



Amdalah Africa Foundation - AMDAF
CLG
Charity

Company Number 652991
Charity Number 20205848
CHY 22661

RISK MANAGEMENT POLICY & PROCEDURES

As approved and adopted by the Board

RISK MANAGEMENT POLICY

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SECTION 1: PROCEDURES

1.1 Policy statement

Amdalah Africa Foundation - AMDAF (herein referred to as '**Organisation**') is committed to effective Risk Management as a strategy for protecting the Organisation, board members, employees, workers, clients, stakeholders, volunteers, student on placements, interns, visitors, and the community from unnecessary injury, loss or damage relating to the business and activities the Organisation undertakes.

1.2 Scope

This policy aims to provide guidance to the Organisation in applying risk management processes across the Organisation's operations, to ensure that, so far as reasonably practicable, the Organisation's goal and identified outcome areas can be achieved.

This policy applies to all of the Organisation's Board members, employees, workers, clients, stakeholders, volunteers, students on placements, interns, visitors, and the community.

This policy encompasses but is not limited to:

- Identifying, assessing and treating risks
- Ongoing risk monitoring and review
- Communication and consultation
- Record-keeping
- Specific risk areas.

This policy does not provide detailed guidance on:

- Human resources management – refer to the Human Resources Management Policy
- Workplace environment and safety – refer to the Work Health and Safety (WHS) Policy
- Financial operations – refer to the Financial Management Policy.

1.3 Definition of Terms

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| Board | Means the Organisation's Board of Trustee |
| Clinical Incident | Any unplanned event resulting in, or having the potential to harm a client |
| Service Risk Management | Service risk management is concerned with improving the quality and safety of services by identifying the circumstances and opportunities that put clients at risk of harm and then acting to prevent or control those risks |
| Compliance Register | A register that assists an organisation to comply with its legal obligations |

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| Impact | Actual or potential impact that would or may occur |
| Likelihood | Probability or chance of an incident occurring |
| Personnel | Board members, employees, workers, clients, stakeholders, volunteers, student on placements, interns, visitors, and the community. |
| Risk | Chance of something happening that will Impact on objectives, measured in terms of likelihood and impact |
| Risk Assessment | Process of analysing and evaluating the likelihood and impact of potential risks |
| Risk Incident | Realisation or occurrence of a risk impact |
| Risk Management | Process of identifying, assessing and judging Risks, assigning ownership, taking actions to mitigate them, and monitoring and reviewing progress |
| Risk Register | A Risk Register is a tool for documenting risks, and actions to manage each risk. The Risk Register is essential to the successful management of risk. As risks are identified they are logged on the register and actions are taken to respond to the risk |
| Risk Treatment | Identifying and implementing actions to eliminate risks or reduce impacts |
| WHS | Workplace Health and Safety |

2. Responsibilities

- **Board:** Oversees the risk management framework and ensures its integration into the organization's strategic planning.
- **CEO:** Implements the risk management policy, reports on risk management activities, and ensures compliance.
- **Risk Management Committee:** Composed of senior staff members, it assists in identifying and assessing risks, developing mitigation strategies, and monitoring risks.
- **All Employees and Volunteers:** Responsible for identifying potential risks in their areas of work and reporting them to their supervisors or the Risk Management Committee.

3. Risk Procedures

3.1 Risk Identification

- Conduct regular risk identification exercises across all areas of the organisation.
- Encourage employees, volunteers, and stakeholders to report potential risks.
- Use tools such as SWOT analysis, brainstorming sessions, and risk checklists.

3.2 Risk Assessment

- Assess identified risks based on their likelihood and impact.
- Use a risk matrix to categorize risks as low, medium, high, or critical.
- Document and prioritize risks for further action.

3.3 Risk Mitigation

- Develop risk mitigation strategies for high and critical risks.
- Assign risk owners responsible for implementing and monitoring mitigation measures.
- Implement control measures to reduce the likelihood or impact of risks, such as policies, procedures, training, and contingency planning.

3.4 Risk Monitoring and Reporting

- Monitor identified risks and mitigation measures regularly.
- Update the risk register with new risks, changes in risk status, and outcomes of mitigation actions.
- Report on risk management activities to the Board of Directors quarterly.
- Conduct periodic reviews of the risk management process to ensure its effectiveness.

3.5 Risk Communication

- Communicate the risk management policy and procedures to all employees, volunteers, and stakeholders.
- Provide training and resources to ensure understanding and compliance.
- Foster an organizational culture that encourages open discussion and reporting of risks.

3.6 Documentation

All risk management activities must be documented, including:

- Risk identification records
- Risk assessment results
- Risk mitigation plans
- Risk monitoring reports
- Risk management reviews and updates

3.7 Amendment and Review

This Risk Management and Procedure Policy will be reviewed annually by the Risk Management Committee and approved by the Board. Amendments will be made as needed to reflect changes in the organization's operations, external environment, or regulatory requirements.

4. Outcomes

The outcomes of this policy are that AMDAF:

- Makes informed business, operational and service delivery decisions while remaining fully aware of risks and impact.
- Staff, management and Board members understand their roles and responsibilities in relation to risk management.
- Risks and risk impact are minimised through compliance with relevant regulatory, legal and financial obligations, and implementation of risk treatments.

5. Delegations

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| Board of Directors | <ul style="list-style-type: none"> ○ Endorse and ensure compliance with the Risk Management Policy ○ Ensure compliance with relevant legislation ○ Lead and support the CEO to manage risk ○ Monitor and contribute to internal risk treatment strategies and activities, including regular review of the Risk Register |
| Business services/ management | <ul style="list-style-type: none"> ○ Comply with the Risk Management Policy ○ Manage and monitor compliance with relevant legislation ○ Monitor and contribute to internal risk treatment strategies and activities. ○ Be familiar with the Organisation’s legislative requirements regarding risk management ○ Ensure processes are in place across the Organisation to manage and treat risk appropriately ○ Ensure staff are adequately trained to comply with risk management strategies and activities <p>CEO/Manager</p> <ul style="list-style-type: none"> ○ Lead the implementation of the Risk Management Policy ○ Identify and assess new risks and implement risk treatments ○ Lead, monitor and update identified risks and risk treatment ○ Ensure risk assessments are undertaken <p>Management</p> <ul style="list-style-type: none"> ○ Ensure orientation of new Board and staff members to the Organisation’s risk management processes and activities ○ Identify and assess new risks and implement risk treatments ○ Monitor and update identified risks and risk treatments. ○ Develop, implement and review risk management plans ○ Maintain current Risk Register and Compliance Register ○ Document risk management discussions and decisions from Board meetings and Board Finance and Executive Sub-committee meetings |

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| Program services | <ul style="list-style-type: none"> ○ Comply with the Risk Management Policy ○ Identify and assess new risks and implement risk treatments ○ Monitor and update identified risks and risk treatments. ○ Implement and review risk management plans ○ Contribute to internal risk treatment strategies and activities |
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SECTION 2: RISK MANAGEMENT FRAMEWORK

This section ensures that AMDAF develops and implements consistent risk management strategies and processes to effectively manage and treat risk, to safely enhance the organisation's operation and achieve its strategic goals.

It also ensures AMDAF creates a resilient organisation capable of anticipating and responding to potential risks, thereby ensuring the sustainability and effectiveness of its mission.

1. Processes

i. Risk Identification

- **Sources:** Identify risks from various sources, including internal operations, external environment, strategic initiatives, and compliance requirements.
- **Methods:** Use a combination of methods such as surveys, interviews, workshops, and incident analysis.

ii. Risk Assessment

- **Criteria:** Define criteria for assessing the significance of risks, considering factors like financial impact, operational disruption, legal implications, and reputational damage.
- **Matrix:** Use a risk matrix to evaluate the likelihood (rare, unlikely, possible, likely, almost certain) and impact (insignificant, minor, moderate, major, catastrophic).

iii. Risk Mitigation

- **Strategies:** Develop specific strategies for each risk, such as avoiding, reducing, transferring, or accepting the risk.
- **Plans:** Create action plans detailing the steps to be taken, resources required, and timelines for implementation.

iv. Risk Monitoring and Reporting

- **Tools:** Utilise tools such as dashboards, key risk indicators (KRIs), and internal audits to monitor risk status.

- **Frequency:** Establish regular reporting cycles (monthly, quarterly, annually) to review risk management activities.

v. Risk Communication

- **Channels:** Use various communication channels such as meetings, newsletters, training sessions, and the organization's intranet to disseminate risk information.
- **Engagement:** Engage stakeholders at all levels to ensure they understand their roles and responsibilities in risk management.

vi. Continuous Improvement

- **Feedback:** Collect feedback from stakeholders on the effectiveness of the risk management process.
- **Updates:** Regularly update the risk management framework to incorporate best practices, lessons learned, and emerging risks.

2. Risk Context

Understanding the risk context is crucial for effective risk management. It involves factors that influence its risk profile. This section outlines the various elements of the risk context for AMDAF, providing a foundation for identifying, assessing, and managing risks. Organisational risks are categorised and summarised as follows:

| Type | Area/item compromise |
|-------------------|--|
| Strategic | <ul style="list-style-type: none"> ○ Goal and intended outcomes of the Organisation ○ Intellectual property ○ Reputation ○ Organisation and sector positioning ○ Resourcing, growth and improvement ○ Stakeholder engagement |
| Compliance | <ul style="list-style-type: none"> ○ Entity legislation ○ Contractual obligations ○ Insurance ○ Taxation ○ Employment legislation (refer to the Human Resources Policy) ○ Work health safety legislation (refer to the Work Health Safety Policy) ○ Regulatory Compliance |
| Financial | <ul style="list-style-type: none"> ○ Fraud ○ Income, budget and expenditure operations |

| | |
|--|--|
| | <ul style="list-style-type: none"> ○ Debt collection ○ Governance and management by Board ○ Data Privacy and Cybersecurity |
| Operational | <ul style="list-style-type: none"> ○ Governance ○ Service delivery ○ General equipment, resources and facilities ○ Human resource management ○ Information management ○ Break-in, theft, and fire ○ Resourcing, growth and improvement ○ |
| Market/ environmental/ external risks | <ul style="list-style-type: none"> ○ Natural disasters or major storms ○ Changes in government and/or government policy ○ Major legislation change ○ Environmental sustainability |

3. Risk Management

Risk management considers the context in which AMDAF operates and how these characteristics and capabilities influence and inform risk responses. This could include assessing:

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| Strategic or external context: | <ul style="list-style-type: none"> ○ Operational, regulatory, financial and political environment ○ Business drivers ○ Opportunities and threats ○ Stakeholders. |
| Organisational or internal context: | <ul style="list-style-type: none"> ○ The Organisation's goal and outcomes ○ Organisational culture ○ Strengths and weaknesses within the Organisation ○ Existing systems and processes ○ Stakeholders ○ Available resources. |
| Risk management context: | <ul style="list-style-type: none"> ○ The Organisation 's size, organisational structure and location ○ Governance structure ○ Management expertise ○ Service delivery ○ Workforce capacity ○ Assets. |

4. Risk Assessment

The risk assessment matrix, risk likelihood and rating tables below are applied to all identified risks to determine their level of risk based on two categories: likelihood and impact. Risk assessment also includes reviewing existing controls, whether specific to that risk or by default.

4.1 Risk Matrix

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|-------------------|----------------|---------------|--------------|---------------|---------------|---------------|
| Likelihood | Almost certain | Low Medium | Medium | Medium - High | High | High |
| | Likely | Low | Low – Medium | Medium | Medium - High | High |
| | Possible | Low | Low | Medium | Medium - High | High |
| | Unlikely | Low | Low | Low - Medium | Medium | Medium - High |
| | Rare | Low | Low | Low | Medium | Medium - High |
| | | Minimal | Minor | Moderate | Significant | Severe |
| | | Impact | | | | |

4.2 Risk Likelihood

| Rating | Description | |
|-----------------------|----------------------------|---|
| Almost certain | 90% or greater probability | Expected to occur in most circumstances |
| Likely | 50-90% probability | Will probably occur in most circumstances |
| Possible | 20-50% probability | Could occur at some time |
| Unlikely | 10-20% probability | Not expected to occur |
| Rare | <10% probability | Would occur only in exceptional circumstances |

4.3 Risk Impact

| Rating | Description | |
|--------------------|---|---|
| Severe | Organisation objectives and/or continuing viability is threatened | Death or serious injury to a person |
| Significant | Business objectives are not met | Serious injury or illness requiring medical treatment with permanent consequences |
| Moderate | Business objectives may be threatened | Injury or illness requiring medical treatment |
| Minor | Business objectives require monitoring | Minor injuries |
| Minimal | Business objectives unlikely to be affected | Minor first aid injury |

4.4 Risk Rating

The risk rating assists AMDAF in determining if the risk is acceptable or unacceptable. A low rating risk may be expected and acceptable with minimal treatment response, whereas a high rating risk is not acceptable and therefore requires a response to minimise or eliminate risk.

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| High | Requires immediate action to mitigate the risk |
| Medium-High | Requires short-term action to mitigate the risk |
| Medium | Requires medium-term action to mitigate the risk (work within other priorities) |
| Low-Medium | May require attention |
| Low | Manage by routine procedure |

4.5 Monitoring and Review

AMDAF monitors and reviews risks and their treatment strategies as part of effective risk management and ongoing quality improvement.

Monitoring and reviewing activities include:

- Re-consideration of the contexts, rating, treatment and responsibilities.
- The Board reviews the Organisation's Risk Register and Compliance Register.
- Previously identified risks may become de-activated through a monitoring and review process, where the likelihood and impact of loss, injury or harm is assessed as non-existent or negligible.
- Health and Safety risks are reviewed quarterly through workplace audits.
- Clinical risk is monitored and reviewed regularly through case meetings.

- Risk management plans are developed and regularly reviewed for the delivery of services to those areas where risk is likely or almost certain.
- Risks that are assessed as specific to individual projects are reviewed through project mechanisms such as scheduled milestone checks, progress reporting, advisory group meetings, stakeholder feedback, outcome monitoring, and end-of-project evaluation.
- The Organisation's risks are also reviewed, and their status is updated following a risk incident, such as a clinical incident, workplace accident, cuts to funding, damage to reputation, or not meeting taxation compliance requirements.

4.6 Reporting and Record Keeping

Risks identified in the Organisation's Risk Register and the Compliance Register are reported to the Board bi-monthly by the CEO/Manager in the scheduled Board meetings. Related discussion and outcomes are recorded on the Board and relevant minutes.

Risk management discussion and outcomes from staff meetings are recorded in meeting minutes.

4.7 Risk Register

The Organisation's Risk Register details major risks, their rating, controls and treatments, as well as responsibilities and timeframes.

4.8 Compliance Register

The Compliance Register details compliance obligations in relation to: insurance, incorporation, taxation, performance agreements, and WHS.

Electronic copies of reviewed and updated Compliance Register are saved in accordance with the Information and Communication Technology Policy.

SECTION 3: INTERNAL REFERENCES

Referenced policies

- Financial Management Policy
- Governance Policy
- Human Resources Policy

