

***UNECE - High-Level Group for the
Modernisation of Official Statistics***

**Modernisation Committee on
Organizational Framework and
Evaluation**



***Project proposal
Standardizing Risk Management for modernization
within statistical organizations***

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Release 0.1 - First Draft

By:



in cooperation with



I. The context

In 2010, under the supervision of CES Bureau (supported by UNECE's Statistical Division), a high level working group – the *High Level Group on modernisation of official statistics* (HLG-MOS) – was established, made up of National Statistical Institutes' Presidents and International Organisations' Chief Statisticians. Its main objective is to foster the modernisation process within statistical organisations through development models aiming at industrialising and standardising statistical production processes, in order to achieve economy of scale while assuring a high level of innovation.

Within this framework, the UN Statistical Commission has acknowledged the valuable work carried out by the UNECE High Level Group on Modernisation as far as setting up standards supporting modernisation processes at a global level and fostering exchange of experiences among different countries are concerned. In fact, the High Level Group reports the results and improvements achieved to the Statistical Commission on a yearly basis, in order to strengthen the sharing process within the international community.

The HLG-MOS, responsible for the international cooperation pilot projects carried out within the UNECE global programme on modernisation of official statistics, is organised in four modernization committees (MCs): MC on production and methods, MC on products and sources, MC on standards, MC on organizational framework and evaluation (MCOFE).

During the annual Workshop on modernisation (attended by the UNECE NSOs together with the representatives of all the four Committees) held in November 2014 with the aim of submitting to HLG the projects to be developed in 2015, a need was stated to draw up supporting tools for change management in NSOs.

The MC on organizational framework and evaluation (MCOFE) has taken responsibility for such a need by turning it into an activity (named “Developing Risk management Practices among NISs”) to develop as part of its mandate, according to the Terms of Reference.

The main objective of the above-mentioned activity is to prepare Guidelines derived from Risk management best practices among the NSOs, and can be considered the basis of this Project. The Italian National Institute of Statistics is leading this project together with Statistics Canada, due to the experiences both the Institutes have carried out so far in practising Risk Management as a means to promote innovation and change within the organisations.

Risk management systems are part of a Change management strategy since they support the innovation process trying to prevent possible negative events from occurring. From this perspective, Risk management can also be seen as a useful tool to support the modernisation of statistical production processes, through both monitoring and procedures and internal control systems re-engineering.

Such an approach is in line with the results achieved by the NSOs' methodology experts and data managers involved in the improvement of statistical quality, which are members of other UNECE Modernisation Committees, especially the Modernisation Committee on Standards.

Hence, Risk management can be seen as an effective method to support change management, provided that an organisation that plans and implements a sound transition process has also to manage the uncertainty that a change process carries around, in order to turn it in an actual improvement from the point of view of both efficiency and

productivity. To address a change process towards a positive achievement mainly depends on the way an organisation can manage risks – that may prevent its objectives from being pursued – turning them into opportunities.

II. Risk management as a Change Management tool

In order to fully understand how to successfully implement a Risk management action, it was decided to collect actual cases of implementation, at international level, of risk management systems and then, through their empirical analysis, identify the key factors for RM best practices.

To this purpose, in 2015 a survey has been carried out in order to analyse to what extent Risk management systems are adopted among NSOs members of UNECE as well as among countries and international organisations not belonging to UNECE but yet participating in Commission's activities. The survey is aimed at building criteria through which the practices could be identified and classified. Due to the complexity of the matter as well as in order to get more solid achievements, a multi-method model was chosen in order to use heterogeneous yet complementary approaches for analysis.

According to the survey explorative approach, both qualitative and quantitative-descriptive tools were used. Actually, a mixed model allows to include context factors that enable a deeper understanding of phenomena, also taking into account the strategic components of the practices observed.

The survey was submitted in May 2015 to 60 countries and 4 organisations; the response rate was around 57%. Data collected was analysed according to a theoretical paradigm summarised in a research paper named “The template” – shared during the “Workshop on modernisation of Statistical production and services”, held in Geneva on 19 -20 November 2014, which takes into account the most relevant and useful standards, such as Enterprise Risk management Conceptual Framework (ERM): Internal Control – Integrated Control, developed by the Committee of Sponsoring Organization (Co.S.O.) and ISO 31000:2009 (Risk Management – Principles and guidelines).

Among all respondents, thirteen countries were selected for an in-depth analysis of the Risk management most interesting practices from a NSO point of view. The selected countries were invited to answer to a second questionnaire during September 2015. The elaboration of the data collected is in progress, and a preliminary analysis will be presented during the workshop that is taking place in Den Haag on 24 and 25 November 2015.

From a methodological point of view, it is correct to point out that the selection carried out has not to be considered as based on a performance ranking. Actually, it aims at focusing on the most relevant aspects required for a high-quality Risk management practice: in fact, information collected from the respondents will contribute to define the global framework of the systems already developed and spread. Countries involved in the second survey have been selected according to the following criteria: long-term positioning in the most developed areas; representativeness related to the geographical area (EU/not EU countries); compliance with acquired standards and practices.

III. Project objectives

The main objectives of the Project are as follows:

- To foster development of Risk management as a tool for supporting change management within NSOs;
- To disseminate and test guidelines for the implementation of Risk Management within the NSOs; such guidelines are being drafted by the MCOFE on the basis of the selected good practices;
- To support - through the help of the NSOs which have already acquired significant experience in the field - the NSOs that are open to adopt a Risk management system;
- To define a Risk management standard¹ aimed at integrating the organisational lines of GSBPM (Generic Statistical Business Process Model) standard, version 5.0², with the GAMS0 (Generic Activity Model for Statistical Organizations) model³, in line with the official statistical modernisation process defined by the HLG, also taking into account Eurostat recommendations coming from D-GINS (Directors-General of the National Statistical Institutes) annual conferences. Aiming at removing barriers to the development of statistical production processes, Risk management is an effective tool for improving quality in statistics, within the “Quality and Metadata Management over-arching framework” described in the GSBPM 5.0 standard.

IV. Project frame of reference

The Project is intended to spread Risk management culture as a means to achieve change management within NSOs, in the context of production and organisational process modernization. Defining as well as sharing technical rules derived from the best selected practices among the NSOs will link a typical business approach to the specific features of official statistics.

¹ **Terminological note:** the terms “guidelines” and “standard” differ according to local contexts and national academic systems: therefore, in order to better read the Project, it can be useful to make such a difference clear. In this document, with the term “guidelines” it is meant the “recommendations” produced through a systematic process and elaborated on the basis of actual experiences and practices carried out in heterogeneous contexts. The aim of guidelines is to support organisations in implementing a risk management system, through description of practices, not necessarily “the best” ones in scientific-methodological terms, although they may result to be the most used. Guidelines’ role is to support and contribute to the elaboration of a common framework.

The term “standard” refers to the official definition (*definition 3.2*) provided by *ISO/IEC Guide 2:1996 Standardization and related activities – General vocabulary*: “a document, established by consensus and approved by a recognized body, that provides, for common and repeated use, rules for activities or their results, aimed at the achievement of the optimum degree of order in a given context”.

² Drafted by an international task team coordinated by UNECE.

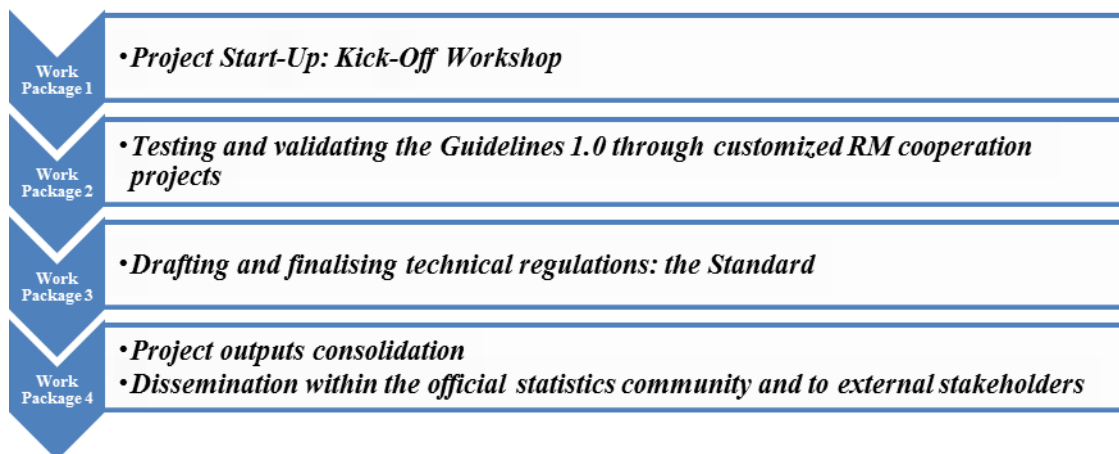
³ Drafted, in its basic version, by a task team under the “High-Level Group for the Modernisation of Official Statistics”.

Involving both professionals coming from different statistical organisations, national as well as international, and Risk management experts from the university world, the Project is intended to combine innovation in methodology with the actual need to support the NSOs that want to test a systematic policy of risk control.

The Risk management process standardisation among UNECE's NSOs should help connection between organisational Risk management and the management of other risks which can prevent strategic and operational goals from being achieved by official statistics production bodies. Moreover, the same standards can be tailored to different organizational contexts through technical rules of implementation.

V. Project contents

The Project is made up of four *work packages* as follows:



Every *work package* includes the following activity sets featuring specific objectives and expected outputs.

❖ *Work Package 1*

Project Start-Up: Kick-Off Workshop

WP1 will focus on the Project launch deriving from the *Survey on risk management practices* final results. The Survey has been delivered in the course of 2015 among the UNECE member Countries' NSOs and other international organisations participating in the Commission's activities (see Par. I.II). In order to foster discussion on the Survey outcomes as well as on Version 1.0 of the related *Guidelines for implementing Risk Management practices* (still being drafted by the *Modernization Committee*), a new kind of event – a workshop also including lab sessions aimed at sharing experiences using techniques like brainstorming – will be arranged. The main goal is to promote the Project through active interactions that help a mutual integration of the participants' experiences while respecting any specific feature of their geographical and organisational context. The workshop will also be aimed at bringing out any cooperation opportunities among statistical organisations interested in introducing Risk Management as a tool for change management. The main target of this *Workshop on Risk Management Practices in Statistical Organizations* (already scheduled for 25-26 April 2016 in Geneva within the *UNECE Meetings & Events* annual programme) is represented by those Countries that can be interested in implementing Risk Management in the near future and/or approaching new planning, management and control systems.

The Workshop will be arranged to last two days:

Day 1 - Presentation of the results of the Survey on Risk Management. In this opening session the participants will be given an overview of UNECE activities about *Modernization of official statistics*, with a specific focus on the Survey outcomes. A detailed description of Risk Management implementation practices within some selected member Countries will follow; such practices will differ from each other as regards their

contexts and implementation modes. The main goal of the day will be to foster discussion among participants on both positive and negative aspects in implementing risk management systems within their Organizations.

Day 2 – Completing the presentation of the risk management survey results and starting the discussion on risk management cooperation projects among statistical Organizations. This session is intended to complete the presentation of Risk Management implementation practices and to start the discussion on Version 1.0 of the Guidelines – both in small groups and in plenary. The outputs will be summarized by the discussant at the end of the day; a shared priority list containing deadlines and responsibilities will be drawn up. The main goals of the day will be to help the detection of potential *best practices* and bring out any cooperation opportunities among statistical Organisations.

Activities & tools

- Sub-target A. Event planning / Communication.
 - Output – Brochure; Mailing-list; Event Website; Other promotion tools.
- Sub-target B. Event management.
 - Output – Agenda; Workshop resource pack (PowerPoint slides, posters, videos and hard copy documents to hand out, etc.)
 - Output – Workshop proceedings / Summary report / Declaration of project intent
- Sub-target C. Networking.
 - Output – Electronic newsletter, launch of cooperation tools (UNECE Wiki; Web conference, etc.); Report
- Sub-target D. Collection of opinions and comments
 - Output – Project updating

❖ *Work Package 2*

Testing and validating Version 1.0 of the Guidelines through customized RM cooperation projects

WP2 will focus on the testing phase of the MCOFE Guidelines for implementing Risk Management; the Guidelines will have been integrated with the inputs arisen during the above-mentioned Workshop as well as through the cooperation network developed after the event (Version 2.0). The Guidelines methodology is intended to take into consideration three key lines of action: 1) making best use of the differences in experiences and contexts, 2) collecting and assessing information / *practices*; 3) **highlighting the evidence**. Actually, in drafting guidelines the strength of evidence is crucial for ensuring best quality contents.

To this purpose, a team of experts in Risk Management and related topics – coming from the most developed statistical Organisations and/or academic institutions – will be set up with a view to support the NSOs interested in adopting a risk management system as well as testing and validating the Guidelines effectiveness.

Testing the Guidelines will focus on specific steps of Risk Management process according to the directions given by the selected target Countries and the prior evaluation of needs made by the team of experts. So, for each target Country this step

might cover the following actions: i) context detection; ii) risk assessment (risk identification, risk analysis and risk weighting); iii) risk treatment; iv) communication and stakeholder consultation; v) system monitoring and outcome review; vi) IT tools & applications setup in order to maximize risk management.

In particular, WP2 will include: team of experts' missions at the target statistical organisations; *study tours* of staff coming from these latter at the RM developed organisations. The *study tour* would represent a real participating and motivating opportunity of learning through comparison with actual cases and successful experiences, which allows to develop strategic skills for the related organisation. Where appropriate, training process specialists selected within the team of experts may assist the target country members.

Activities & tools

- Sub-target A. Profile detection and team of experts setup.
 - Output - Expert profile description sheets; Open call; List of experts
- Sub-target B. Testing phase planning
 - Output - Need / Requirement Analysis information worksheet
 - Output - Resources planning; Time-table / Schedule
- Sub-target C. Operational support to the target Country NSOs through missions, study tours, e-learning and webinars.
 - Output - Cooperation tools (i.e. Sharepoint platforms including the possibility of sharing for external users)
 - Output - Experience Report / Knowledge database
- Sub-target D. Guidelines updating and validation
 - Guidelines review after the testing phase
 - Release of Guidelines Version 2.0

❖ *Work Package 3*

Drafting and finalising technical regulations: the Standard

WP3 will focus on drafting and formalizing a Risk Management Standard aimed at integrating the **organisational** lines in GSBPM model (Generic Statistical Business Process Model) with the GAMS0 (Generic Activity Model for Statistical Organizations) model, in the light of the modernisation initiatives set up by the HLG (High-Level Group for the Modernisation of Official Statistics), as well as in cooperation with the methodology experts and data managers from the NSOs involved in developing statistics quality.

Adopting a standard allows to: i) formally define the rules to follow in order to effectively and efficiently implement the organisational activities regardless of any specific features; ii) the reproducibility of activities by ensuring a minimum level of quality.

The aim of a Risk Management Standard is to allow organisations to improve their *governance* efficiency by using advanced techniques in risk management. The final document is intended to give technical rules, requirements and specifications - with reference to the NSOs - that can be consistently used to make processes, services and final products fit for purpose. Adoption of *Risk Management Standard* may represent

for NSOs a strategic tool to enhance productivity, reduce costs, minimise waste and errors, in order to ensure development in organizations.

To this purpose a committee may be set up to draft the document – i.e. *task-force* ad hoc; the team of experts as a work group; extended expert group; etc.

The next step will be the planning and opening of a consultation phase to collect feedback and inputs from international organisations such as OECD, Eurostat, as well as from most trusted regulatory and standardization bodies – i.e. ISO (International Organization for Standardization) *Technical Committee TC 262 / 31000 family of standards*, Co.S.O. (The Committee of Sponsoring Organizations of the Treadway Commission), OCEG (global, nonprofit think tank and community), Institute of Risk Management (IRM) / Association of Insurance and Risk Managers (AIRMIC) / Alarm (The Public Risk Management Association).

The closing activities of this WP, prior to the final document drafting, will concern the review of reproducibility⁴ indicators included in the Guidelines (Version 2.0) from the inputs and feedback received: i) during the testing phase and/or the cooperation actions; ii) within the international cooperation network set up after the above-mentioned Workshop; iii) during the consultation phase.

Activities & tools

- Sub-target A. Analysis of documentation and planning for the Standard draw-up
 - Output – Identification of the professionals to involve in an expert Committee for the documentation analysis and Standard draw-up
 - Output – Organising the Standard contents
- Sub-target B. Planning and opening the consultation phase to collect feedback from international organisations (regulatory/standardisation bodies).
 - Output – Contact / Mailing list; Consultation Schedule
 - Output – Presentations / PPT slides, briefing papers for expert group meetings, Web conferences
- Sub-Target C. Review of reproducibility indicators. Final document drafting.
 - Output – *Risk Management Standard*

❖ *Work Package 4*

Project output consolidation

Dissemination within the official statistics community and to external stakeholders

WP4 will focus on release of the Risk Management Standard and on dissemination of *deliverables* to stakeholders and scientific community. This step can be part of a “Follow-up Project” and may envisage, according to the endorsement process, the

⁴ The notion of reproducibility refers to a Standard features’ transfer-ability regardless of any difference in the organizational context; that implies emulation, that is, the possibility for other organizations to opt for the same model. To this purpose, some criteria (indicators) to ensure the reproducibility of the proposed RM System and the practices on which it is built will be defined. By referring to the quality parameter’s features as defined by the *ISO-Quality model characteristics* as well as borrowing notions derived from the area of information systems (ISO/IEC 9126, ISO 9241, ISO/IEC/IEEE 29119), “Reproducibility” can be explained through both Portability, that is, the above-mentioned transfer-ability, and Adaptability, that is, the power to be used in different contexts without any further actions or tools: in other words, the power to be customizable.

resources available and the advancement of the Project itself, a closing event (*close-up conference*) to present the Standard, the outcome analysis, the strengths, the improvement areas and the lessons learned.

The main task is to set up proper conditions for achieving a good specification stability over the medium to longer term as well as a widespread adoption of the Standard by the NSOs. Further expected results are: i) sharing of the Project output and know-how with the related stakeholders; ii) starting fruitful exchanges with various research Institutes, Universities and other bodies, in order to pave the way in the longer term for any future cooperation project on risk standardised management.

Activities & tools

- Sub-target A. Dissemination / Communication.
 - Output - Communication channels and tools according to specific target-audience
- Sub-target B. Stakeholder management: detection of the actors, organisations, groups that could impact and/or be interested in the Project outcomes; analysis of responses, correlations, interests and influences with reference to selected stakeholders.
 - Output - Stakeholder register; Contact / Mailing list; Communication channels and tools according to selected target-audience
- Sub-target C (to be defined). Close-up conference: event management plan.
 - Output - Conference resource pack (PowerPoint slides, posters, videos and hard copy documents to hand out, etc.)
 - Output - Conference proceedings

VI. Success factors

The preconditions to make this Project successful, together with the achievement of expected results, are closely related to a widespread need for management innovation, to the “full-grown” NSOs’ willingness to share their own know-how, as well as to the Project “scalability” - or potential for development - and reproducibility, both meant as representing a prototype that can be successfully used on a wider scale.

Communication strategic management as well as knowledge monitoring are crucial because such processes are involved in any phase of project management. In this regard, the information & data distribution step will rely on: 1) an effective research system and information retrieval through databases, project management software, various document systems; 2) a set of information distribution methods such as project meetings, faxes, e-mails, databases, videoconferences and other virtual tools.

In particular, the success key factors for any work package can be summarized as follows:

- Work package 1: Widespread participation / Event communication plan;
- Work package 2: Proactiveness; Reproducibility;
- Work package 3: Methodological accuracy;
- Work package 4: Communication plan; Engagement strategy.

VII. Expected costs

The following table shows a first resource and minimal cost estimate needed to carry out the four work packages. Every organisation involved in the Project is expected to ensure cost coverage for its own participants – travel expenses included as well as their fees, if any.

Work Package	Planned HR	Source	Financial resources needed (US \$)	Source
1. Project Start-Up: Kick-Off Workshop	10 Persons/Month	<ul style="list-style-type: none"> Project manager (<i>UNECE Secretariat</i>) Volunteers from NSOs / <i>UNECE Secretariat</i> Project sponsor (according to the Executive Committee / HLG members) 	<ul style="list-style-type: none"> Travel expenses for participants Costs related to workshop organization & management Costs related to cooperation & networking tool implementation 	NSOs and UNECE
2. Testing and validating the Guidelines 1.0 through customized RM cooperation projects	15 Persons/Month	<ul style="list-style-type: none"> Project manager (<i>UNECE Secretariat</i>) Volunteers from NSOs / <i>UNECE Secretariat</i> Project sponsor (according to the Executive Committee / HLG members) 	<ul style="list-style-type: none"> Travel expenses related to cooperation project implementation – missions and <i>study tours</i> Costs related to information supporting tool implementation – knowledge database, e-learning platform, etc. 	NSOs and UNECE
3. Drafting and finalizing technical regulations: the Standard	15 Persons/Month	<ul style="list-style-type: none"> Project manager (<i>UNECE Secretariat</i>) Volunteers from NSOs / <i>UNECE Secretariat</i> Project sponsor (according to the Executive Committee / HLG members) 	<ul style="list-style-type: none"> Costs related to consulting services – Regulation / Standardization bodies; Researchers/Professors; any experts – if needed 	NSOs and UNECE
4. Project output consolidation. Dissemination within the official statistics community and to external stakeholders	10 Persons/Month	<ul style="list-style-type: none"> Project manager (<i>UNECE Secretariat</i>) Volunteers from NSOs / <i>UNECE Secretariat</i> Project sponsor (according to the Executive Committee / HLG members) 	<ul style="list-style-type: none"> Costs related to communication & dissemination planning and implementation Costs related to the Project close-up conference arrangement - event management + travel expenses – if scheduled 	NSOs and UNECE
Total	50 Persons/Month	<ul style="list-style-type: none"> <i>UNECE Secretariat</i> (6 Persons/Month) NSOs (44 Persons/Month) 		

VIII. Timetable

The High Level Group on modernization of official statistics (HLG-MOS) projects usually are just for one calendar year, but given the complexity of this Project and the different actors involved, it is planned to complete the related activities by November 2017. Furthermore, some elements can impact on both the implementation of activities and the keeping to the timetable set out:

- Lack / shortage of resources required from NSOs and other international bodies to actually support the Project. In such a case a change in timing and/or in expected final results and products – from either a qualitative or a quantitative point of view – can be arranged.
- Unavailability of resources within the *UNECE Secretariat* with reference to project management and support.

Here follows an approximate timetable:

2016:

- 25 – 26 April 2016: Presentation of Guidelines – Version 1.0 during the Project launch event (*Workshop on Risk Management Practices in Statistical Organizations*);
- By June 2016: Guidelines – Version 2.0; Kick-off of the testing phase;
- By November 2016: Closing of the testing phase; Launching of the planning for the Standard draw-up;
- By December 2016: First draft proposal for the Standard structure (table of contents / demo)

2017 – Prospective “Follow-up Project”: to be endorsed and defined

- By April 2017: *Risk Management Standard* – Version 1.0; Opening of the consultation phase to collect feedback
- By July 2017: Closing of the consultation phase
- By November 2017: Release of *Risk Management Standard* – Final version; Project dissemination and consolidation.

IX. Project governance

The High-Level Group for the Modernization of Official Statistics is the Project official sponsor. It has the final responsibility to achieve the expected outcomes; the operational responsibility can be entrusted to an executive committee.

A Project manager will be in charge of implementation and monitoring of the activities planned. This role will be entrusted with any control action aimed at 1) putting in place proper offsets to balance any deviation from what has been planned; 2) drawing the executive committee’s attention to any problem; 3) periodically disseminating / updating reports. Project records, Project reports and Project presentations will be the main outputs. The Project manager will also be responsible for the production of work results (*deliverables*, advancement outcomes) along the information distribution phase.

The Project manager can be supported by work-package coordinators.