

Summary – Strategic Risk

This paper provides a summary of IPPF’s strategic risks and mitigating actions. The risk register includes 12 strategic risks, which management have assessed to be significant enough to affect IPPF’s ability to achieve its strategic objectives or cause significant harm.

The risk register is reviewed quarterly by the risk owners.

Each risk is displayed in terms of the net risk (after mitigating controls are considered) and the target risk (after future management actions have been implemented). Target risk is our accepted level of risk, or risk appetite.

IPPF utilises many strategies to manage operational risk, including policies and procedures, internal control environment, staff recruitment and training, risk-based planning, and project management, and reporting and monitoring.

Action

The Board of Trustees are requested to approve the updated strategic register 2023-24 on the recommendation of the Finance, Audit and Risk Committee (C-FAR).

Operational risk has largely stabilised over the year or decreased. This indicates that the objectives of the Secretariat transformation are beginning to show fruition, and the secretariat is settling into the implementation phase of the strategy. The overall assessment is that operational risk is being managed.

However, external risk (Risk #4) associated with a rising opposition is increased, where we are concerned over increasingly insecure operating environments and fragmentation of stakeholder relationships.

We must continue to horizon scan, and to assess emerging risks associated with political reactionism, violence, increasing inequality and climate change, to understand where IPPF needs to improve resilience and respond to a changing environment, as outlined in Strategy 2028.

Risks of note, where there has been good progress on management actions include:

- **#6 MA governance and operations** – actions against this risk include the implementation of the reformed 4th cycle of Accreditation and more proactive decision making on recommendation of suspension and expulsion of MAs. Coordination of all reported incidents, including safeguarding, security, and financial wrongdoing has significantly improved, with centralised case management and training at regional level.
- **#7 Secretariat transformation and #9 Transition to finance hub** – these are new risks included this year. These risks are now decreasing, as the staff realignment nears a

successful completion, including the creation of a new finance hub based in Delhi, and we now enter the implementation phase.

- **#10 Safety & Security** – The increased Secretariat capacity to manage safety and security, including in high-risk project areas, has seen this risk reduce over time. However, we remain vigilant, as our strategy is ambitious and aims to reach increasingly marginalised communities. New initiatives include a project to improve both the safety and security provision of MA's and downstream partners impacted by worsening governmental attitudes to the LGBTQI+ community.

Embedding risk management

We have integrated risk-based approaches into secretariat ways of working, including into organisational planning, budgeting, and quarterly review process. A risk assessment is included in the MA Business Plan submission. Discussions on risk took place at the Regional Meetings with MAs.

IPPF has also invested in an online Risk Management System, which was introduced to users in Q3. This enables restricted projects and other departments to maintain their own Risk Register, which can then be reviewed and collated into the overall strategic risk register. It also allows for central oversight over all strategic and project related risk.


Strategic Risk Evaluation November 2023




Impact: Includes impact on delivery of our strategic and operational activities, as well as stakeholder concern, including risk of exclusion by donors or government

Likelihood: Includes IPPF's perception of its vulnerability to the risk and the speed at which the risk is evolving

Score: Impact x Likelihood + Impact. Impact and Likelihood are scored between 1-5

	Risk Description	DLT Risk Owner	Mitigating Controls	Net Risk			Direction of Travel and Other Planned Actions	Target Risk
				Impact	Likelihood	Score		
1	Failure to deliver on restricted project objectives , meet our duty of care, poor donor compliance, poor financial management or fraud. Leading to failure to reach strategic targets, financial loss and reputational damage.	Director MA Dev & Impact (for Global Projects) and Regional Directors (for Regional Projects)	<ul style="list-style-type: none"> Risk registers are in place for major programmes and projects. Robust operational plans supported by project management and regular monitoring and evaluation Quarterly reviews of major grants to ensure corrective action Training staff on project management Context and risk analysis processes are used to define practical mitigations to assist in project delivery. 	5	3	20 	<p>The reasons for showing the risk remaining high include:</p> <ul style="list-style-type: none"> Delays in staff recruitment / vacancies resulting from the restructure Performance across some projects Delays in contract signing and funding cuts in current contracts (e.g., WISH) Security challenges in high-risk countries Data quality <p>Further actions:</p> <ul style="list-style-type: none"> Accelerate implementation of the comprehensive data management strategy Mapping of project roles and responsibilities against staff in new structure See action on Risk 3,6,7,8,10 	12
2	Missed income opportunities due to failure to position IPPF's value proposition with donors and inability to meet compliance requirements for large-scale restricted opportunities (linked #1).	Director External Relations	<ul style="list-style-type: none"> IPPF has a long record of successfully implementing SRHR programmes A new global income generation roadmap for the 2023-25 period will ensure we can systematically diversify our income and be less affected by external shocks. Regular Donor engagement. 	4	3	16 	<p>The global economic downturn means that several governments are reducing their ODA and funding towards SRHR may be negatively affected by this trend (See risk #4)</p> <p>Further action: Keep donors informed of progress on systems strengthening and engage with donors on the importance of continuing IPPF's vital work on the ground.</p>	12
3	Inability to recover full costs on restricted projects. This could impact general reserves.	Director MA Dev & Impact &	<ul style="list-style-type: none"> Improved cost-recovery from projects, including guiding principles for minimum cost recovery requirements. 	4	3	16 	<p>We need improve use of restricted funding to support core priorities and structure.</p> <p>Further action:</p>	12

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		Director Finance & Tech	<ul style="list-style-type: none"> DLT members have oversight of restricted project management structures. 				<ul style="list-style-type: none"> Implement timesheet system that is donor compliant and reflects IPPF priorities. Aligning cost recovery compliance with donor requirements. Cost Recovery Project planned for Q4. Creating ready access to related project financial information (including dashboards, visualisations, etc.) for enhanced expenditure tracking. 	
4	<p>Increasingly insecure operating environments and increasing fragmentation of stakeholder relationships, due to political conservatism, including a rising opposition.</p> <p>Leading to rapid change in income streams (Risk #2) and staff burnout due to physical and psychological threats (Risk #11)</p> <p>This impedes our ability to deliver on strategy 2028.</p>	Director External Relations	<ul style="list-style-type: none"> Trust is nurtured with key missions in New York, Geneva and with Africa Union and European Union decision makers via intergovernmental advocacy to ensure SRHR is supported and funded by major donors. We continuously urge donor governments to ensure that ODA budgets remain focussed on SRHR IPPF hold national governments to account in the commitment to allocate domestic funding to SRHR policies. Anti-rights, anti-gender and anti-SRHR developments are systematically monitored and counteracted by Member Associations 	4	4	20 	<p>Strategies to further reduce risk:</p> <ul style="list-style-type: none"> Building relationships across marginalised communities that both support and protect our mission and builds authentic relationships of trust Continue to convene key entities working to counter opposition to share intelligence and generate knowledge and thought leadership for high impact. Transition MAP to regional and global positions as new staff are brought on board to counter opposition and link to social movements. Hire colleagues into new regional and global positions so that young and marginalised voices from across the world work from within IPPF and help change the narrative as a core part of IPPF communications and branding, with support from progressive donors and with more strategic use of core funds. Create a movement to support aid that goes beyond the traditional institutional donors and break out of the aid discourse that young people currently do not recognise, linking this to IPPF's service offering including brand and service design. 	16

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5	Inability to continue programmes in some countries, due to restrictive national governance and sanctions regimes. This could lead to reduced impact, reputational damage and loss of funding.	Regional Directors	<ul style="list-style-type: none"> Monitoring of potential changes for INGO registration, tax and employment regulations National recruitment where possible Develop security and contingency plans where staff are present and make sure that they are applied Banking relationships maintained and required due diligence checks completed 	3	3	12 	<p>Broadly restricted countries and jurisdictions currently include Iran, North Korea, Syria, Crimea, Donetsk, Luhansk, Kherson and Zaporizhzhia, Afghan gov't, Venezuelan gov't, and Cuba (if includes US nexus)</p> <ul style="list-style-type: none"> Ensure compliance with sanction regimes in locations where IPPF operates programmes. 	9
6	MAs are poorly governed, unable to raise adequate resources, fail to deliver quality programmes and poorly positioned, leading to MAs reaching crisis, reputational damage for IPPF and loss of Federation funding.	Regional Directors	<ul style="list-style-type: none"> MA governance reform strategy MA monitoring and Accreditation cycle Funding of MA financial sustainability initiatives Lifeline policy and crisis fund IPPF Membership Committee to review and manage membership issues. Risk based MA assurance visits Robust scoping, selection and due diligence of potential MAs. Coordinated case management of all reported incidents, included financial wrongdoing, security and safeguarding. 	4	3	16 	<p>Further actions to reduce this risk:</p> <ul style="list-style-type: none"> Create a Federation Charter that outlines the core values that MAs need to sign up to with approval through the General Assembly Embed Regional oversight structures – including MA Support and Development teams Ensure that more MAs engaged in meaningful governance reform at country level Continue to share Safe Report amongst MAs and beneficiaries 	12
7	Failure to successfully implement the Secretariat transformation leads to inability to deliver on the ambitions outlined in Strategy 2028. In turn this leads to reputational damage, loss of funding and reduced relevance for IPPF	Director General	<ul style="list-style-type: none"> Recruitment Plan nearly complete Continuous progress reporting Reporting to monitor achievement of increased diversity is showing strong progress Alignment of Secretariat staffing cost model and financial forecasting with post costs is in progress 	4	2	12 	<ul style="list-style-type: none"> Embed learning and new practices into HR processes and systems Ensure Cascade (HRIS) kept up to date in regions Inductions for a) MA Support & Development (AoCs) in Q4, and b) External Relations in Q1 2024 Approach to language training being scoped 	9

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			<ul style="list-style-type: none"> Secretariat Induction Programme launched in early November, with 'Focal Point' – new employee communications site 					
8	<p>Risk of poor internal controls or controls being overridden, increasing the likelihood of criminal practices, financial penalties (such as disallowable costs) and lack of donor trust.</p>	Director Finance and Tech.	<ul style="list-style-type: none"> Integrated enterprise resource planning system, workflows reviewed Regular monitoring of secretariat wide numbers and processes Policies including Procurement, Criminal Practices, Raising Concerns. SafeReport system ensures all allegations are investigated. Learning informs policy and practices improvements. Risk based internal audit plan Robust HR performance management procedures. Comprehensive IT controls and policies. Sanctions checking all individuals staff and volunteers, partners, and suppliers. Robust due diligence checks and capacity assessments on all IPPF partners. 	3	3	12	<p>The risk has further decreased, due to the following reasons:</p> <ul style="list-style-type: none"> delegation of authority process is nearing completion: <ul style="list-style-type: none"> Set up of standard delegations levels in NetSuite. Draft delegation of authority to be approved at next C-FAR <p>Further actions include:</p> <ul style="list-style-type: none"> All staff, Board, and committee members to participate in Prevention of Financial Crime Training 	9
9	<p>Inability to properly transition into the new finance hub leading to negative impact on operations in some secretariat jurisdictions.</p> <p>Inability to comply with budgetary limits due to weak</p>	Director Finance and Tech	<ul style="list-style-type: none"> New finance hub in place and operating as planned IA reporting on transition to hub model Management accounts presented quarterly to DLT and C-FAR. 	4	2	12	<p>The risk is reduced as we have successfully transitioned to the finance hub. Further actions planned:</p> <ul style="list-style-type: none"> Continued support for select offices where risk is seen to be higher during 'bedding in' phase Continued training for new and existing staff to ensure new ways of working are fully embedded. <p>The risk is further stabilising, with the following initiatives that are in the pipeline:</p> <ul style="list-style-type: none"> Time sheet automation project to be delivered Q4 	9

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	budgetary control and forecasting ability. This could lead to financial loss and lack of donor trust.		<ul style="list-style-type: none"> Forex risk hedging system to prevent significant loss due to forex movement. Continuous monitoring of key financial indicators Implementation of phase 1 of a secretariat wide, budgeting, forecasting, and reporting system Multi-year planning and budgeting system for the MAs 				<ul style="list-style-type: none"> Unified oversight on multi-location restricted and earmarked projects working on the reporting and updated budgeting tool, to get half yearly, annual and multi-year reports 	
10	Failure to attract and retain good calibre trustees could result in weak governance that leads to decisions that may not address the needs or expectations of member organisations	Director General	<ul style="list-style-type: none"> Inductions for new board members and performance reviews of all members Board retreats to enable members to openly discuss strategic issues. Skill matrix in place and the use of external recruitment firm to attract required skills. Declarations of conflicts of interest forms in place. Effective staggering of board members to ensure continuity and retention of strategic knowledge and skills. Various platforms that enable regular engagement between the various board and committee members with membership organisations. Regional forums attended by trustees as part of the ongoing engagement with MAs Redeployment of trustees through the Board committees as part of ensuring that trustees are able to contribute beyond their board role only. 	3	2	9	The NGC has been agile identifying new trustees. In June 2023, the NGC got an additional trustee with financial background and is running another recruitment campaign in the third quarter of 2023 that will see the arrival of three additional new trustees. It is anticipated that trustee with financial background will be identified as well.	9

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11	Death, injury, abduction, undermined wellbeing of staff member, volunteer, trustee, partner, or associated person whilst working leads to reputational damage, trustee and corporate liability and reduced staff retention and morale.	Director General	<ul style="list-style-type: none"> Security management systems, including minimum standards, regional office security oversight, travel management and personal safety training Including Hostile Environment Awareness Training (HEAT) for those traveling to the highest threat countries. Security Induction for all new IPPF staff. Training of MA's working in High Risk / Disaster prone environments Staff care and assistance programme available to all IPPF people. Crisis Management Teams at CO and across three regions. Clear roles, responsibilities and tasking embedded within JDs across the secretariat. Management of external communications related to all crisis incidents. 	4	2	12	<p>Through a targeted programme of mitigation measures, improvements in capacity and governance, incident levels continue to remain low. This includes teams providing services across the highest risk contexts.</p> <p>Further actions include:</p> <ul style="list-style-type: none"> New safety and security staff role to support at regional level, plus consultancy surge support Project to improve both the internal safety and security provision of MA's and downstream partners impacted by worsening governmental attitudes to the LGBTQI+ community. Safety and security minimum standards included in accreditation process. Continuation of review and mitigation process regarding safety and security capacity within regions and programmes working across high-risk contexts. Crisis management and risk tolerance training to delivered to all senior leadership team members. Review of security cover post transition, identifying replacement Security Focal Points, and delivering training to ensure all understand their roles and responsibilities. Design and implement basic online security training syllabus for all new IPPF staff on internal platform. 	12
12	Behaviour or conduct towards children or vulnerable people by employees, volunteers, trustees, MAs partners or associated persons that may cause harm, particularly	Director - POC	<ul style="list-style-type: none"> Safeguarding policies Safeguarding point person in each IPPF region. Incident management system – SafeReport Safer Recruitment practices apply for all new people at IPPF: employees, volunteers, 	4	3	16	<p>The number of safeguarding concerns reported remains low and static since the reporting service was launched three years ago.</p> <p>Further actions:</p> <ul style="list-style-type: none"> Support for MA/Assoc/CPs to manage safeguarding and other reported concerns more promptly Develop a tool to assess compliance of secretariat offices with the IPPF Safeguarding Framework. 	9

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	<p>arising from Sexual Exploitation, Sexual Abuse or Sexual Exploitation (SEAH)</p> <p>If not mitigated and/or managed well, this could lead to significant reputational damage, corporate liability, and impact on people's lives.</p>		<p>consultants etc are subject to a range of pre-employment background checks</p> <ul style="list-style-type: none"> • Strict procurement guidelines for the selection of suppliers • Mandatory global safeguarding induction and training for new staff within 4 weeks of start date • Mandatory annual safeguarding refresher training for all IPPF people staff, Trustees, consultants etc 				<ul style="list-style-type: none"> • Contribute to the development of the sector initiatives with Interpol and the FCDO • Ensure safeguarding is properly included in programme design risk assessments and safeguarding checks included in partner due diligence assessments. 	

Risk Heat Map

Likelihood	5 Certain Over 80% chance of happening within 24 months	Low 6	Moderate 12	High 18	Critical 24	Critical 30
	4 Likely Over 60-80% chance of happening within 24 months	Very Low 5	Low 10	Moderate 15	High 20	Critical 25
	3 Possible Between 40% -60% chance of happening within 24 months	Very Low 4	Low 8	Moderate 12	High 16	High 20
	2 Unlikely Between 20%-40% chance of happening within 24 months	Very Low 3	Low 6	Low 9	Moderate 12	Moderate 15
	1 Remote Not likely to happen within 24 months	Very Low 2	Very Low 3	Low 6	Low 8	Low 10
		1 Minor Financial loss less than \$xk Limited strategic / operational impact Minimal stakeholder concern	2 Moderate Financial impact likely to be \$xk - \$xk. Moderate impact on delivery of strategic/ operational activities. Moderate stakeholder concern.	3 Significant Financial impact likely to be \$xk- \$xk. Significant impact on delivery of strategic/ operational activities. Significant stakeholder concern	4 Major Financial impact likely to exceed \$xk. Major impact on delivery of strategic/ operational activities. Exclusion by donors or government	5 Critical Financial impact likely to exceed \$xk. Critical impact on delivery of strategic/ operational activities. Exclusion by donors or government
Impact						