RISK MANAGEMENT POLICY

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RISK MANAGEMENT

1   Purpose

SeeBeyondBorders is subject to certain risks that affect our ability to operate, serve our clients, and protect assets. These include business risks, financial risks, risks to employees, volunteers, visitors, and beneficiaries, liability to others, and environmental risks. Controlling these risks through a formal Risk Management program is necessary for the well-being of the organization and everyone in it.

This document sets out SeeBeyondBorders' approach to identifying risks, assessing level of risk and adopting processes to mitigate or minimise these risks.

This is a 'living' document and will require developing and updating as experience grows.

2   Definitions

2.1   Risk

Risk can be defined as: "The probability or threat of damage, injury, liability, loss, or any other negative occurrence that may have an impact on objectives".[1]

2.2   Risk Management

Risk Management can be defined as: "The culture, processes, and structures that are directed towards the effective management of potential opportunities and adverse effects".[2]

2.3   Potentially impacted parties

There are many groups of people who may, at one time or another, be within SeeBeyondBorders' sphere of influence. These include:

- A **'program beneficiary'** is a person we work with in one of our projects who is a beneficiary of the support that our programs provide in the relevant project activity.
- A **'partner'** is an individual, or a person representing an organisation, that is assisting us to deliver our programming in given project locations over a specified time.
- A '**participant'** is any person who has travelled to Cambodia to take part in a project team, who is not a permanent member of SeeBeyondBorders staff, or a volunteer.
- A **'volunteer'** is a person who gives up their time to help us deliver our programming. They may volunteer for any of our entities and focus on one or more projects or activities such as fundraising or financial management or research. There will generally be a written agreement in place as to the terms under which the volunteering is offered.
- A **'visitor'** is a person who is either specifically invited or invited by implication by our signage or some other generally welcoming communication, and comes to one of our offices or accompanies us to see examples of our work.
- **'Staff '** are people who hold contracts with SeeBeyondBorders, whether this be a permanent contract, fixed term contract or longer term volunteer agreement for working in Cambodia.
- A **'Board Member'** is a person who sits on the governing body of any of SeeBeyondBorders' entities (Australia, UK, Ireland)

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[1] Businessdictionary.com

[2] Based on definitions developed by the Joint Technical Committee OB/7, Risk Management. Standards Australia and Standards New Zealand, Australian/New Zealand Standard 4360:2004: Risk Management.

The term '**Person**' or '**People**' as used in this policy refers to all potentially impacted parties who are listed above.

3   Risk Management Policy

3.1   Policy

SeeBeyondBorders aims to use the best practice in risk management to support and enhance our activities. We will ensure that risk management is integrated with our decision-making processes. We will use a structured risk management approach to minimize reasonably foreseeable disruptions to operations including the areas of personal safety, anti-fraud and business risks, other harm to people including the protection of children and vulnerable people, and damage to the environment and property. We will always attempt to identify and take advantage of opportunities as well as minimizing adverse effects.

We will train our staff to implement risk management effectively. We will strive to continually improve our risk management practices.

3.2   Responsibilities

The staff and volunteers of SeeBeyondBorders are accountable to the CEO of SeeBeyondBorders and the Board of Directors for the implementation of the risk management and risk assessment process. Ultimately, responsibility for the management of risk in the business lies with the CEO and the Board.

3.3   Process

A systematic process to managing risk has been established and all identified risks, with their mitigating actions, are listed in SeeBeyondBorders' Risk Register. This is reviewed at quarterly Board meetings and at monthly Leadership Team meetings in Cambodia, and updated where appropriate.

All staff and volunteers are briefed on this process and provided with a copy of the Risk Management Policy and the related appendices during their induction. All People will be briefed on the risks associated with their particular interaction with the work of SeeBeyondBorders and the projects they are undertaking.

3.4   Risk Tolerance

This Policy recognises that in order to undertake our work in Cambodia, SeeBeyondBorders must accept both the accompanying risks and also that while all reasonable steps are taken to mitigate those risks, there remains a very real possibility that a risk event will occur simply because of the environment and circumstances in which we work. Every effort goes into reducing risks but there are also contingency arrangements in case an event arises despite the precautions taken. A discussion on risk tolerance is included in Appendix 2. In conclusion, while tolerance levels are reflected on with regards to activities undertaken, it is not used as a control measure.

4   Practical Approach to Risk Management

SeeBeyondBorders has adopted a practical approach to Risk Management. There are three main elements to the approach, each with its own process:

4.1   Establish the context

- Overarching objectives
- Implicated stakeholders
- Measurement criteria
- Define key elements

4.2   Identifying and analysing the risk/s

a) Identify risks
- What can happen?
- How can it happen?

b) Analyse risks
- Review existing controls
- Establish impact
- Establish likelihood

c) Evaluate risks
- Evaluate risks, and
- Rank risks

4.3   Treatment of the identified risks

- Identify options
- Select the best responses
- Develop treatment plans
- Implement

5   Identifying and Analysing the Risk/s

The SeeBeyondBorders Risk Register uses the following terms and definitions:

5.1   Risk Impact Scale

RATING	POTENTIAL IMPACT
Catastrophic	SeeBeyondBorders could be put out of business Legal Action and Police Involvement Death of a Person
Major	SeeBeyondBorders would be severely threatened Legal Action and Police Involvement Permanent Physical or Psychological Injury to a Person
Moderate	Effort required to rectify the situation and/or Incident Report required about the event and/or Possible visit to the Police station to make a report Possible visit to a Doctor or Hospital Possible Insurance claim
Minor	Remedied by supervising staff members
Negligible	Very small impact

5.2 Risk Likelihood Scale

RATING	POTENTIAL LIKELIHOOD OF EVENT OCCURRING
Almost certain	Will probably occur Could occur on more than one occasion
Likely	High probability Likely to arise on one occasion
Possible	Reasonable likelihood May arise on one occasion but equal likelihood of event not occurring
Unlikely	Plausible, but event will probably not occur
Rare	Very unlikely, but not impossible

5.3 Risk Priority and Risk Management Scale

SeeBeyondBorders will manage risk according to its priority as outlined in the table below.

Impact	Probability/ Likelihood				
	Rare	**Unlikely**	**Possible**	**Likely**	**Almost Certain**
Minor	Low	Low	Low	Medium	Medium
Moderate	Low	Low	Medium	Medium	High
Major	Medium	Medium	Medium	High	High
Catastrophic	Medium	High	High	High	High

Mitigating controls and actions are considered based on the level of risk that is stated and they are all listed in SeeBeyondBorders Risk Register. SeeBeyondBorders' staff and volunteers are aware of all risks, with the Risk Register being available for everyone to access, and risk management included in induction and orientation activities.

High risks are discussed at Board level on a quarterly basis and also discussed at Leadership Team meetings every month. Risk ratings are subject to change whenever it is deemed appropriate (eg risk of election disruption was high before, during and immediately after the Cambodian elections, but this risk has now been downgraded to a lower level).

6   Risk Areas

Areas where potential risks are considered to arise are as follows:

    I.   Personal safety
    II.   Inappropriate behaviour
    III.   Political
    IV.   Environmental
    V.   Child Protection and Safeguarding of Vulnerable People
    VI.   Special Areas
    VII.   Working with Partners
    VIII. Business Risks
    IX.   Program Risks

There is a detailed Risk Register that is updated at a minimum of annually and/or when any new risks are identified. This is saved with the Risk Management Policy in the Administration section of the Google Shared Drive and copies are available in each office.

7   <u>Ongoing Management</u>

The SeeBeyondBorders senior management team has the ultimate responsibility to identify and control risks and to discuss the High level risks with Board members on a quarterly basis. Control includes making decisions regarding which risks are acceptable and how to address those that are not. Those decisions can be made only with the participation of staff and volunteers, because each individual understands the risks of his or her own tasks better than anyone else in the organization. Each is responsible for reporting any unsafe conditions they see, or any situations which they believe present a previously un-identified risk. Also, each is encouraged to suggest ways in which we can operate more safely. SeeBeyondBorders is committed to the careful consideration of everyone's suggestions, and to taking appropriate action to address risks.

The Trustee Boards of SeeBeyondBorders UK and SeeBeyondBorders Ireland refer to and review the Risk Register regularly, and they also maintain their own, country specific risk registers to ensure all risks are considered.

SeeBeyondBorders is committed to the ongoing improvement and implementation of its risk management strategy through:
- Education of SeeBeyondBorders' staff and volunteers about the organisation's risk management policy, its purpose and objectives, and their specific responsibilities to ensure the policy is fully implemented.
- Constant review of SeeBeyondBorders' risk management policy to ensure it continues to meet the needs of the organisation and its stakeholders, as well as any relevant legal and legislative standards.

In the event that an incident does occur, despite all reasonable controls being exercised, this will be reported immediately to any member of the Senior Management Team who will take the necessary steps to report the incident to appropriate individuals and/or authorities and ensure the incident is recorded in the Incident Reporting Register (Appendix 1).

8   Policy Management

This Policy has been approved by the Australian Board and the Trustees of SeeBeyondBorders' other entities as noted below.

Amendments and or developments will be recommended to the Board from time to time as deemed appropriate by senior management. Formal reviews will take place before the expiry of three years from the anniversary date of approval by the Board. Recommendations for minor changes can be approved by the CEO before the expiry of three years, and recommendations for changes to the background or policy in practice can be approved by the relevant Sub-Committee.

Doc ref	Doc type	Approved by Australian Board Date	Minute ref	Approved by UK Trustees Date	Minute ref	Approved by Irish Board Date	Minute ref
	Policy Review	27 July 2018		10/8/2018		N/A	N/A
RP/07/2020/1.0	Policy Review	Board: 27th July 2020	Item 6				

Appendix 1 - Incident Register

Incident Reference Number	Date of Incident	Type of Incident	Action Taken	Date Reported to Executive

Appendix 2 – Risk Tolerance

SeeBeyondBorders understands that its risk tolerance can be said to be made up of:

- **Appetite for risk:** the organisation's willingness to take on risk
- **Capacity for risk:** the organisation's capacity to withstand risk.

While these components are considered, SeeBeyondBorders does not find this distinction helpful in the context of the size and scope of the organisation and instead looks at tolerance at an overall level, identifying where risk is inevitable and particular vigilance must be applied.

Risk tolerance is viewed as a requirement in the light of the work being undertaken, but is not seen as a risk management factor. It does not feed into insurance requirements for example, or the need for more or less risk mitigation measures. Mitigation factors are assessed at an individual risk level in conjunction with the risk's severity calculated as a function of its likelihood and its consequence. Likelihood and consequence are in themselves representative of the context in which we work.

Risk tolerance is considered across the different categories of risk that are used in the overall organisational risk assessment as shown in the table below:

Risk Category	Includes	Risk Tolerance	Rationale
Context	Personal safety risks, political risks, environmental risks	High	Given the Cambodian context our work carries higher risk but measures are in place to safeguard as far as possible
Delivery	Project risks	High	Undertaking ground-breaking work carries inevitable risk
Safeguarding	Child protection risks, safeguarding risks, inappropriate behaviour risks	Low	Risks here are not tolerated. Severe sanctions are imposed to full extent possible
Operational	IT and data risks, M&E risks	Moderate	Our environment requires some risk here as capabilities are developed and improved
Fiduciary	a) Financial control and accounting risks, compliance risks b) Reserves management	Low Low / Moderate	Risk tolerance here is low – sanctions will be imposed to the full extent possible in the event of fraud or similar A higher level of reserves allows for a greater degree of risk in respect of certain operational building activities
Reputational	Communications risks, personnel risks, fundraising risks	Low	Tolerance for risk in this category is low. Procedures are imposed to minimise risk and sanctions will be imposed where procedures are not followed.

Tolerance for risk is low in areas where risks arise due to the direct actions or behaviour of stakeholders and sanctions can be imposed. However, risk tolerance has to be higher where risks associated with our activities arise from factors that are outside of our control. While tolerance levels are reflected on with regards to activities undertaken, it is not used as a control measure.