



## **CHANGE FOR CHILDREN (CFC) Risk Management Policy**

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### **Rationale/Purpose**

Change for Children (CFC) believes that risk management is essential for the continued success of our organization. Risk management is embedded within our organization's culture, processes, and structures so that they are directed towards effective risk identification, assessment, mitigation, and management. CFC recognizes that making risk management an integral part of the organization improves strategic planning, decision making, and the successful and sustainable achievement of our objectives. We acknowledge that not all events or incidents that pose a risk to CFC personnel or CFC operations are within our control. The aim of this policy is not to eliminate all risks, rather it is to manage the risks involved in CFC's activities to maximize opportunities and minimize adversity.

### **Principles**

#### **Collective Commitment**

- Successful risk management and mitigation is dependent on every CFC volunteer, staff member, and related personnel. Each stakeholder has a role in ensuring the safety and security of themselves and others.

#### **Organizational Culture**

- Making risk management an integral part of CFC's organizational culture is essential. This involves ensuring that risk management is embedded into all operations rather than seen as distinct from day to day activities.

#### **Safe and Secure Environments**

- CFC is committed to taking the proper steps to maintain a safe and secure environment for all volunteers, staff, and related personnel. This includes measures to identify, prevent, mitigate, and respond to any incidents or events that may compromise the safety and security of CFC personnel and the environments they work in.

## **Objectives and Strategies**

CFC will support a deliberative approach to risk assessment and treatment to avoid, mitigate or manage risks in support of the organization's activities and strategic and operational priorities. The CFC Board of Directors and senior staff will determine the appropriate level of acceptable risk based on a balanced view of the risk, considering both the threat of adverse impacts, and the opportunities that arise from properly managed risk.

### ***Risk Management Objectives***

- Map to CFC's Strategic Framework and planning, and integrate risk management into the culture of the organization;
- Assess risks and opportunities against CFC level of risk tolerance;
- Anticipate and respond to social, environmental and legislative conditions;
- Manage risk according to best practices and demonstrated due diligence in decision-making;
- Document the framework within which risk is managed at the organization;
- Foster a culture of identifying, assessing and mitigating risks.

CFC strives for effective management of risks that fall into the following five categories:

1. Strategic - Risks that are aligned with and support the organization's mission, vision and strategic directions.
2. Operational - Risks that are associated with on-going management processes, including those related to projects and initiatives.
3. Financing/Reporting - Risks associated with sound financial practices, protection of CFC's assets and reliability of reporting.
4. Compliance - Risks associated with institutional compliance with applicable legislation and regulations.
5. Reputational - Risks to the reputation of CFC that may be triggered by a serious event in any category.

## ***Risk Management Process***

### 1. Risk Assessment

#### *Identification*

Projects, programs, and processes are assessed to identify hazards and risk factors that have the potential to cause harm to CFC personnel and CFC operations.

#### *Risk Analysis*

Identified risks will be assessed based on the combination of the probability of occurrence and severity of the impact. Information used in this process may include current and historical data, theoretical analysis, informed opinions, and the concerns of stakeholders.

#### *Risk Evaluation/Prioritization*

Identified risks will be ranked to determine which risk is the most serious so that an action list can be created based on the highest priority risks. Risks will be examined using a risk matrix table which shows the relationship between probability and severity. This is done by considering exposure and potential for incident, injury, or illness.

#### *Risk Mitigation/Control*

After risks are prioritized, the options for handling risks will be decided. A risk mitigation plan will be developed and monitored for effectiveness.

### 2. Documentation

Risk assessments and control actions taken are recorded and stored based on the level of risk involved and legislated requirements. The records are required to demonstrate that CFC has conducted a proper hazard review, determined the risk of hazards, implemented suitable control measures, and reviewed and monitored all hazards involved.

### 3. Monitoring and Review

Risk assessments are reviewed and monitored on a regular basis to ensure the risk assessment is complete and accurate, and to make sure control methods are effective. This is essential to be sure that any changes that impact projects and volunteers have not introduced any new hazards or changed hazards.

## **Oversight, Compliance, and Control**

### ***Board of Directors***

In its governance role, the CFC Board of Directors assumes ultimate responsibility to ensure that adequate risk management procedures are adopted to protect the assets and undertakings of the organization.

The Board shall review and make recommendations regarding the organization's risk assessment practices and procedures and risk management systems for all operations including legal, operational, regulatory, ethical, environmental, and financial aspects.

Underpinning this policy, the Board adopts an active approach to risk management on the basis that CFC is a risk-aware organization, rather than a risk-averse one.

### ***Executive Director***

The Executive Director of CFC is responsible to the Board of Directors to ensure that a Risk Management Plan is developed and implemented for risk management procedures to become part of the day-to-day operations at CFC. The Executive Director shall report to the Board of Directors on the development and continuing implementation, monitoring and modification of the Risk Management Plan.

### ***Senior Staff***

The senior staff are responsible for establishing and implementing the risk management system to identify, control and manage strategic, technical, operational and other material risks.

*Approved by CFC Board: March, 2023*

*Date for Review: March, 2028*