system was revamped to include a whole phase of informal resolution of disputes and the harassment prevention policy has been further strengthened. To improve the controls, the issue of personal accountability for decisions made could be further explored, combined with additional training on legal matters for managers.

44 The **preparation of the implementation of the new ICSC compensation package (risk event 18)** is a new risk event identified for the 2016-2017 biennium. At present, no specific controls have been put in place as the implementation process has just started and all activities have yet to be developed.

#### ***Planning and delivery of technical cooperation activities***

45 The risk events concerning the planning and delivery of technical cooperation activities that include **delays in the implementation or cancellation of activities (risk event 19)** as well as the **lack of sufficient funding for planned activities (risk event 20)**, cover the possible risks of all divisions involved in the delivery of technical cooperation activities. To mitigate the risk of delay in the implementation or cancellation of activities, technical cooperation activities are well planned and the pre-assessment of activities are well formulated, including the identification of key components. Further, partnership arrangements are updated regularly and regular monitoring and reporting to IMO meetings takes place. To mitigate the risk of insufficient funding, IMO is listed on the Organization for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC) Statistical Reporting Directives list. Additionally, the working relation with donors have been strengthened and conservative estimates of the anticipated donors' contributions have been used.

46 Additional controls could consist of a strengthening of oversight activities and an improved utilization of competent consultants and partnerships for the development of training materials and the delivery of technical cooperation activities. With regard to insufficient funding, the overall resource mobilization for TC activities could be increased by developing more strategic links with key donors through long-term strategic agreements, diversifying the donor base by proactively seeking out new donors and donor groups. Additionally, a thematic funding strategy could be developed to enable donors to provide funds towards high-level strategic objectives providing IMO with flexible funding to meet strategic goals and rapidly respond to emerging needs.

#### ***Delivery of major IMO projects***

47 The risk events concerning the delivery of major IMO projects have been included in a newly created risk category. A risk event in this category is related to **delays in the delivery of the Secretariat's obligations under the Goal Based Standards (GBS) (risk event 21)**. The Secretariat has already established the GBS verification audit scheme. However, the implementation of the GBS initial verification audit could trigger additional risks due to the complexity and difficulty of the nature of IACS RO's GBS rules. Currently, the audit reports to ROs have been completed by audit teams and will be reported to MSC 96 for consideration. Nevertheless, there is uncertainty on the future work plan and needs due to non-conformities received in the above mentioned audit reports. To mitigate the risk event, the Secretariat is proactively dealing with the audit scheme, bearing in mind that the scope of the risk event and the need for implementation of additional controls depends on the decisions of MSC 96.

48 The logistical and technical **support to the Regional Marine Pollution Emergency, Information and Training Centre (REMPEITC) (risk event 22)** presents a new risk event. REMPEITC provides significant support to implement IMO's regulations on preparedness, response and cooperation in case of pollution and to deliver the Organization's technical activities, including the ratification, implementation and enforcement of IMO environmental instruments in the Wider Caribbean Region. Changes in the logistical and technical support to REMPEITC due to the withdrawal of the consultant seconded by the Government of France could lead to a reduction in the delivery of outputs, in particular to support the implementation of IMO instruments, and a possible closure of REMPEITC. The controls currently applied to mitigate the risk are the administrative restructuring of REMPEITC, the identification of

alternatives for secondment of consultants and the revision of the MoU for Promoting IMO's Environmental Conventions in the Wider Caribbean Region. Additional controls to mitigate the risk could include the strengthening of the financial management and operations of REMPITC, the application of zero nominal growth, the development of activities for donor funding and further consultations with host and supporting governments.

49 The **coordination and support of all the GESAMP activities (risk event 23)** including IMO led working groups and its Executive Committee present a relevant risk. Single donor support for GESAMP is no longer a sustainable financial mechanism resulting in cash flow difficulties and a protracted delivery of activities. To mitigate the risk, the fundraising strategy for GESAMP was revised and limited sponsoring agencies are utilized to support activities for GESAMP. Further controls to support GESAMP activities could include intensified fundraising through identification and selection of sponsors and donors including development activities for sustainable funding support.

50 The **implementation of the audit programme under the IMO Member State Audit Scheme (IMSAS) (risk event 24)** is a new risk event added for the 2016-2017 biennium. From 1 January 2016 audits under the Scheme became mandatory and necessitate the implementation of up to 25 audits in accordance with the annual timetable, based on the audit schedule. To mitigate the risk, the Assembly and Council have invited Member States to continue nominating qualified auditors and make them available for audits. Audit Officers from the Secretariat are strategically allocated audit team duties to allow flexibility to be reassigned to other audits. Additional controls that could be implemented should it be deemed necessary include the close monitoring of audit planning, its progression and the identification of any other factors that could increase the risk event with respect to each audit.

#### ***Health and safety at IMO Headquarters***

51 The potential of **accidents (e.g. fire, failure of lifts), natural disasters (e.g. floods) or politically motivated acts of violence (risk event 25)** remains a risk event. These events may affect the use of the building and the life, health and safety of the occupants. The controls to mitigate the risk remain the established security procedures and regular exchanges with the Host Government and the United Nations authorities.

#### **Action requested of the Council**

52 The Council is requested to note the report on the outcome of the 2016-2017 risk management exercise.

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**ANNEX  
(English only)**

**OUTCOME OF THE SECRETARIAT'S RISK MANAGEMENT EXERCISE 2016-2017**

**Risk event tables**

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## 1. Finance and budget

1. Risk Event Identification	
<b>Name of Risk Event</b>	Shortfall on the approved budgets for outputs
Strategic directions potentially impacted	4
Secretariat's business plan objective potentially impacted	AD DO3
<b>Stakeholders and responsibilities</b>	
Internal and external stakeholders	Secretariat; Member States
Entity responsible	Administrative Division
<b>Scope of risk event</b>	
Qualitative description	Biennial budgets are approved by the Assembly. If external factors assumed in the budget formulation deviate greatly, then there is a risk of incurring overruns in the approved budgets; and the associated programmes may not be fully delivered as planned
Trigger of risk event	Higher UK inflation; unexpected changes in the cost-of-living index for London; changes in pay scales and benefits; significant currency fluctuations; adoption of additional work programmes
<b>Nature of risk event</b>	
Organizational	Damage to the Organization's reputation
Financial	Budget management and control
Operational	Business operations (human resources, capacity, meetings delivery, efficiency, service failure, ITCP delivery, meeting new requirements)
Qualitative description of risk event outcome	The risk event outcome would be partial delivery, or non-delivery, of the programmes planned or mandated
<b>Risk controls</b>	
Detailed description of current controls	Budget allotment notices by the Secretary-General and the budget release and availability check control in the SAP system. Close monitoring of the income and expenditure status and regular reporting to the management.
Level of confidence in present control	Low
<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	5
Probability	2
Assessment	7
<b>Development of risk management options</b>	
Risk tolerance level	Low – risk is not tolerable at the assessed risk level without further mitigating actions being implemented.

Additional risk treatment and control mechanisms	Strengthen budgetary control procedures, provide monitoring advice at all levels of the organization, and devise strategies and policies, including austerity measures, to mitigate budgetary risks. If overruns are incurred by unexpected pay rises over and above the assumed increases reflected in the approved budget, the required additional funds can be secured from the Special Contingency Account. For other overruns, resource requirements should be justified with expected results, which are linked to outputs to be delivered and actual performance in achieving such results is measured by predefined performance indicators.
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2. Risk event identification	
Name of risk event	Inappropriate treasury placements or lack of capital to invest
Strategic directions potentially impacted	4
Secretariat's business plan objective potentially impacted	AD DO2
Stakeholders and responsibilities	
Internal and external stakeholders	Secretariat; Member States
Entity responsible	Administrative Division
Scope of risk event	
Qualitative description	Member State collection rate falls well behind historical norms through the late or non-payment of one or more major contributors, resulting in few funds to place on deposit. One or more monthly treasury placements agreed by the Treasury Committee fails to correctly balance capital retention with the need to generate an investment return in line with DBP targets, either by investing for too long with a risky counterparty and suffering capital loss, or through excessive caution in a desire to maintain capital and so failing to generate an adequate revenue stream.
Trigger of risk event	Non-payment by Member States (monthly collections fall behind established trends), Monthly Treasury Committee meetings
Nature of risk event	
Organizational	Not applicable
Financial	Unfunded or inadequately funded commitments; Treasury management
Operational	Not applicable
Qualitative description of risk event outcome	Cash on hand insufficient to meet payment needs, loss of funds through investment in appropriate counterparty, or failure to meet performance targets.
Risk controls	
Detailed description of current controls	There is a robust process in place for informing and reminding Member States of their outstanding contributions through direct communication and regular Council documents. Further, there are sanctions in place for late payees under Article 61 of the IMO Convention, and early payment is incentivized through the Contributions Incentive Scheme. The Organization has a Treasury Policy which defines the amount and duration of any placements which can be made depending on the credit rating of the counterparty, and the Treasury Committee is charged with ensuring that any agreed investments are in line with the policy. All investment placements are reviewed monthly, and the Treasury Committee

	includes an external financial advisor who comments on counterparties and more general financial matters. The performance targets set in the DBPs are deliberately conservative to avoid creating a situation where significantly riskier investments are required.
Level of confidence in present control	High
<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	3
Probability	3
Assessment	6
<b>Development of risk management options</b>	
Risk tolerance level	High – risk is tolerable at its existing assessed risk level.
Additional risk treatment and control mechanisms	Treasury Committee should monitor performance against target on a quarterly basis and advise of any requirements to change the Organization's investment policy should that be necessary.

<b>3. Risk event identification</b>	
<b>Name of risk event</b>	Absence of examples or best practice around the UN system on accounting for services in kind
Strategic directions potentially impacted	4
Secretariat's business plan objective potentially impacted	AD DO4
<b>Stakeholders and responsibilities</b>	
Internal and external stakeholders	Secretariat
Entity responsible	Administrative Division
<b>Scope of risk event</b>	
Qualitative description	The timeline for implementation of in-kind support is based in part on the assumption that best practice in this respect already exists elsewhere in the UN System. While recent adopters of IPSAS had originally intended to account for services in kind, in many places this has been dropped in favour of focusing on core compliance. IAEA are developing procedures in parallel; however, should their timeline differ significantly it will pose a significant threat to the capability to deliver in the intended timeline. There remains little work on services in kind elsewhere in the UN system, but IMO has nevertheless made good progress in developing its own policy, methodology, process and procedures. Work remains to implement during early 2016, but this is an issue primarily of resource availability.
Trigger of risk event	Outcome of discussion with IAEA inter alia on project timelines. Replanning of this objective may be necessary following that discussion.



<b>Nature of risk event</b>	
Organizational	Damage to the Organization's reputation
Financial	Not applicable
Operational	Not applicable
Qualitative description of risk event outcome	A delay in implementation would mean a continued under-reporting of donor contributions in kind (albeit reporting compliant with IPSAS which allows, but does not require, the inclusion of services in kind), particularly donations received in this way from recipient countries who support the delivery of programmes in their region through in-kind means, rather than direct financial contribution. This would, to some extent, unbalance the picture of contributions made to support the delivery of the Organization's TC work.
<b>Risk controls</b>	
Detailed description of current controls	The risk is mitigated already to some extent as reporting would continue to be IPSAS-compliant, there is no external pressure to make the change, and the Organization would, in any case, be among the leading UN System organizations in moving towards such an implementation. A project plan is in place for the work, and will be discussed with IAEA with a view to determining levels of synergy.
Level of confidence in present control	Moderate
<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	2
Probability	2
Assessment	4
<b>Development of risk management options</b>	
Risk tolerance level	High – risk is tolerable at its existing assessed risk level.
Additional risk treatment and control mechanisms	Ongoing discussion with IAEA and others in the FB Network.

## 2. Organization, preparation, running and support of IMO meetings

4. Risk event identification	
<b>Name of risk event</b>	Delays in the organization, preparation, support and running of IMO meetings
Strategic directions potentially impacted	1,2,3,4,5,6,10,12
Secretariat's business plan objective potentially impacted	OSG DO1, AD DO1, CD DO3, CD DO4, MED DO1, MSD DO1, MSA&IS DO1
<b>Stakeholders and responsibilities</b>	
Internal and external stakeholders	Secretariat, Member States, IGOs and NGOs, public, industry, including seafarers
Entity responsible	Office of the Secretary-General
<b>Scope of risk event</b>	
Qualitative description	Non-delivery or delay in preparing meetings and other meeting requirements, including documents (formal submissions, briefs, working papers, reports, IMO instruments, guidelines, circulars, etc.) in a timely manner or inability to provide logistics services (conference rooms/facilities, audio/video, registration, interpretation services).
Trigger of risk event	Lack of coordination, staff shortage or inadequate resources (due to budgetary restrictions or lack of supply) within the Secretariat; non-compliance with the guidelines of the organization and methods of work of the various IMO organs; Breakdown or non-availability of equipment and/or rooms due to technical problems or damages.
<b>Nature of risk event</b>	
Organizational	Damage to the Organization's reputation; Public perception
Financial	Budget management and control
Operational	Business operations (human resources, capacity, meetings delivery, efficiency, service failure, ITCP delivery, meeting new requirements); Information/business reporting (budgeting and planning, accounting information, pension funds, After Service Health Insurance liability, investment evaluation); Business continuity, Empowerment (leadership, change readiness)
Qualitative description of risk event outcome	Meetings cannot be organized and managed successfully in accordance with the IMO programme of meetings, relevant rules of procedures and IMO guidelines which in turn could lead to the failure to deliver the outputs in the High-level Action Plan for the 2016-2017 biennium. Inadequate support and services to IMO meetings could result in non-delivery or delay in the preparation of meeting documentation, the management of the meeting itself and report writing in cooperation with documents and translation sections. This could mean that important decisions affecting, in particular, budget, finance, HR and ICT management issues might need to be postponed affecting the Secretariat's operations.
<b>Risk controls</b>	
Detailed description of current controls	With regard to the budgetary planning of the meeting programme, effective management and control mechanisms have been established with coordination at the internal level of the Conference Division and with other IMO Divisions, in particular with the Administrative Division/Financial Services. Monthly analysis of statistics and thorough consultation exercises are being undertaken in the preparation of budgetary proposals. Additionally, coordination meetings with technical divisions and preparatory meetings with internal staff in the CD Division take place regularly. With regard to the preparation of documents, deadlines are

	established for all relevant meeting documentation and monitoring is in place. With regard to the provision of meeting services, regular maintenance patterns have been introduced and plans have been drawn up well in advance and confirmed at the earliest possible opportunity to better utilize existing human resource. With regard to the provision of interpretation services, efforts to expand the pool of qualified interpreters are being made, occasional support is sourced from the Translation Services. Additionally, a new UN/AIIC Agreement has been implemented and the cooperation with ICT has been improved.
Level of confidence in present control	Moderate
<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	4
Probability	2
Assessment	6
<b>Development of risk management options</b>	
Risk tolerance level	Moderate – risk is tolerable but further mitigating actions should be implemented to increase the risk tolerance to high.
Additional risk treatment and control mechanisms	Continuous good communication among the stakeholders and effective budgetary planning, management and control mechanisms. Close monitoring and modernization of document processes, agenda prioritization and exact time management. Continued development of the Document Management System and SAP reporting capabilities which will improve reporting systems in the Division. Installation of new equipment to ensure sufficient back-up, e.g. to add CR 9 to the audio recording system. Implementation of efficiency measures. Greater use of technology (PaperSmart meetings) in day to day practice. Introduction of formal training for all staff from technical divisions who are responsible for preparing IMO documentation to ensure that good IMO standard practice is achieved. Further expansion of the pool of qualified interpreters, to include interpreters not domiciled in the UK.

<b>5. Risk Event Identification</b>	
<b>Name of Risk Event</b>	Inadequate participation in IMO meetings/ conferences
Strategic directions potentially impacted	All SDs
Secretariat's business plan objective potentially impacted	All DOs
<b>Stakeholders and responsibilities</b>	
Internal and external stakeholders	Secretariat, Member States, IGOs and NGOs, public, industry, including seafarers
Entity responsible	Office of the Secretary-General
<b>Scope of risk event</b>	
Qualitative description	Disruption/ cancellation of IMO meetings/conferences or the failure to achieve an adequate participation due to the absence of relevant delegates

Trigger of risk event	Significant disruption of international travel due to, e.g. natural disaster, terrorist threats or major outbreak of infectious diseases as well as measures taken by Governments and the Organization due to safety, security or health considerations, leading to decisions by delegations to not participate in certain IMO meetings
<b>Nature of risk event</b>	
Organizational	Damage to the Organization's reputation; Regionalization or unilateralism in the regulation of shipping; Public perception
Financial	Budget management and control
Operational	Business continuity
Qualitative description of risk event outcome	Delegates might not be able to get to the IMO HQ which might lead to disruption/cancellation of IMO meetings. This may disrupt the IMO Meeting Programme and delay important decisions by the IMO organs affected.
<b>Risk controls</b>	
Detailed description of current controls	The Secretariat monitors relevant information regarding the outbreak of infectious diseases, especially from WHO and the UK Government's authorities, as well as information from other sources related to disruption of international travel. In the event of an incident, a deadline would be established for cancelling the meeting in question.
Level of confidence in present control	Moderate
<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	4
Probability	1
Assessment	5
<b>Development of risk management options</b>	
Risk tolerance level	High – risk is tolerable at its existing assessed risk level.
Additional risk treatment and control mechanisms	Contingency plans should be developed to address the possibility of IMO having to cancel a programmed meeting shortly before its scheduled start. Should the specified incidents occur more often, alternative means of ensuring participation by delegates affected will need to be explored.

<b>6. Risk event identification</b>	
<b>Name of risk event</b>	Unavailability of ICT services during Meetings
Strategic directions potentially impacted	4
Secretariat's business plan objective potentially impacted	AD DO1

<b>Stakeholders and responsibilities</b>	
Internal and external stakeholders	Secretariat; Member States, NGOs and IGOs
Entity responsible	Administrative Division
<b>Scope of Risk Event</b>	
Qualitative description	Risk event affects the ability of the Secretariat to successfully conduct a meeting (including disruptions of translation/word processing work, the distribution of documents through IMODOCS and provision of terminology/referencing work), and of the Organization to delivery its work regulatory programme.
Trigger of risk event	Failure of network or other computing systems
<b>Nature of risk event</b>	
Organizational	Damage to the Organization's reputation
Financial	Not applicable
Operational	Information technology (relevance, availability, stability), Business operations (human resources, capacity, meetings delivery, efficiency, service failure, ITCP delivery, meeting new requirements); Business continuity
Qualitative description of risk event outcome	Failure of IMO bodies to successfully conclude their work in a timely manner.
<b>Risk controls</b>	
Detailed description of current controls	Reliable provision of sufficient hardware systems including redundant setup. Upgrade and enhancement of IT systems, ensuring more robust back-up, greater capacity, speedier response to emergencies and adequate level of helpdesk support.
Level of confidence in present control	High
<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	3
Probability	1
Assessment	4
<b>Development of risk management options</b>	
Risk tolerance level	High – risk is tolerable at its existing assessed risk level.
Additional risk treatment and control mechanisms	Ensure back-up systems are in place to minimize risks, especially related to the new E-Docs system. Ensure the presence of an IT officer on site. Additional controls can be developed and introduced following examination of reasons for disruptions and success, or weaknesses, of existing controls in resolving observed problems.

<b>7. Risk event identification</b>	
<b>Name of risk event</b>	Failure to receive nominations for the IMO Award for Exceptional Bravery at Sea
Strategic directions potentially impacted	11
Secretariat's business plan objective potentially impacted	LED DO6
<b>Stakeholders and responsibilities</b>	
Internal and external stakeholders	Secretariat; Member States; NGOs and IGOs
Entity responsible	Legal Affairs and External Relations Division
<b>Scope of risk event</b>	
Qualitative description	Failure to receive nominations, or nominations that are worthy of the Award, by the deadline would seriously jeopardize the annual exercise and the longevity of the Award scheme itself.
Trigger of risk event	Failure to receive nominations.
<b>Nature of risk event</b>	
Organizational	Damage to the Organization's reputation;; Public perception
Financial	Not applicable
Operational	Business operations (human resources, capacity, meetings delivery, efficiency, service failure, ITCP delivery, meeting new requirements); Business continuity
Qualitative description of risk event outcome	Possible development of solutions on national or regional level, which would be undermining the Organization's authority. Increased scrutiny by Member States if the Secretariat is not able to deliver the agreed outputs, possibly leading to less effectiveness and initiatives elsewhere.
<b>Risk controls</b>	
Detailed description of current controls	Close monitoring of deadlines and working with contacts to ensure receipt of nominations. Nominations requested earlier; enhanced efforts to publicize the Award on social media on approaching the deadline among the Permanent Representatives to IMO and other contacts in the field, and to enlist their assistance in coordinating with their Governments to ensure nominations are received.
Level of confidence in present control	High
<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	2
Probability	2
Assessment	4
<b>Development of risk management options</b>	
Risk tolerance level	High – risk is tolerable at its existing assessed risk level.
Additional risk treatment and control mechanisms	-

<b>8. Risk event identification</b>	
<b>Name of risk event</b>	Inaccurate and incomplete information on the participation of NGOs in consultative status with IMO in meetings
Strategic directions potentially impacted	1
Secretariat's business plan objective potentially impacted	LED DO2
<b>Stakeholders and responsibilities</b>	
Internal and external stakeholders	Secretariat; Member States; NGOs and IGOs
Entity responsible	Legal Affairs and External Relations Division
<b>Scope of risk event</b>	
Qualitative description	The Council has to review biannually the consultative status of non-governmental organizations based on their attendance at and submission of documents to IMO meetings.
Trigger of risk event	The information may be inaccurate because full and complete information is not available.
<b>Nature of risk event</b>	
Organizational	Damage to the Organization's reputation; Public perception;
Financial	Not applicable
Operational	Business operations (human resources, capacity, meetings delivery, efficiency, service failure, ITCP delivery, meeting new requirements); Information technology (relevance, availability, stability); Business continuity
Qualitative description of risk event outcome	Increased scrutiny by Member States if the Secretariat is not able to deliver, possibly leading to less effectiveness and initiatives elsewhere.
<b>Risk controls</b>	
Detailed description of current controls	A manual system is in place to record NGO participation in IMO's work, with direct double-checking with NGOs on their own record of participation.
Level of confidence in present control	High
<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	2
Probability	2
Assessment	4
<b>Development of risk management options</b>	
Risk tolerance level	Moderate – risk is tolerable but further mitigating actions should be implemented to increase the risk tolerance to high.
Additional risk treatment and control mechanisms	Improve the information recording system by designing a computerized system that can be updated on a regular basis and linking it to the Conference registration database and IMODOCS.

### 3. ICT and SAP systems and services

<b>9. Risk event identification</b>	
<b>Name of risk event</b>	Failure of ICT systems and ability to provide Helpdesk support
Strategic directions potentially impacted	4
Secretariat's business plan objective potentially impacted	AD DO2
<b>Stakeholders and responsibilities</b>	
Internal and external stakeholders	Secretariat; Member States; IGOs and NGOs; Public
Entity responsible	Administrative Division
<b>Scope of risk event</b>	
Qualitative description	Risk event affects the ability of the Secretariat to support routine computing requirements of staff, delegates and visitors
Trigger of risk event	Shortage of staff; high number of events in a short space of time; critical central server failures
<b>Nature of risk event</b>	
Organizational	Damage to the Organization's reputation, Public perception; Failure to keep pace with technological innovation
Financial	Not applicable
Operational	Business operations (human resources, capacity, meetings delivery, efficiency, service failure, ITCP delivery, meeting new requirements); Information technology (relevance, availability, stability); Business continuity
Qualitative description of risk event outcome	Inability of the Secretariat to function effectively in carrying out all its duties and obligations, given the dependence on IT systems across all areas.
<b>Risk controls</b>	
Detailed description of current controls	Sufficient staff complement to meet demand; routine data back-ups to facilitate restore in case of severe systems crash; availability of external support contracts to address critical server failures needing replacement. Implementation and operation of an Information Security Management System (ISMS) and obtaining ISO 27001 Certification in October 2015.
Level of confidence in present control	High
<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	3
Probability	3
Assessment	6
<b>Development of risk management options</b>	
Risk tolerance level	High – risk is tolerable at its existing assessed risk level.



Additional risk treatment and control mechanisms	Recommendations to optimize the controls and mitigations to achieve a lower risk assessment and/or higher risk tolerance. Assessment of residual risk level following application of proposed 'potential action for improvement'.
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<b>10. Risk event identification</b>	
<b>Name of risk event</b>	Inability to implement the progressive upgrade/enhancement plans for ICT
Strategic directions potentially impacted	4
Secretariat's business plan objective potentially impacted	AD DO5
<b>Stakeholders and responsibilities</b>	
Internal and external stakeholders	Secretariat; Member States; Public
Entity responsible	Administrative Division
<b>Scope of risk event</b>	
Qualitative description	Risk event affects the ability to ensure that the computing capabilities of the Secretariat remain fit for purpose.
Trigger of risk event	Changes in funding decisions.
<b>Nature of risk event</b>	
Organizational	Failure to keep pace with technological innovation
Financial	Unfunded or inadequately funded commitments
Operational	Information technology (relevance, availability, stability)
Qualitative description of risk event outcome	Ageing hardware facilities will result in deteriorating services for all users, in turn resulting in slower computer facilities and more frequent errors and failures.
<b>Risk controls</b>	
Detailed description of current controls	Good understanding at high level of the Secretariat of the need for adequate computing facilities. Enhancement/upgrade of ICT infrastructure and update of licences. Operating an Information Security Management System (ISMS) and obtaining ISO27001 Certification in Oct 2015.
Level of confidence in present control	High
<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	3
Probability	1
Assessment	4
<b>Development of risk management options</b>	
Risk tolerance level	High – risk is tolerable at its existing assessed risk level.

Additional risk treatment and control mechanisms	Adequate funding needs to be in place for regular upgrade and enhancement plans with prioritized and phased investments for these purposes.
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11. Risk event identification	
<b>Name of risk event</b>	Failure of SI/AV equipment
Strategic directions potentially impacted	4
Secretariat's business plan objective potentially impacted	CD DO3
<b>Stakeholders and responsibilities</b>	
Internal and external stakeholders	Secretariat; Member States; NGOs and IGOs
Entity responsible	Conference Division
<b>Scope of risk event</b>	
Qualitative description	Inability to be able to provide interpretation and audio/video services including recording of meeting proceedings
Trigger of risk event	Any failure of SI/AV equipment
<b>Nature of risk event</b>	
Organizational	Damage to the Organization's reputation; Public perception
Financial	Not applicable
Operational	Business operations (human resources, capacity, meetings delivery, efficiency, service failure, ITCP delivery, meeting new requirements)
Qualitative description of risk event outcome	Meetings are disrupted or suspended because of the failure of SI/AV equipment. No recording of the proceedings can be made as required. Loss of outcome reporting facilities for meetings.
<b>Risk controls</b>	
Detailed description of current controls	Frequent checks and maintenance visits. Prompt solution to any identified problem. Provision of required stock of spare parts on site. The sound system in the Main Hall was replaced in the second half of 2015. The sound systems in CRs 9 & 10 will be replaced in summer of 2016.
Level of confidence in present control	Moderate
<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	3
Probability	2
Assessment	5

<b>Development of risk management options</b>	
Risk tolerance level	Low – risk is not tolerable at the assessed risk level without further mitigating actions being implemented.
Additional risk treatment and control mechanisms	Timely consultation with maintenance contractors and repair and/or replacement of the faulty parts. Increased periodic checks and enhanced maintenance level.

<b>12. Risk event identification</b>	
<b>Name of risk event</b>	Failure to migrate to a new Library Management System (LMS)
Strategic directions potentially impacted	4
Secretariat's business plan objective potentially impacted	LED DO6
<b>Stakeholders and responsibilities</b>	
Internal and external stakeholders	Secretariat; Member States; Public; Industry, including seafarers
Entity responsible	Legal Affairs and External Relations Division
<b>Scope of risk event</b>	
Qualitative description	The LMS is the core system for acquiring, managing and disseminating knowledge and collections of the MKC. It should be a tool for MKC staff to perform core functions and a window to the world for IMO information. The current system is antiquated (by at least 15 years), unstable, seriously hinders staff productivity and adversely impacts the visibility and credibility of MKC and IMO.
Trigger of risk event	Failure to migrate from the present system to a new Library Management System (LMS).
<b>Nature of risk event</b>	
Organizational	Damage to the Organization's reputation; Public perception; Failure to keep pace with technological innovation
Financial	Not applicable
Operational	Business operations (human resources, capacity, meetings delivery, efficiency, service failure, ITCP delivery, meeting new requirements); Information technology (relevance, availability, stability)
Qualitative description of risk event outcome	The records, bibliographic data and holdings of the entire collection of materials, books, periodicals, IMO Publications and IMO documents which form the IMO collections are at risk of being lost or becoming invisible. A further risk is the expense of recovering data or not recovering that may be corrupted or lost.
<b>Risk controls</b>	
Detailed description of current controls	A replacement system has been identified and the implementation process has begun.
Level of confidence in present control	Moderate

<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	3
Probability	2
Assessment	5
<b>Development of risk management options</b>	
Risk tolerance level	High – risk is tolerable at its existing assessed risk level.
Additional risk treatment and control mechanisms	-

<b>13. Risk event identification</b>	
<b>Name of risk event</b>	SAP System Failure, System Design Faults and Inadequate SAP Support
Strategic directions potentially impacted	4
Secretariat's business plan objective potentially impacted	AD DO2
<b>Stakeholders and responsibilities</b>	
Internal and external stakeholders	Secretariat; Member States
Entity responsible	Administrative Division
<b>Scope of risk event</b>	
Qualitative description	Disruption of business operations due to unavailability or faulty SAP system. System faults and failures that jeopardize full functioning of SAP system to support administrative, budgetary, financial, and non-financial operations of the organization.
Trigger of risk event	Incorrect system configuration, system design faults and gaps, missed requirements, hardware failures, lack of adequate SAP support, unsuitable SAP services supplier or SAP support contract.
<b>Nature of risk event</b>	
Organizational	Damage to the Organization's reputation; Public perception; Failure to keep pace with technological innovation
Financial	Unfunded or inadequately funded commitments; Budget management and control
Operational	Information technology (relevance, availability, stability); Information/business reporting (budgeting and planning, accounting information, pension funds, After Service Health Insurance liability, investment evaluation); Business continuity
Qualitative description of risk event outcome	Possible liability to the Organization due to wrong calculation of financial commitments. Risk of delay in processing payroll, procurement of goods and services and travel requests. Risk of use of manual system due to inadequate set-up of the SAP system, possibly leading to under-utilization of the SAP system.

<b>Risk controls</b>	
Detailed description of current controls	<p><b>SAP System Failure</b></p> <ul style="list-style-type: none"> <li>• Proactive monitoring of hardware and software performance and timely update of relevant software releases</li> <li>• Set-up of real-time disaster recovery system and periodic tests and simulation of disaster recovery plans</li> <li>• Improvement of infrastructure resiliency, improvement of business continuity arrangement</li> <li>• Improvement of internal control through segregation of duties</li> </ul> <p><b>System design faults</b></p> <ul style="list-style-type: none"> <li>• Comprehensive requirements gathering</li> <li>• Integrated user acceptance and quality assurance testing</li> <li>• Avoidance of customization of the standard SAP system</li> <li>• Robust change control procedures</li> </ul> <p><b>Inadequate SAP support</b></p> <ul style="list-style-type: none"> <li>• Proactive monitoring and improvement of service delivery through agreed service level agreements</li> <li>• Proactive management of SAP knowledge in the organization</li> </ul>
Level of confidence in present control	High
<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	3
Probability	2
Assessment	5
<b>Development of risk management options</b>	
Risk tolerance level	High – risk is tolerable at its existing assessed risk level.
Additional risk treatment and control mechanisms	Increase in-house skills in outsource contract management, closely monitor the performance of SAP service providers, negotiate favourable and flexible SAP service delivery contract.

#### 4. Human resource measures

14. Risk event identification	
Name of risk event	Sudden absence of staff members
Strategic directions potentially impacted	4
Secretariat's business plan objective potentially impacted	OSG DO 3, OSG DO 7, CD DO1, CD DO 4, TCD DO1, MSA&IS DO1
Stakeholders and responsibilities	
Internal and external stakeholders	Secretariat, Member States, IGOs and NGOs, public, industry, including seafarers
Entity responsible	Office of the Secretary-General
Scope of risk event	
Qualitative description	Due to the specialized functions and limited functional back-up, the sudden absence of staff members can limit the effectiveness of the Secretariat
Trigger of risk event	Absence of staff due to sudden illness, staff movements, resignation, separation, secondments and appointments elsewhere, etc.
Nature of risk event	
Organizational	Damage to the Organization's reputation; demographic and socio/cultural trends
Financial	Unfunded or inadequately funded commitments
Operational	Business operations (human resources, capacity, meetings delivery, efficiency, service failure, ITCP delivery, meeting new requirements); Business continuity, empowerment (leadership, change readiness)
Qualitative description of risk event outcome	Reliance on limited Secretariat resources for the completion of tasks could negatively impact the processing and publication of documentation, the delivery of meeting services and the ability to deliver expected outcome for consideration of the IMO organs as well as the ability to deliver the objectives specified in the Secretariat's Business Plan.
Risk controls	
Detailed description of current controls	Resources management has been improved, budgetary provisions are in place to reinforce the teams when needed. At Divisional level the restructuring of divisions now allows replacements to take over the day to day running of business and increases the sharing of knowledge and information within divisions. Continuous review and enhancement of working practices. Efforts are made to expand the pool of contractual translators, temporary staff and consultants. Reliance on seconded resources from Member States to meet the demands for the delivery of the work load.
Level of confidence in present control	Moderate
Risk analysis	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	3
Probability	2
Assessment	5

<b>Development of risk management options</b>	
Risk tolerance level	Moderate – risk is tolerable but further mitigating actions should be implemented to increase the risk tolerance to high.
Additional risk treatment and control mechanisms	Ensure that sufficient budgetary provisions are made for the recruitment of contractual and temporary staff as required. Further improve working conditions, reviewing how compensatory time off is calculated for night work.

<b>15. Risk event identification</b>	
<b>Name of risk vent</b>	Inability to attract staff
Strategic directions potentially impacted	4
Secretariat's business plan objective potentially impacted	OSG DO 7, CD DO1, CD DO 4, MSA&IS DO1
<b>Stakeholders and responsibilities</b>	
Internal and external stakeholders	Secretariat, Member States, INGOs and NGOs, public, industry, including seafarers
Entity responsible	Office of the Secretary-General
<b>Scope of risk event</b>	
Qualitative description	Due to the specialized functions and length of recruitment process, delay in the recruitment of staff can limit the effectiveness of the Secretariat
Trigger of risk event	Failure to attract highly qualified permanent, temporary, contractual staff, Secondees, JPOs and consultants
<b>Nature of risk event</b>	
Organizational	Damage to the Organization's reputation; demographic and socio/cultural trends
Financial	Unfunded or inadequately funded commitments
Operational	Business operations (human resources, capacity, meetings delivery, efficiency, service failure, ITCP delivery, meeting new requirements); Business continuity, empowerment (leadership, change readiness)
Qualitative description of risk event outcome	Based on the age profile of staff members of the Secretariat, organizational knowledge will be lost once these senior staff retire. Furthermore the length in recruitment processes leads to gaps, where sufficient knowledge or competencies might be lacking having a direct impact on the Secretariat's delivery of the objectives specified in the Secretariat's Business Plan.
<b>Risk controls</b>	
Detailed description of current controls	Resources management has been improved, budgetary provisions are in place to reinforce the teams when needed. At divisional level the restructuring of divisions now allows replacements to take over the day to day running of business, if necessary. Continuous review and enhancement of working practices. Efforts are made to expand the pool of contractual translators, temporary staff and consultants. Reliance on seconded resources from Member States to meet the demands for the delivery of the work load.
Level of confidence in present control	Moderate

<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	3
Probability	1
Assessment	4
<b>Development of risk management options</b>	
Risk tolerance level	Moderate – risk is tolerable but further mitigating actions should be implemented to increase the risk tolerance to high.
Additional risk treatment and control mechanisms	Staff succession planning policies to be strengthened. A review of current practices is needed in order to identify areas for improvement, including an identification of cross-divisional responsibilities and synergies, with a view to identifying long-term human resource requirement to sustain the work load and deliver as requested. Further ensure that working conditions are attractive, especially for those working nights, and consider possible measures to promote staff or provide them with more financial incentives, possibly through the new Performance Recognition scheme.

<b>16. Risk event identification</b>	
<b>Name of Risk Event</b>	Inadequate conduct, and absence, of performance appraisal of staff
Strategic directions potentially impacted	4
Secretariat's business plan objective potentially impacted	AD DO2
<b>Stakeholders and responsibilities</b>	
Internal and external stakeholders	Secretariat; Member States
Entity responsible	Administrative Division
<b>Scope of risk event</b>	
Qualitative description	Performance appraisals of staff are either not completed or done inadequately
Trigger of risk event	Poor commitment of managers, senior managers or staff; or inadequate briefing and training
<b>Nature of risk event</b>	
Organizational	Damage to the Organization's reputation
Financial	Budget management and control
Operational	Business operations (human resources, capacity, meetings delivery, efficiency, service failure, ITCP delivery, meeting new requirements)
Qualitative description of risk event outcome	Inadequate conduct, or absence, of performance appraisal of staff, might lead to a severe deterioration of staff morale, productivity and legal costs in addition to placing the delivery of the Organization's programme at risk. Poor staff performance leading to failure to achieve organizational objectives; poor staff morale; poor staff relations resulting in possible cases before the UNAT. Higher



	levels of absenteeism and need to hire temporary staff; possible costs of litigation and financial liabilities following UNAT. Risk of not achieving operational objectives. Poor delivery of service.
<b>Risk controls</b>	
Detailed description of current controls	HRS does monitor compliance, though the quality of the information and the credibility of the system have yet to be assessed. HRS is working in monitoring staff morale and absenteeism and is also in the process of implementing a new career development mechanism that is expected to improve staff morale and engagement, thereby improving existing risk control. Proposals to improve the appraisal system are being prepared.
Level of confidence in present control	Moderate
<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	2
Probability	3
Assessment	5
<b>Development of risk management options</b>	
Risk tolerance level	Moderate – risk is tolerable but further mitigating actions should be implemented to increase the risk tolerance to high.
Additional risk treatment and control mechanisms	The issue here is not having additional controls in themselves, but rather having a new approach to performance monitoring and management. Proposals for a reform of the current system is under consideration.

<b>17. Risk event identification</b>	
<b>Name of risk event</b>	Inadequate internal justice system
Strategic directions potentially impacted	4
Secretariat's business plan objective potentially impacted	AD DO2
<b>Stakeholders and responsibilities</b>	
Internal and external stakeholders	Secretariat
Entity responsible	Administrative Division
<b>Scope of risk event</b>	
Qualitative description	Effective and timely operation of the internal justice system
Trigger of risk event	Conflicts are not prevented or dealt with in a timely manner
<b>Nature of risk event</b>	
Organizational	Damage to the Organization's reputation

Financial	Budget management and control
Operational	Not applicable
Qualitative description of risk event outcome	Prevention and handling of internal conflicts may subsequently lead to cases to be processed within the internal justice system of IMO and UNAT. Such cases are not only very labour intensive but may also result in the Organization having to pay substantial indemnities. Poor staff morale, work disruption, potential financial liabilities for the Organization
<b>Risk controls</b>	
Detailed description of current controls	The internal justice system was revamped to include a whole phase of informal resolution of disputes. Following this revamping of the system, a group of staff members was trained in mediation techniques and now acts as mediators. In addition, a harassment prevention programme has been set up and training for managers is mandatory. In addition, a document was prepared to deal with cases of retaliation after staff members raise a concern. This will become an appendix to the Staff Regulations and Staff Rules.
Level of confidence in present control	High
<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	2
Probability	2
Assessment	4
<b>Development of risk management options</b>	
Risk tolerance level	High – risk is tolerable at its existing assessed risk level.
Additional risk treatment and control mechanisms	The harassment prevention policy is being further strengthened to professionalize the investigation of allegations of harassment. The issue of personal accountability for decisions made should be further explored, combined with additional training on legal matters for managers.

<b>18. Risk event identification</b>	
<b>Name of risk event</b>	Inadequate preparation for the Implementation of the New ICSC Compensation Package approved by the UNGA
Strategic directions potentially impacted	4
Secretariat's business plan objective potentially impacted	AD DO2
<b>Stakeholders and responsibilities</b>	
Internal and external stakeholders	Secretariat
Entity responsible	Administrative Division

<b>Scope of risk event</b>	
Qualitative description	New requirements for salary and entitlements are not implemented and paid on time or erroneously to staff members. Staff members are not informed correctly in advance and Staff Rules not amended before implementation.
Trigger of risk event	Lack of information and lack of time for amendments to Staff Rules and guidelines, inadequate upgrade of the HR SAP system and lack of training of HR/FS staff.
<b>Nature of risk event</b>	
Organizational	damage to the Organization's reputation
Financial	-
Operational	business operations (human resources, capacity, meetings delivery, efficiency, service failure, ITCP delivery, meeting new requirements (Member Audit Scheme))
Qualitative description of risk event outcome	Erroneous calculation of salaries and entitlements, miss or lack of information to all stakeholders, potential appeals from staff members,
<b>Risk controls</b>	
Detailed description of current controls	No specific controls have been put in place as yet for this particular event. The information activities have started but need to be developed.
Level of confidence in present control	Low
<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	4
Probability	2
Assessment	6
<b>Development of risk management options</b>	
Risk tolerance level	Low – risk is not tolerable at the assessed risk level without further mitigating actions being implemented.
Additional risk treatment and control mechanisms	The main issue is to ensure that the SAP system will be amended and safely tested in time for the implementation of new salary scales and entitlements. Most of the SAP configuration will have to be done before January 2017. Education Grant module in the spring of 2017. However, Staff members and the Member States must be informed in advance and Staff regulations and Staff Rules amended accordingly before the implementation date.

## 5. Planning and delivery of technical cooperation activities

19. Risk event identification	
<b>Name of risk event</b>	Delays in the implementation or cancellation of planned technical cooperation activities
Strategic directions potentially impacted	3
Secretariat's business plan objective potentially impacted	MED DO2, LED DO4, TCD DO2, TCD DO3, TCD DO4, MSA&IS DO3
<b>Stakeholders and responsibilities</b>	
Internal and external stakeholders	Secretariat, Member States, INGOs and NGOs, public, industry, including seafarers
Entity responsible	Office of the Secretary-General
<b>Scope of risk event</b>	
Qualitative description	Non-completion of critical agenda items during TC meetings, due to the inability of TCC to make the necessary decisions, affecting the planning and delivery of ITCP. Delays in the creation and implementation of technical assistance and outreach activities, workshops and training courses, including the development of training materials, as requested by Member States in order to fulfil their respective obligations, build capacity and implement/enforce the IMO instruments.
Trigger of risk event	Significant divergence of views and opinions amongst Member States during TC deliberations on the ITCP activities. Lack of resources, delays in finalization of training materials and changes in the planned activities (schedule and priority). One or more components of the activity failed or did not materialize (withdrawal of a consultant on short notice, beneficiary State(s) withdraws offer to host or request postponement). Measures put in place by Governments and by IMO's own risk mitigation plans to address the direct risk posed to staff/dependents/consultants due to safety, security or health considerations (political instability, terrorist threats, natural disasters, outbreak of disease, etc.).
<b>Nature of risk event</b>	
Organizational	Damage to the Organization's reputation, regionalization or unilateralism in the regulation of shipping, failure to keep pace with technological innovation, Capital available for major programmes; non-adoption or non-compliance with the Organization's standards
Financial	Budget management and control, unfunded or inadequately funded commitments
Operational	Business operations (human resources, capacity, meetings delivery, efficiency, service failure, ITCP delivery, meeting new requirements); Empowerment (leadership, change readiness), Business continuity; Disease and disability; Information/business reporting (budgeting and planning, accounting information, pension funds, After Service Health Insurance liability, investment evaluation)
Qualitative description of risk event outcome	Inability of the Secretariat to proceed with the planning and/or delivery of TC activities as disruption impacts delivery of intended benefits, and on the approved budgets. Lack of standards and inadequately trained maritime personnel. Failure to assist a Member State or States to prepare for audits through a planned TC activity.
<b>Risk controls</b>	
Detailed description of current controls	During TC meetings, proactive approach of the Chairman during the debate with a view of ensuring consensus or compromise. With regard to the delivery of TC activities, the technical cooperation activities are well planned and the

	pre-assessment of activities are well formulated. There is a mandatory evaluation of completed activities (workshops and training courses). Besides, partnership arrangements are updated regularly and a regular monitoring and reporting to IMO meetings takes place. Besides, the ongoing communication with the recipient countries, donors, the Council and TC Committee is necessary. With regard to the planning of TC activities, the identification of key components are necessary for the delivery of the activity and development of milestones to monitor delivery progress, which are included in PID. In addition, contingency considerations are made by the implementing officer.
Level of confidence in present control	Moderate
<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	3
Probability	2
Assessment	5
<b>Development of risk management options</b>	
Risk tolerance level	Moderate – risk is tolerable but further mitigating actions should be implemented to increase the risk tolerance to high.
Additional risk treatment and control mechanisms	During meetings, proactive actions by the Secretariat including active support of the Chairman in pursuing initiatives aimed towards achieving a consensus. With regard to the delivery of TC activities, strengthening of oversight activities, augmenting technical staff, utilization of competent consultants and partnerships for the development of training materials and the delivery of technical cooperation activities, including increase of funding.

<b>20. Risk event identification</b>	
<b>Name of risk event</b>	Lack of or insufficient funding to implement the technical cooperation activities
Strategic directions potentially impacted	3
Secretariat's business plan objective potentially impacted	AD DO 3, MSD DO3, MED DO2, LED DO4, , TCD DO2, TCD DO3, TCD DO4, TCD DO5, MSA&IS DO3
<b>Stakeholders and responsibilities</b>	
Internal and external stakeholders	Secretariat, Member States, INGOs and NGOs, public, industry, including seafarers
Entity responsible	Office of the Secretary-General
<b>Scope of risk event</b>	
Qualitative description	Insufficient financial contribution from donors, the Trading Fund surpluses and/or in-kind support secured for TC activities
Trigger of risk event	Voluntary contributions from IGOs, NGOs and Member State donors decrease. Publishing income to the Trading Fund decreases or dries up completely.

<b>Nature of risk event</b>	
Organizational	Damage to the Organization's reputation, public perception, Capital available for major programmes
Financial	Budget management and control, unfunded or inadequately funded commitments
Operational	Business continuity
Qualitative description of risk event outcome	Subsidies to the TC fund of the Organization eliminated (funding must be replaced from other sources). Some TC activities of the Organization might be negatively affected. Identified needs of developing States, including emerging needs, might not be addressed.
<b>Risk controls</b>	
Detailed description of current controls	Continuous listing of IMO on the Organization for Economic Cooperation and Development/ Development Assistance Committee (OECD/DAC) Statistical Reporting Directives list. Closer working relation with donors. Use of conservative estimates of the anticipated donors' contributions.
Level of confidence in present control	Moderate
<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	3
Probability	2
Assessment	5
<b>Development of risk management options</b>	
Risk tolerance level	Low – risk is not tolerable at the assessed risk level without further mitigating actions being implemented.
Additional risk treatment and control mechanisms	Increase the overall resource mobilization for TC activities. Develop more strategic links with key donors through long-term strategic agreements. Diversify the donor base by proactively seeking out new donors and donor groups. Develop a thematic funding strategy to enable donors to provide funds towards high-level strategic objectives providing IMO with flexible funding to meet strategic goals and rapidly respond to emerging needs.

## 6. Delivery of major IMO projects

21. Risk event identification	
<b>Name of risk event</b>	Delay in delivery of the Secretariat's obligations under Goal Based Standards (GBS)
Strategic directions potentially impacted	10
Secretariat's business plan objective potentially impacted	MSD DO7
Stakeholders and responsibilities	
Internal and external stakeholders	Secretariat; Member States; NGOs and IGOs; Public; Industry, including seafarers
Entity responsible	Maritime Safety Division
Scope of risk event	
Qualitative description	The international goal-based ship construction standards (GBS) for bulk carriers and oil tankers are expected to be made mandatory under new SOLAS regulation II-1/3-10 from 1 January 2012 and become applicable from 1 July 2016. The Secretariat has prepared for GBS verification audit scheme including a new Trust Fund, and established a roster of auditors. The verification process has been implemented. Five teams of auditors (conformed by 17 auditors in total) are established and completed the initial verification audits. However, the implementation of the GBS initial verification audit, which is a totally new project, could trigger additional risks due to the complexity and difficulty of the nature of IACS RO's GBS rules as there is a need to monitor and harmonize the work of audit teams. Currently, the audit reports to ROs have been completed by audit teams and will be reported to MSC 96 for consideration. Nevertheless, there is uncertainty on the future work plan and needs (depending on MSC 96 decision) due to non-conformities received in the above mentioned audit reports.
Trigger of risk event	Decision of MSC 96
Nature of risk event	
Organizational	Damage to the Organization's reputation
Financial	Budget management and control
Operational	Business operations (human resources, capacity, meetings delivery, efficiency, service failure, ITCP delivery, meeting new requirements)
Qualitative description of risk event outcome	Delays in the submission of rules for verification, in their actual verification and subsequent approval, and would likely result in delaying implementation of new SOLAS regulation II-1/3-10 in accordance with the GBS Standards and the GBS initial verification audit..
Risk controls	
Detailed description of current controls	The Secretariat has prepared and implemented the GBS verification audit scheme according to the agreed schedule by the Committee. First stage of implementation of the GBS audit scheme is under way and the Secretariat is proactively dealing with the scheme.
Level of confidence in present control	Moderate
Risk analysis	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	

Impact	2
Probability	3
Assessment	5
<b>Development of risk management options</b>	
Risk tolerance level	Low – risk is not tolerable at the assessed risk level without further mitigating actions being implemented.
Additional risk treatment and control mechanisms	The need for additional controls depends on the decisions taken by MSC,

<b>22. Risk event identification</b>	
<b>Name of risk event</b>	Lack of logistical and technical support to the Regional Marine Pollution Emergency, Information and Training Centre (REMPEITC)
Strategic directions potentially impacted	1, 2, 3, 7, 9, 11
Secretariat's business plan objective potentially impacted	MED DO2, MED DO4, MED DO11
<b>Stakeholders and responsibilities</b>	
Internal and external stakeholders	Secretariat, Member States, NGOs and IGOs, industry, including seafarers
Entity responsible	Marine Environment Division
<b>Scope of risk event</b>	
Qualitative description	IMO in partnership with UNEP has supported the activity of REMPEITC since its inception by facilitating the secondment of consultants and by funding a significant number of technical cooperation activities. REMPEITC provided significant support to implement IMO's regulations on preparedness, response and cooperation in case of pollution and to deliver the Organization's technical activities, including the ratification, implementation and enforcement of IMO environmental instruments.
Trigger of risk event	Changes in the logistical and technical support to REMPEITC due to the withdrawal of the consultant seconded by the Government of France.
<b>Nature of risk event</b>	
Organizational	Damage to the Organization's reputation; external regulation and political trends (including wider UN developments)
Financial	Unfunded or inadequately funded commitments; budget management and control
Operational	Business operations (human resources, capacity, meetings delivery, efficiency, service failure, ITCP delivery, meeting new requirements)
Qualitative description of risk event outcome	Reduction in the delivery of outputs and possible closure of REMPEITC
<b>Risk controls</b>	
Detailed description of current controls	Administrative restructuring of REMPEITC; identification of alternatives for secondment of consultants; revision of the MoU for Promoting IMO's Environmental Conventions in the Wider Caribbean Region.



Level of confidence in present control	Moderate
<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	3
Probability	3
Assessment	6
<b>Development of risk management options</b>	
Risk tolerance level	Moderate – risk is tolerable but further mitigating actions should be implemented to increase the risk tolerance to high.
Additional risk treatment and control mechanisms	Strengthen financial management and operations; apply zero nominal growth; develop activities for donor funding; regulation consultation with host and supporting governments.

<b>23. Risk event identification</b>	
<b>Name of risk event</b>	Lack of coordination and support of all the GESAMP activities including IMO led WGs and its Executive Committee
Strategic directions potentially impacted	1,11
Secretariat's business plan objective potentially impacted	MED DO12
<b>Stakeholders and responsibilities</b>	
Internal and external stakeholders	Secretariat; Member States; NGOs and IGOs; Industry, including seafarers
Entity responsible	Marine Environment Division
<b>Scope of risk event</b>	
Qualitative description	Single donor support for GESAMP (i.e. SIDA) is no longer a sustainable financial mechanism resulting in cash flow difficulties, operational setback and protracted delivery of planned activities and outputs
Trigger of risk event	Diminution of funding support
<b>Nature of risk event</b>	
Organizational	Damage to the Organization's reputation; Public perception; Non-adoption or non-compliance with the Organization's standards
Financial	Unfunded or inadequately funded commitments; Budget management and control
Operational	Business operations (human resources, capacity, meetings delivery, efficiency, service failure, ITCP delivery, meeting new requirements); Information/business reporting (budgeting and planning, accounting information, pension funds, After Service Health Insurance liability, investment evaluation); Business continuity
Qualitative description of risk event outcome	Potential decrease in GESAMP's activities, limited personnel to administer and operate the GESAMP office, internal non-compliance with GESAMP standards and endangering the effective execution of GESAMP's Mission Statement

<b>Risk controls</b>	
Detailed description of current controls	Fundraising strategy revised, utilized limited sponsoring agencies (UN bodies) to support activities for GESAMP, particularly working group meetings
Level of confidence in present control	Moderate
<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	3
Probability	3
Assessment	6
<b>Development of risk management options</b>	
Risk tolerance level	Moderate – risk is tolerable but further mitigating actions should be implemented to increase the risk tolerance to high.
Additional risk treatment and control mechanisms	Intensify fundraising through identification and selection of sponsors and donors; develop activities for medium to longer funding support

<b>24. Risk event identification</b>	
<b>Name of risk event</b>	Delay in the implementation of audit programme under the IMO Member State Audit Scheme (IMSAS)
Strategic directions potentially impacted	2
Secretariat's business plan objective potentially impacted	MSA&IS DO2
<b>Stakeholders and Responsibilities</b>	
Internal and external stakeholders	Secretariat; Member States; Public
Entity responsible	Department for Member State Audit & Implementation Support
<b>Scope of risk event</b>	
Qualitative description	From 1 January 2016 audits under the Scheme became mandatory, following entry into force of amendments to the mandatory IMO instruments included in the scope of the Scheme. Implementation of up to 25 audits in accordance with the annual timetable, based on the audit schedule (document C 112/INF.3), depends on availability of resources, both human (auditors nominated and made available by Member States and Secretariat staff) and financial (regular budget of the Organization)
Trigger of risk event	A shortfall in the number of auditors or Secretariat staff with the requisite language skills and/or experience to form the full complement of audit teams to carry out audits as per the annual timetable.
<b>Nature of risk event</b>	
Organizational	damage to the Organization's reputation
Financial	-

Operational	business operations (human resources, capacity, meetings delivery, efficiency, service failure, ITCP delivery, meeting new requirements (Member Audit Scheme)), business operations (human resources, capacity, meetings delivery, efficiency, service failure, ITCP delivery, meeting new requirements (Member Audit Scheme))
Qualitative description of risk event outcome	The Secretariat has prepared for the implementation of audits under the Scheme, including funding of audits through the regular budget, maintaining an active roster of auditors and increasing the current staff complement in the Department in accordance with the decisions of the Council. Taking into account the volume of work, if the Secretariat experiences lack of or unavailability of human resources (qualified auditors from Member States and the Secretariat) due to various reasons, the conduct of audits in accordance with the annual timetable may not be achievable.
<b>Risk controls</b>	
Detailed description of current controls	The Assembly and Council have invited Member States to continue nominating qualified auditors who meet the criteria established in the Procedures and make them available for audits. Audit Officers from the Department are strategically allocated audit team duties to allow flexibility to be reassigned to other audits in case of a shortfall in the available auditors for a particular audit. For any possible shortfall in the available audit staff, all audit planning is followed by all staff, with the ability to for anyone to intervene as a stop gap measure if a shortfall in available staff were to occur.
Level of confidence in present control	Moderate
<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	3
Probability	2
Assessment	5
<b>Development of risk management options</b>	
Risk tolerance level	Moderate – risk is tolerable but further mitigating actions should be implemented to increase the risk tolerance to high.
Additional risk treatment and control mechanisms	Close monitoring of audit planning, its progression and the identification of any other factors that could increase the risk event with respect to each audit. Forward planning in order to identify potential lack of available auditors with specific competence and identify solutions and contingency measures to address the risk.

## 7. Health and safety at IMO Headquarters

<b>25. Risk event identification</b>	
<b>Name of risk event</b>	Health, security and safety incidents at IMO HQ
Strategic directions potentially impacted	4
Secretariat's business plan objective potentially impacted	AD DO5
<b>Stakeholders and responsibilities</b>	
Internal and external stakeholders	Secretariat; Member States; Public
Entity responsible	Administrative Division
<b>Scope of risk event</b>	
Qualitative description	Accident (fire, catastrophic failure of lift), natural disaster (flood) or politically motivated act of violence (bomb) affecting HQ building or surrounding area makes it impossible to use building for significant length of time Actual or potential effect on life, health and safety of occupants of building; actually affects use of building
Trigger of risk event	Accident, negligence, criminal act
<b>Nature of risk event</b>	
Organizational	Not applicable
Financial	Budget management and control
Operational	Fire and property damage; Personal injury; Business continuity
Qualitative description of risk event outcome	Effects range: from injury or health consequences to death for as few as one or as many as all occupants; from partial to complete destruction of building and resulting inability to use it for intended purposes; leading to temporary or permanent inaccessibility to death of as few as one or as many as all occupants plus cost and liabilities to the Organization; damage to building, infrastructure and equipment entailing repair/replacement. Direct cost of repairs and business continuity; indirect cost of liabilities (to staff or other occupants), capital available for major programmes.
<b>Risk controls</b>	
Detailed description of current controls	Security and advice provided by Host Government; UN security and safety framework provides information; risk heavily insured. Rigorous regime of inspection and maintenance, adherence to statutory and other guidelines (building). Robust security procedures, regular liaison with host State and UN authorities.
Level of confidence in present control	High
<b>Risk analysis</b>	
An assessment of the risk, being the impact and probability of the risk event occurring, taking into account existing controls.	
Impact	5
Probability	1
Assessment	6

<b>Development of risk management options</b>	
Risk tolerance level	High – risk is tolerable at its existing assessed risk level.
Additional risk treatment and control mechanisms	Develop contingency or business continuity plan in conjunction with host State, as appropriate.

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