

## **RISK MANAGEMENT POLICY**

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**Kabalega Foundation** is committed to proactively identifying, assessing, managing, and mitigating risks that may impact its operations, programs, or reputation. The Foundation recognizes that risk management is a crucial aspect of its governance and operational processes. This **Risk Management Policy** outlines the Foundation's approach to ensuring that risks are managed in a systematic and effective manner.

### **1. Purpose**

The purpose of this policy is to:

- Ensure the identification and management of potential risks that could affect the Foundation's ability to achieve its objectives.
- Establish a framework for assessing and responding to risks in a timely and effective manner.
- Protect the Foundation's reputation, resources, stakeholders, and beneficiaries.
- Promote a proactive risk management culture within the Foundation.

### **2. Scope**

This policy applies to all aspects of Kabalega Foundation's operations, including:

- Strategic and programmatic activities.
- Financial and operational management.
- Legal, regulatory, and compliance risks.
- Environmental and reputational risks.
- Human resources and stakeholder relations.

### **3. Risk Management Principles**

Kabalega Foundation is committed to managing risk according to the following principles:

- **Proactive Approach:** Risk management is a proactive process aimed at preventing or minimizing negative impacts rather than reacting to risks after they occur.
- **Comprehensive Identification:** All types of risks, including financial, operational, reputational, legal, strategic, and environmental, should be identified and assessed.
- **Continuous Monitoring:** Risk management should be an ongoing process, integrated into the Foundation's strategic planning, decision-making, and day-to-day activities.
- **Accountability:** Risk management is a shared responsibility across all levels of the Foundation. All staff and volunteers are expected to identify and report risks relevant to their areas of work.

- **Clear Communication:** Clear communication and transparency in reporting risks and risk mitigation efforts to relevant stakeholders, including the Board of Directors, staff, and donors.

#### 4. Risk Identification

Risk identification is the first step in the risk management process. Kabalega Foundation will:

- **Conduct Regular Risk Assessments:** Regularly assess both internal and external risks that could impact the Foundation's operations, programs, and strategic objectives.
- **Engage Stakeholders:** Involve key stakeholders in the risk identification process, including staff, volunteers, partners, donors, and beneficiaries, to gather diverse perspectives on potential risks.
- **Monitor Emerging Risks:** Keep track of emerging risks, such as regulatory changes, shifts in funding, technological changes, or environmental factors.

Common categories of risk include:

- **Financial Risks:** Risks related to funding, budgeting, and financial management.
- **Operational Risks:** Risks related to internal processes, systems, and resource management.
- **Reputational Risks:** Risks related to the Foundation's public image, relationships with stakeholders, or the integrity of its operations.
- **Legal and Compliance Risks:** Risks associated with non-compliance with laws, regulations, and contractual obligations.
- **Strategic Risks:** Risks related to the Foundation's long-term direction, mission, and goals.
- **Human Resources Risks:** Risks related to staffing, volunteer management, and organizational culture.
- **Environmental and External Risks:** Risks related to natural disasters, pandemics, political instability, or other external factors.

#### 5. Risk Assessment and Evaluation

Once risks are identified, they will be assessed based on the following criteria:

- **Likelihood:** The probability that the risk will occur.
- **Impact:** The potential severity or consequences of the risk if it occurs.
- **Urgency:** The degree to which the risk requires immediate attention or action.

Each risk will be assigned a risk rating to determine the level of priority for mitigation. Risks will be categorized as:

- **High Risk:** Requires immediate action and monitoring.
- **Medium Risk:** Requires action but can be addressed over a defined period.
- **Low Risk:** Can be monitored periodically with little immediate impact.

#### 6. Risk Mitigation and Response

Kabalega Foundation will implement risk mitigation strategies to reduce or eliminate the potential impact of identified risks. This will include:

- **Developing Risk Mitigation Plans:** For each identified risk, a specific risk mitigation plan will be developed, detailing the steps to be taken, responsibilities, and timelines.
- **Contingency Planning:** Developing contingency plans for high-priority risks to ensure the Foundation can respond effectively in case the risk materializes.
- **Internal Controls and Procedures:** Implementing robust internal controls and procedures to manage operational and financial risks.
- **Training and Capacity Building:** Providing ongoing training for staff, volunteers, and partners to build their capacity to identify and manage risks.

For example, mitigation actions may include:

- Diversifying funding sources to reduce financial risks.
- Enhancing monitoring and evaluation systems to detect operational issues early.
- Establishing a crisis communication plan to manage reputational risks in case of negative publicity.

## 7. Risk Monitoring and Reporting

Kabalega Foundation will monitor risks on an ongoing basis to ensure that risk mitigation strategies are working effectively and that new risks are identified. This includes:

- **Regular Risk Reviews:** Conducting regular reviews of the risk management process to ensure that it remains effective and relevant.
- **Risk Reporting:** Reporting key risks to the Board of Directors, senior management, and other relevant stakeholders. Reports will include information on identified risks, mitigation efforts, and risk ratings.
- **Risk Register:** Maintaining a risk register that tracks identified risks, mitigation measures, and the status of each risk. This will be updated regularly and accessible to relevant stakeholders.

## 8. Roles and Responsibilities

Risk management is the responsibility of all employees, volunteers, and Board members of Kabalega Foundation. Specific roles and responsibilities include:

- **Board of Directors:** Provide overall oversight of the Foundation's risk management activities and ensure that the risk management framework is aligned with the Foundation's strategic goals.
- **Executive Management:** Develop and implement the risk management framework and ensure that risks are being identified, assessed, and mitigated across all programs and activities.
- **Risk Management Committee:** If applicable, a designated committee may be formed to review risk management processes and ensure that risks are being adequately addressed.
- **Staff and Volunteers:** Identify and report risks within their respective areas and implement risk mitigation measures as needed.

## 9. External Risk Management

In addition to internal risk management, Kabalega Foundation recognizes the importance of managing external risks that may affect our operations. This includes:

- **Monitoring External Factors:** Regularly reviewing external factors such as changes in legislation, economic conditions, political environments, and emerging global trends that may impact the Foundation.
- **Engaging with Partners and Donors:** Collaborating with partners, donors, and stakeholders to identify and mitigate shared risks, especially in programmatic and financial areas.

## 10. Review and Continuous Improvement


Kabalega Foundation is committed to continuously improving its risk management practices. This includes:

- **Periodic Review:** The Risk Management Policy will be reviewed periodically to ensure it remains aligned with the Foundation's objectives, operational needs, and any changes in the external environment.
- **Lessons Learned:** Regularly reflecting on risk events or near-misses to capture lessons learned and improve the Foundation's overall risk management capacity.

## 11. Conclusion

Effective risk management is essential for the continued success and sustainability of Kabalega Foundation. By identifying, assessing, and mitigating risks proactively, the Foundation aims to minimize negative impacts and ensure that it can continue to fulfill its mission and objectives.

Signed:



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Date: 04/01/2020

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Executive Chairperson