



**Adopted: 2015**

**Reviewed: 2017**

### **Risk Management Policy**

The Aidlink Risk Management Subcommittee identifies, analyses and prioritises the major risks facing Aidlink on an annual basis. Systems and process are then developed to monitor and control the risks in order to mitigate the potential impact that they may have on the future development of the organisation. The directors have identified the principal risks impacting on Aidlink and the steps take to address these risks. Ownership of the policy rests with the board, delegated to the risk subcommittee.

The Risk Committee meets at least once a year to review the risk register.

#### **Risk Register**

The Aidlink Risk Register is a management tool identifying potential risks to the organisation and requisite mitigation strategies in both HQ (Dublin) and OS (Overseas) contexts. The register is updated annually.

#### **Priority Risks**

The Aidlink board has identified priority risks to Aidlink as Reputational, Financial, Employee, and Programme/Partner.

#### **Risk and Impact**

Within these 4 categories individual potential risks and their impacts are identified in both HQ (Dublin) and OS (Overseas) contexts.

#### **Likelihood and Impact**

The likelihood of each risk occurring is scored from 1-5

*1 -Remote*

*2- Unlikely*

*3- Possible*

*4- Probable*

*5- Highly Probable*

The severity of impact of such a risk is scored from 1-5

*1- Insignificant*

*2- Minor*

*3- Moderate*

*4- Major*

*5-Extreme/Catastrophic*



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### **Mitigation Strategies**

Mitigation strategies -systems and process to monitor and control the risks- are identified in HQ and OS contexts.

### **Score**

Assessing impact and likelihood, each risk is scored as per the heat map (Appendix 1)

### **Action Required**

Following review of each risk, required actions are identified in order to strengthen mitigation strategies

### **Responsibility**

Responsibility for actions are assigned to individuals, sub-committees, or board.

### **Date identified/reviewed**

Date risk is identified is recorded along with date of review.

### **Risk Themes**

**Reputational Risk-** Aidlink's risk analysis prioritises reputational risk as a core risk to the organisation. Maintaining a positive reputation and trust between donors and partners is critical to ensuring Aidlink's sustainability. Mitigation strategies include; demonstrating the efficient use of funds and responsible remuneration policies reflecting Aidlink's values; the implementation of policies and procedures protecting against fraud; and the implementation of child protection policies. Furthermore the board monitor the quality and performance of staff and partners to ensure maintenance of a positive reputation and is satisfied that recent external monitoring and evaluation reports support this belief.

**Financial Risk-** Financial risk is also prioritised as a core risk to the organisation. The loss of Irish Aid funding is considered the most significant risk; categorised as *medium risk / high impact*. Mitigation strategies include meeting and maintaining Irish Aid quality standards and diversifying the donor base. Partner financial risks identified include dependency on Aidlink and fraud/poor accounting policy and practice. Mitigation strategies in place include the annual inspection of partners' externally-audited accounts by senior management and the treasurer of the board, capacity building support to partners to help them secure funding from other sources, and independent meetings with partners' finance staff as part of monitoring and evaluation. The risk register is updated on an annual basis by a sub-committee of the board.

**Employee Risk-** Overdependence on key individual members of staff is identified as a core risk to the organisation. Mitigation strategies include; the appointment of additional staff; and employee development and capacity building.

**Partner/Programme Risk-** Detailed partner/programme risk is carried out annually by the board including; contextual analysis, partner capacity building and programme quality. The board reviews monitoring and evaluation procedures and reports throughout the year. Further the board assesses partner dependency on Aidlink and supports partners to source new streams of income.



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**Appendix 1.**

**Risk Score Heat Map**

<b>Impact</b>	Extreme/ Catastrophic	5	10	15	20	25	30
	Major	4	8	12	16	20	24
	Moderate	3	6	9	12	15	18
	Minor	2	4	6	8	10	12
	Insignificant	1	2	3	4	5	6
			1 Remote	2 Unlikely	3 Possible	4 Probable	5 Highly Probable
			<b>Likelihood</b>				