Internal reference number:	POL: RM: 2021: 1	
Date created	**Date latest revision approved**	**Next Review date**
March 2022	April 2022	April 2025

Introduction

Kyeema Foundation (Kyeema) is a not-for-profit organisation that works predominantly to reach resource-poor members of communities in developing countries. Kyeema will endeavor to minimise the risk any particular operation poses to Kyeema staff, volunteers, partner organisations, project participants and the general public.

Purpose

The purpose of this policy is to provide a framework for how risk is managed within the organisation. This policy is consistent with the International Standard for Risk Management (ISO31000:2018) and forms part of Kyeema's organisational governance framework. This policy sets out the way in which risks should be assessed, mitigated, monitored, and reported and details the responsibilities within the organisation for risk. It also outlines Kyeema's organisational-wide culture and approach to risk management and covers both strategic and operational risk.

Guiding Principles

This policy is based on the following risk management principles:

- Integration
- Structured and comprehensive processes
- Customisation
- Inclusion
- Dynamic and timely approach
- Use of best available information
- Human and cultural factors
- Continuous improvement

Definitions

Risk is the probability that an occasion will arise that presents a danger to our organisation, our personnel, our partners, our program beneficiaries, our donors, the environment, or the general public. It includes, but is not limited to:
- Physical hazards
- Financial hazards
- Reputational hazards

- Legal hazards
- Security hazards
- Travel hazards

Risk management is the identification, evaluation, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability or impact of unfortunate events or to maximize the realization of opportunities.

Risk Matrix is the criteria against which the level of risk is evaluated, taking account of likelihood and consequence.

Consequence refers to what impact a risk event would have on the objectives of the business unit if it occurs.

Likelihood refers to the probability that a risk event will occur.

Scope

This policy is employed at both the organisational and project level. It applies to the Board of Directors, staff members, contractors, consultants, partner organisations, volunteers and observers/visitor accompanying a Kyeema activity.

Policy statement

Kyeema has a duty to provide a safe workplace for its staff and volunteers, a safe environment for its implementing partners and project participants, and a reliable development path for the organisation. Kyeema will have procedures in place that will as far as possible ensure that risks are minimised and their consequences averted.

Kyeema will ensure its approach to risk management:
- remains an integral part of Kyeema's organisational activities;
- is structured and comprehensive;
- is customised and proportionate to the organisation's external and internal context;
- includes appropriate and timely involvement of stakeholders and considers their knowledge, views and perceptions to create an improved awareness and informed risk management approach;
- considers emerging or changing risks as an organisations external and internal context changes;
- seeks the best information available and is based on historical and current information, as well as on future expectations while taking into account any limitations and uncertainties associated with such information and expectations;
- accounts for human behavior and culture significantly influencing aspects of risk management at each level; and
- aims for continuous improvements through learning and experience.

Responsibilities

It is the responsibility of the Board, with delegation to the Finance, Audit and Risk Management (FARM) Sub-committee of the Board for organisation level risk and the Project, Monitoring and Evaluation (PME) Sub-committee for project level risk, and the assistance of the CEO to ensure risk management practices are conducted effectively both at the organisational and project levels. Kyeema's Board of Directors hold the responsibility to ensure that Kyeema maintains an active approach to risk management and its procedures are adequate and implemented appropriately.

It is the responsibility of the CEO to ensure that:
- effective risk management procedures are in place, applicable to all relevant areas;
- risk management procedures are revised periodically;
- recommendations arising out of the risk management process are evaluated and, if necessary, implemented;
- the Organisational Risk Assessment Matrix (RAM) is revised regularly and presented to the Board and relevant Sub-committees;
- project RAMs are created for each project and approved by relevant Sub-committees;
- risk management is carried out into safeguarding sectors including, but not limited to, child protection, prevention of sexual exploitation, abuse and harassment, gender equity, social and disability inclusion, environmental sustainability and biosecurity risk; and
- employees, volunteers and partners are aware of all applicable risks and familiar with the organisation's risk management procedures.

It is the responsibility of Kyeema's Program Managers and Coordinators to ensure:
- project Risk Assessment Matrix (RAM) is prepared for each project in collaboration with relevant partners and stakeholders;
- project RAM is reviewed regularly by relevant staff to ensure that no risks have been overlooked or have ceased to be relevant;
- risk mitigation roles, responsibilities and mitigation strategies are clear to the relevant project staff; and
- potential risk and security situations remain a part of ongoing communication between all relevant project parties to ensure dynamic risk assessment and mitigation strategies throughout project lifespans.

It is the responsibility of Kyeema staff, volunteers and contractors to ensure:
- appropriate steps and measures are taken to identify, analyse and manage risk in the course of their work;
- ensure their familiarity with Kyeema's risk management procedures;
- risk management procedures are adequately executed; and
- supervisor is informed if they become aware of any risk not covered by existing procedures.

It is the responsibility of Kyeema's partner organisations to ensure:

- compliance with their obligations set out within their grant agreements including those relating to risk management;
- active engagement in risk assessment and management throughout the lifespan of Kyeema projects;
- risk management processes and strategies are developed for each project with assistance from Kyeema where required; and
- regular training for risk management is undertaken and reiterated to the downstream staff within the partner organisation.

It is the responsibility of Kyeema's Finance, Audit and Risk Management Sub-Committee to ensure:

- review of Kyeema's Organisational RAM;
- monitoring of high-risk issues raised at Board meetings;
- advice is given on fraud prevention measures to ensure funds are not misused; and
- Kyeema is adequately insured and that the policies are regularly reviewed to ensure that the cover is still adequate and the premiums competitive.

It is the responsibility of Kyeema's Project, Monitoring and Evaluation Sub-Committee to ensure:

- comprehensive RAM is produced and reviewed for each project that covers all anticipated risk;
- potential partner reviews and due diligence is conducted for all new partners;
- safeguarding and PSEAH, gender equity, disability and social inclusion (GEDSI) and environmental assessments have been completed for each project with adequate mitigation strategies in place including ethical approval assessment (if required); and
- advice is given on additional risk mitigation measures that should be applied on the project level when necessary.

Information Resources

ACFID Code of Conduct Commitment 4.2.2 Members assess and manage risks in their development and humanitarian initiatives

International Standard for Risk Management

Department Foreign Affairs and Trade: Consolidated list

Related Documents

- *Fraud Control and Anti-Corruption Policy*
- *Counter-Terrorism Policy*
- *Conflict of Interest Policy*

- *Child Protection Policy*
- *Complaints Policy*
- *Preventing Sexual Exploitation Abuse and Harassment Policy*
- *Environmental Policy*

Authorisation

_____
Signature of Policy Officer

_____Robyn Alders, Chair_____
Name of Policy Officer

__1 June 2022_____
Date

Attachments 1   **Risk Management Procedure**

Kyeema's risk management process involves the systematic application of policies, procedures and practices to the activities of communicating and consulting, establishing the context and assessing, treating, monitoring, reviewing, recording and reporting risk.

Risk Identification and Assessment

Risks are identified using a number of different methods. These include, but are not limited to:

- consultation with relevant stakeholders
- working groups, consultation with Kyeema Focal Persons or relevant Sub-Committees
- safeguarding and PSEAH, GEDSI and environmental assessments
- running scenarios
- research/due diligence
- common sense, judgement and previous experience

These risks are then assessed through determining their consequence and likelihood which categorises the inherent risk rating and guides the mitigation strategy to be implemented according to this categorisation.

Consequence refers to what impact a risk event would have if it occurs. It is assessed on a 5-point scale:
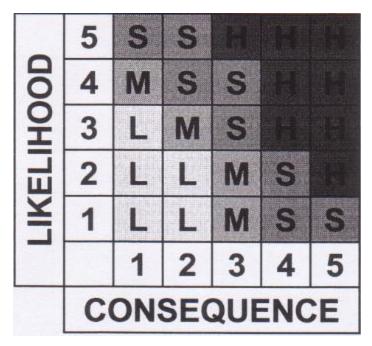
Rating	Description	Determinants
5	Catastrophic	Kyeema is prevented from achieving its development objectives
4	Major	Development objectives of Kyeema will be significantly impaired
3	Moderate	Development objectives of Kyeema would be impaired and a large amount of management time would be spent investigating and controlling the incident
2	Minor	Achievement of development objectives of Kyeema may be hindered in the short term. Long term objectives may continue to be met
1	Insignificant	The long term objectives of Kyeema would continue to be met

Likelihood refers to the probability that a risk event will occur. It is assessed on the following 5-point scale:

Rating	Description	Determinants
5	Almost Certain	The event is expected to occur in most circumstances
4	Likely	The event will probably occur in most circumstances
3	Possible	The event should occur at some time
2	Unlikely	The event could occur at some time
1	Rare	The event may occur only in exceptional circumstances

The 'inherent risk rating' is determined using the risk matrix below. Once the risk ratings have been agreed, the risk matrix combines the likelihood and consequence ratings in order to determine the inherent risk of each event identified. Risks are scored as High, Significant, Medium or Low:

Organisational level

Organisational risks are identified and listed within Kyeema's Organisational Risk Assessment Matrix. The organisational RAM includes, but is not limited to:

- In country operating environment
- Safety and security
- Corporate objectives and strategies
- Leadership
- Management
- Corporate governance
- Human resources
- Information systems
- Financial information
- Strategic information/Data
- Fundraising
- Communications

The organisational RAM is assessed by the Board of Directors, FARM Sub-Committee, CEO and the Kyeema leadership team.

Project Level

Project risks are identified throughout the various stages of the project lifecycle which includes project proposal, project planning and design, implementation, monitoring and evaluation partner reviews and project reporting. A project RAM is created for every project and is regularly reviewed throughout the project lifespan. The project RAM includes, but is not limited to:

- in country operating environment
- project aims and objectives
- project delivery and outcomes
- human resources management
- information systems
- financial management
- monitoring and evaluation
- communications

Project RAMs are assessed and approved by the CEO and Kyeema PME Sub-Committee.

Management, Monitoring and Reporting

Risk mitigation actions are detailed against every identified risk. These strategies include the plan, policies, processes, trainings, responsible personnel, and timeframes that will be put in place in order to mitigate the risk. Safeguarding risks such as child protection, PSEAH, GEDSI and environmental risk must always be included and periodically reviewed within both project level and organisational RAM's.

Organisational Risk

The Organisational RAM is reviewed by Kyeema's FARM Sub-committee and Board of Directors three times a year. Significant risks have additional revisions depending on context and severity. It is the CEO's role to ensure the Organisational RAM is updated and revised at both the Board and FARM Sub-Committee meetings.

Project Level Risk

Project RAMs require periodic revision and monitoring by the Program Manager. Kyeema's CEO and PME Sub-committee are responsible for the oversight of monitoring risk at the project level, ensuring that projects have identified, assessed and continually manage and monitor these potential risks.

High or Significant Risks

Any high or significant risks are highlighted and require regular updating and review by the Program Manager and CEO. Security updates are a topic covered in weekly team meetings

between the CEO and Program Managers to maintain good communication and active risk management approaches to staff and project stakeholder safety. Due to the high risk and constantly changing security situations in some of our program countries, Kyeema Program Managers and CEO are required to provide more frequent updates to the Board outside of Board meetings.

Risk of Sanctions Management and Procedure

Kyeema has a separate counter-terrorism Policy which describes in detail its commitment and procedures involving counter-terrorism which includes exposure to embargoed jurisdictions or entities included on various sanctions lists. Kyeema undertakes strict due diligence checks to ensure the persons and entities connected to its activities are not subject to targeted financial sanctions, have a history of criminal activity or have political exposure that could be considered a risk to Kyeema. Kyeema uses both Refinitiv: World Check database and searches manually on DFAT's consolidated list when it begins new partnerships and takes on new staff and reconducts these screens periodically. These checks are important to ensure that Kyeema does not contravene Australian sanctions law by providing assets to, or dealing with the assets of, a listed person or entity.