

## **MySmallHelp Risk Management Policy – updated to February 2015**

### **Risk policy purpose**

This policy is a formal acknowledgement that the Trustee Board is committed to maintaining a strong risk management framework. The aim is to ensure that the charity makes every effort to manage risk appropriately by maximising potential opportunities whilst minimising the adverse effects of risks.

It should be used to support the internal control systems of the charity, enabling the charity to respond to operational, strategic and financial risks regardless of whether they are internally or externally driven.

### **Risk policy objective**

- To confirm and communicate the charity's commitment to risk management.
- To establish a consistent framework and protocol for determining appetite for and tolerance of risk and for managing risk.
- To assign accountability to management and staff for risks within their control and provide a structured process for risk to be considered, reported and acted upon throughout the organisation.

### **Risk policy statement**

The Trustees of the charity believe that sound risk management is integral to both good management and good governance practice. Risk management should form an integral part of the charity's decision-making and be incorporated within strategic and operational planning.

Risk assessment will be conducted on all new activities and projects to ensure they are in line with the charity's objectives and mission. Any risks or opportunities arising will be identified, analysed and reported at an appropriate level.

A risk register covering key strategic risks will be maintained and updated at least twice a year and more frequently where risks are known to be volatile. A more detailed operational risk register will be maintained in aspects where this is considered appropriate, taking account of the impact of potential risk and the cost benefit of the exercise. All staff will be provided with adequate training on risk management and their role and responsibilities in implementing this.

The charity will regularly review and monitor the effectiveness of its risk management framework and update it as considered appropriate. Reports will be made to the Trustee board each quarter of continuing and emerging high concern risks and those where priority action is needed to effect better control.

Individual error and incident reports will be required from individual staff where a reportable event is identified.

### **The role of the Trustee Board**

- To ensure that a culture of risk management is embedded throughout the charity
- To set the level of risk appetite and risk tolerance for the organisation as a whole and in specific circumstances

- To communicate the charity's approach to risk and set standards of conduct expected of staff
- To ensure risk management is included in the development of business plans, budgets and when considering strategic decisions
- To approve major decisions affecting the charity's risk profile or exposure
- To satisfy itself that less fundamental risks are being actively managed and controlled
- To regularly review the charity's approach to risk management and approve any changes to this
- To receive reports from internal audit, risk subcommittee, external consultants and any other relevant parties and to make recommendations on this

#### **The role of the Nepal and Peru Directors**

- To ensure that risk management policy is implemented throughout the organisation, including in country affiliates such as MSH Nepal and Peru
- To anticipate and consider emerging risks and to keep under review the assessed level of likelihood and impact of existing key risks
- Provide regular and timely information to the Trustees on the status of risks and their mitigation
- To implement adequate corrective action in responding to significant risks; to learn from previous mistakes and to ensure that crisis management plans are sufficiently robust to cope with high level risk

#### **The role of project and team managers**

Project and team managers are responsible for managing project specific operational risks and for ensuring that risks are reported upon in a timely fashion through designated lines of reporting.