CIVICUS RISK MANAGEMENT POLICY

CIVICUS: World Alliance for Citizen Participation
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Contents

1. Introduction **2**

1.1. Risk – A CIVICUS Perspective *2*

1.2. Policy Objectives *2*

2. Risk Management Framework **2**

3. Risk Identification **3**

4. Risk Assessment and Mitigation **4**

4.1. Risk assessment *4*

4.2. Risk mitigation *5*

5. Risk monitoring and review **6**

6. Risk Communication and Participation **6**

1. Introduction

1.1. Risk – A CIVICUS Perspective

CIVICUS is a unique world alliance of individuals, voluntary initiatives, grassroots community groups, organisations and networks for citizens participation. It functions in three different forms, namely, alliance, platform and (legally registered) organisation. The architecture of CIVICUS weaves together these three functions through a coherent and common vision and mission for all three, which gets reflected in integrated programming and strategic planning.

CIVICUS by its very foundation, as apparent from its diverse membership and the reason for its existence as outlined in its Vision and Mission, has risk as an ever-present reality, especially within the context of current global challenges facing humanity.

Risk within CIVICUS, is perceived as the chance of an occurrence that will have an impact on the strategic objectives of the organisation, proper functioning of the Secretariat and staff wellbeing.

1.2. Policy Objectives

As a CIVICUS staff member (whether permanent or temporary) or someone working on behalf of CIVICUS (as a Consultant or otherwise), it is necessary to be aware of what could go wrong at any time, be able to decide whether these risks can be managed or how they could affect the organisation and be in a position to act to avoid either the problem or its consequences.

The objective of this Policy is to provide guidance on how to identify, assess and control threats to the organisation, but most importantly, to identify potential problems before they occur and have a plan for addressing them.

2. Risk Management Framework

The CIVICUS Board of Directors retains strategic oversight over the organisation's risk management framework (RMF). CIVICUS management is responsible for overseeing functional execution of the Risk Management Policy – this is in line with the Delegated and Financial Authorities Policy.

Role	Responsibility
Board of Directors	Oversight of management's risk management practices – the Board (at its bi-annual meetings) receives a risk dashboard highlighting risks weighted on the basis of likelihood of occurrence and impact

	The Board (through its Audit Committee) has a direct interest in financial reporting risks, internal financial control and fraud as it relates to financial reporting. The Committee provides an assurance to the Board regarding the integrity and robustness of financial risk management processes
Senior Leadership Team (SLT)	Overall responsibility for risk management and more specifically, risk mitigation and communication and reporting
Cluster Leads/ Project Leads	As risk owners, Cluster and Project Leads are responsible for risk identification, assessment and mitigation (to the extent necessary)
Operations & Programme Management Fora	The Operations and Programme management fora serve as the core platforms for cross-cluster collaboration in risk management
Governance, Risk & Compliance (GRC) Coordinator	The GRC ensures that CIVICUS retains a pro-active posture to risk management. This includes coordinating quarterly risk fora, where risk owners: • review identified/residual risk, • identify emerging risk • undertake preliminary assessment of identified risk The GRC maintains CIVICUS' risk register
Special purpose committees	Special purpose committees may be assigned special risk management responsibilities by management. An example is the cross-cluster team assigned the responsibility of guiding CIVICUS through the Covid-19 pandemic

3. Risk Identification

We believe that a well-executed process of early risk identification serves in effect, to eliminate to the extent possible, potential risk blind-spots and advance the objective of a proactive posture to risk management.

Given CIVICUS' wide ranging programme/project portfolio, primary risk identification is assigned to risk owners at the Cluster and Project levels, a process design that entrenches staff participation in overall risk management.

As primary risk owners, Cluster and Project Leads are responsible for collating risk information relevant to their cluster or project. The Leads have discretion on process around generating such information – common approaches include insight from subject matter experts within the clusters, horizon scanning/assumption testing exercises and SWOT analysis conducted during team planning sessions and brainstorming during regular cluster meetings.

Clusters are instructed to examine a wide range of factors (in this exercise), including:

- Obvious and hidden threats and how these manifest
- Potential opportunities
- Consequences and impact

- Inherent vulnerabilities, including knowledge gaps and reliability of base information
- Existing capabilities/capacity
- Shifts in external and internal context
- Time-related factors
- Biases, assumptions and beliefs of those involved

Staff can also reach out directly to their line manager, any member of the SLT and the Human Resources Cluster to discuss in confidence matters that relate to their individual wellbeing.

As a final step in risk identification, the GRC Coordinator will convene a Risk Forum with each Cluster Lead – these are broad but structured risk conversations that occur once every quarter and provide an opportunity to monitor identified and residual risk and to identify emerging risk.

Emerging risks are documented in a Risk Register that allocates risk to one of six broad areas for focused attention. These are:

- Strategy/programmes;
- People;
- finance;
- operations;
- compliance; and
- environmental risks

The outcome of this exercise is a complete list of risks, based on the threats and events that might negatively affect the implementation of the Strategic Objectives, undermine the efficacy of the Secretariat and present some form of immediate harm to staff.

4. Risk Assessment and Mitigation

4.1. Risk assessment

Risk assessment primarily occurs at the Cluster level. The Operations Management Forum (OMF) and Programme Management Forum (PMF) will serve as the core platforms for cross-cluster collaboration applicable to specific instances of risk assessment, with the OMF focusing on risk with operational implications to the organisation such as finance, people, operations and compliance and the PMF addressing those of a strategic or programming nature.

The main outcome of the risk assessment exercise is a weighting of identified organisational risks based on likelihood of occurrence and magnitude of impact, currently in the form of a dashboard.

The risk assessment process must be backed by detailed information/data and will mostly focus on the following dimensions:

- Full description of risk

- Likelihood of occurrence – chances that a certain risk will occur
- Magnitude of impact – what would happen if the risk occurs

This process ensures that foreseen risks are correctly prioritised for effective management response.

4.2. Risk mitigation

While risk assessment inherently incorporates identification of potential responses and their effectiveness, we believe that a deliberate process to address elimination, reduction and control of impact is necessary.

Risk mitigation occurs at senior management level, with necessary input from risk owners. This design ensures ready access to key institutional information and a cross-organisation perspective that is pertinent to the process. Emphasis is on identifying sensible measures to control the risk, rather than creating unnecessary blockages.

We develop risk mitigation strategies (including planning and implementation) for risk assessed to be:

- Highly likely to occur and potentially presenting moderate to high impact
- Moderately likely to occur and potentially presenting a high impact.

We track or monitor risk deemed to be:

- Moderately likely to occur and potentially presenting a moderate impact
- Less likely to occur and potentially presenting a high impact.

Our spectrum of risk mitigating strategies include avoidance, acceptance, limiting and sharing.

Avoid: In general, we avoid high impact risks that are highly likely to occur. Impact can manifest in the form of financial loss to the organisation or take forms such as reputational damage, long drawn litigation or personal harm to staff.

Accept: We may accept and closely monitor risk where mitigation cost far outweighs the cost of tolerating the risk.

Limit: Risk limitation is the most commonly applied risk mitigation strategy at CIVICUS, where targeted steps are taken to address a perceived risk. The objective is to make the risk more palatable and therefore move the decision point from avoid, towards accept the risk. Any accept risk decision must be accompanied by an assurance of continuous monitoring in order to regulate the exposure. The risk dashboard shared with the Board (at its bi-annual meetings) visually demonstrates application of risk limitation – it highlights risk weighting across selected areas of exposure, both before and after targeted mitigating action by management.

Share: We may share risk with low likelihood of occurrence but potentially significant impact on the organisation. Possible approaches in this regard include joint projects with alliance partners, outsourcing of roles and responsibilities and financial mitigation strategies such as insurance, to name some.

5. Risk tracking and review

Through the quarterly Risk Forums, risk tracking and review is built into the CIVICUS RMF. There are two main dimensions to this process:

- Ensuring that we consistently monitor identified and residual risk while simultaneously managing emerging or new risk.
- Evaluating the execution and effectiveness of risk mitigation strategies.

A successful risk tracking and review regime should ensure that management action plans to contain risk remain relevant at all times.

6. Risk Communication and Participation

As a global alliance, platform and (legally registered) member-based organisation, CIVICUS represents deeply layered and diverse interests from all corners of the world, making risk communication an extremely crucial element of effective risk management.

It is important to draw a distinction between risk communication, which relates to things that might go wrong and largely remains the responsibility of senior management and crisis communication, which responds to things that might have gone wrong and may in certain instances involve the Board of Directors.

With respect to risk communication, internal stakeholders including the Board of Directors and staff, must have a comprehensive understanding of existing risk exposure and the measures taken to prevent or mitigate these risks.

Communicating to a diverse external constituency consisting of members (individual and organisation) all with diverse interests, project partners, donors, peers, the public and the state (as applicable), is a lot more complex and must be based on an awareness and understanding of actual concerns. It is important to enable external stakeholders make an informed conclusion about how a decision by management will impact their interests and values. Communication to external audiences must therefore be meaningful, relevant and accurate and in clear and understandable terms.

The process in the case of both internal and external audiences, should avail opportunities for interactive exchange of information and opinions regarding risk. The objective is not necessarily to resolve all differences of opinion, but to ensure that these are well understood.