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| **Agenda item: ADM 9** | **Document C17/73-E** |
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| Report by the Secretary-General | |
| DRAFT ITU RISK APPETITE STATEMENT | |

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| Summary  Following PP Resolutions 151, 71, and 72, as well as recommendations from the Independent Management Advisory Committee (IMAC) and the UN Joint Inspection Unit (JIU), ITU is implementing a systematic risk management framework, as a process of continuous improvement of its managerial practices towards increasing efficiency, transparency, and accountability.  This document introduces the draft ITU risk appetite statement, complementing the draft ITU risk management policy presented in Doc. C17/74.  Action required  The Council is invited to **review** and **endorse** the draft ITU risk appetite statement.  \_\_\_\_\_\_\_\_\_\_\_\_  References  *PP Resolutions* [*71*](https://www.itu.int/en/council/planning/Documents/Strategic%20Plan%20for%20the%20Union%202016-2019__English.pdf) *(Rev. Busan, 2014),* [*72*](http://web.itu.int/dms_pub/itu-s/opb/conf/S-CONF-ACTF-2014-MSW-E.docx) *(Rev. Busan, 2014), and* [*151*](http://web.itu.int/dms_pub/itu-s/opb/conf/S-CONF-ACTF-2014-MSW-E.docx) *(Rev. Busan, 2014); JIU review of ITU management and administration (*[*JIU/2016/1*](https://www.unjiu.org/en/reports-notes/JIU%20Products/JIU_REP_2016_1_English.pdf)*);* [*C17/74*](https://www.itu.int/md/S17-CL-C-0074/en) |

# Introduction

This document illustrates the amount and type of risk that ITU is willing to take in its drive to attain its strategic goals and objectives – this includes both the organization’s risk appetite as well as its risk tolerance.

This statement acknowledges that the activities in which the organization engages in have different risk levels. It is important to underline that higher risk activities will only be undertaken where the benefits outweigh the costs and do not increase risk to an unacceptable level that could jeopardize the achievement of the organization’s strategic goals and objectives.

The risk appetite statement below has been developed in line with the ITU risk management policy, which underpins on the ITU strategic framework adopted by Member States in Resolution 71 (Annex 2, Rev. Busan, 2014).

In 2016-2019, ITU will work to achieve its mission through the following four goals:

- Goal 1: Growth – Enable and foster access to and increased use of telecommunications/ICTs;

- Goal 2: Inclusiveness – Bridge the digital divide and provide broadband for all;

- Goal 3: Sustainability – Manage challenges resulting from telecommunication/ICT development;

- Goal 4: Innovation and partnership – Lead, improve, and adapt to the changing telecommunication/ICT environment.

ITU implements the strategic goals through a number of objectives to be attained in this period. Each Sector will contribute to the overarching goals of the Union in the context of its specific remit, through implementation of the Sector-specific objectives and the overarching intersectoral objectives.

Risk identification, assessment, and treatment is an integrated process to manage uncertain events that may impact on the achievement of the goals and objectives in place, and it aims to enhance informed decision-making.

# Risk Appetite

The Union’s approach towards its key operational and strategic risks is described below. This list neither describes all areas of ITU’s work nor an exhaustive list of potential risks, rather it gives an indication of willingness to accept risk in key areas.

* With regard to the achievement of the strategic goals and objectives:
  + Low risk appetite for threats to the effective and efficient achievement of the organization’s strategic goals and objectives; and
  + High appetite for risks related to innovation and technological advancement.
* With regard to the services provided:
  + Low risk appetite related to quality of services provided to the constituency of the organization.
* With regard to internal management and controls:
  + No appetite (i.e. zero tolerance) in the areas of fraud, corruption, illegal acts, and misconduct;
  + Low appetite for risks associated with staff safety and security, and compliance; and
  + Very low risk appetite for significant breaches of security, unauthorized access to, or loss of classified records (e.g. frequency registers databases).
* With regard to reputational impact:
  + Low appetite for risks that would significantly harm ITU’s reputation.

# Review

This statement is being drafted bearing in mind that risk appetite will be evolving continuously. It is important that the risk appetite statement is structured to react quickly in response to any change. The monitoring and review process should focus with the view to creating risk awareness culture.

The risk appetite statement is reviewed annually, or whenever significant changes occur.

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