

Risk policy and risk management procedure

Last updated July 2019

Purpose

Risk is an inherent part of Integrity Action's functions and activities; from working in high risk environments to our systems, processes, staff and the office. Integrity Action's trustees and management recognise that the management of risk is vital to good management. The purpose of this Risk Policy is to develop a consistent approach towards risk across the organisation and outline processes for recognising, analysing and dealing with risks as well as assuring the effectiveness of the identified mitigation processes.

The management of risks includes the culture, processes and organisational structures, which contribute to the effective management of potential opportunities, threats and adverse incidents. Integrity Action's approach is aligned with the best practice recommendations of the Charity Commission as outlined in the Charities and risk management (CC26). The policy also reflects guidelines and principles for managing risks outlined in ISO31000 (2009).

Definitions for the purpose of the policy

All definitions of the policy are aligned with ISO Guide 73:2009.

Application

At Integrity Action risks are considered internally and in terms of the wider environment in which the charity operates. This includes our operating environments, financial climate, society and its attitudes in the UK and overseas, the natural environment and changes in the law, technology and knowledge.

Based on these considerations, strategic and operational risk registers are developed in line with recommendations within the Charity Commission guidance 'Charities and risk management' (CC26). Both risk registers are reviewed and assessed by the CEO and the Executive team members monthly. The strategic risk register is reviewed and assessed by the Audit Committee of the Board of Trustees. The key aim of the review and assessment processes is to establish if the identified risks are appropriate (new ones captured and outdated ones removed) and to confirm if the established control systems for risks management are effective.

Ownership

Overall responsibility for risk management within Integrity Action lies with the CEO, with responsibility for implementation delegated to the relevant executive management team members.

The Board of Trustees has responsibility for assessing the effectiveness of risk management and this duty is delegated to the Audit Committee. Audit Committee reviews strategic risk register (including control systems and residual risks) quarterly and reports findings to the Board.

Application and process

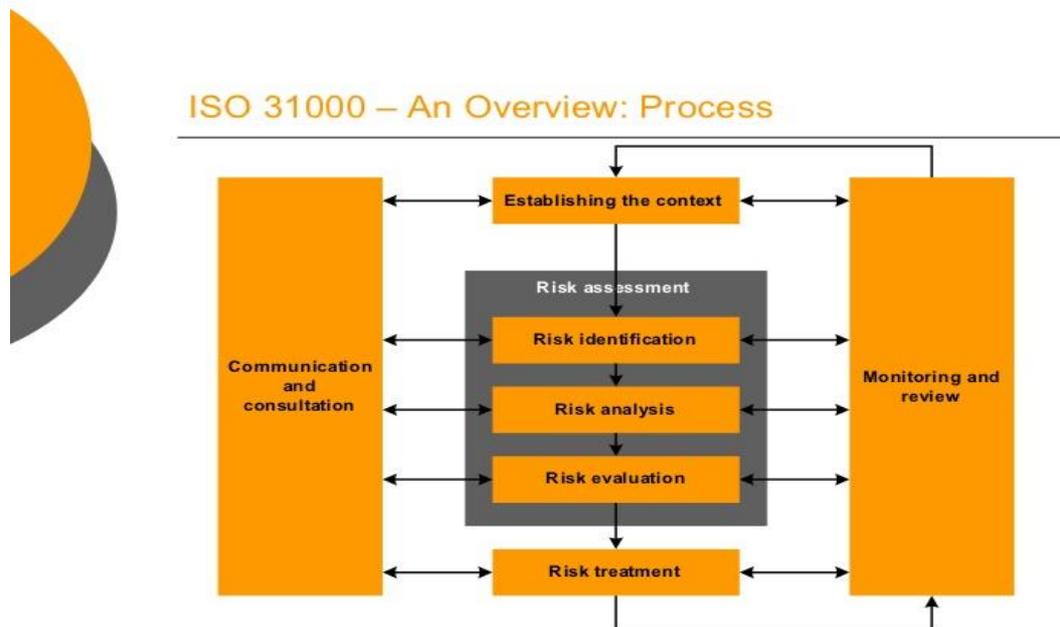
Integrity Action's Risk registers are accessible to staff and Trustees on google drive from the following link:

_IA Folders\Governance\Risk register

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Integrity Action's Risk management process reflects ISO31000 (2009):



- Risk assessment

Integrity Action learns from, consults, and works with internal stakeholders (Trustees, managers and staff) and external stakeholders (people who benefit from our work, partners, donors and wider sector) to identify, analyse and evaluate risks. This is done through formal and informal meetings, evaluation visits and studies, and desk searches. Identified material risks are categorised as: governance, operational, financial, environmental and external, and regulatory compliance risks, in the UK and overseas. Risk are analysed in terms of likelihood and impact, control measures are assigned and residual risk calculated.

- Risk treatment

The registers include clear description and responsibilities for actions. Responsible staff report monthly on effectiveness of measures and recommend further actions. CEO approves the recommendations or asks for alternative actions.

- Monitoring and review

Key owners of the process are Audit Committee, CEO and the executive team, however all staff are expected to take part as well as external stakeholders. The monitoring and review process is linked with risk assessment and are conducted on cyclical basis.

- Consultation and communication

Both internal and external consultation on risks are integral part of Integrity Action's programme and strategic planning. Additional to the communication integral to the above described risk management processes and in case of a significant risk materialising (scoring 15 and above on residual risk and as per Charity Commission ranking), risks are communicated to external stakeholders and wider audiences through specifically designed materials and via appropriate channels.

Audit

Strategic and Operational Risk registers are provided to our Statutory Auditor.

Relevant legislation and guidelines

Charity Commission, Charities and risk management (CC26)

ISO31000 (2009)

ISO Guide 73:2009

<https://www.theirm.org/media/2392462/irm-charities-sig-setting-risk-appetite-final-080816.pdf>