



# BAREFOOT INITIATIVE

## RISK MANAGEMENT POLICY

<b>Policy number:</b> 005	<b>Version:</b> 1.0
<b>Drafted by:</b>	<b>Board approval date:</b> 22/01/20
<b>Responsible person:</b> Co-Managing Directors	<b>Scheduled review date:</b> June 2022
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### OUTLINE

1. Purpose
2. Scope
3. Policy statement
4. Policy in practice
5. Monitoring and review
6. Related policies and procedures

### 1. PURPOSE

The purpose of this policy is to help board members of Barefoot Initiative to effectively manage risk. Barefoot Initiative recognises that the organisation is exposed to certain risks due to the nature of its activities and the environment in which it operates. The key to Barefoot Initiative's success is the effective management of risk to ensure its organisational objectives are achieved. Risks arise due to the organisation's operational undertakings and from external sources. Risks occur in numerous ways and have the potential to impact financial performance, reputation, health and safety, community and the overall performance of the organisation.

### 2. SCOPE

This policy applies to Barefoot Initiative personnel and volunteers.

## 3. POLICY STATEMENT

The Barefoot Initiative Board (called the 'board' in this policy) aims to ensure that board members are aware of their obligation to comply with this policy to ensure they effectively manage risks relevant to Barefoot Initiative.

This policy addresses both strategic and operational risks. We will use our skills and expertise to identify risks across the organisation. Barefoot Initiative will also identify operational controls in place, which manage risk.

We will assess the size or degree of risk by taking into consideration the potential impact to our operations. Risks will be ranked in a common and consistent manner and a Risk Register will be maintained containing material risks to the organisation.

Risk treatment actions and plans will be developed for risks that are unacceptable to the organisation.

Risks, and the effectiveness of the risk management system will be monitored on a regular basis and we will communicate and consult with relevant stakeholders on our approach to managing risk.

## 4. POLICY IN PRACTICE

### 6.1 Risk Tolerance

Our tolerance for adverse risks will be used to determine which risks are treated through the development of risk treatment actions to manage risks to an acceptable level. During this process we will consider additional control measures to manage the risks to acceptable levels.

### 6.2 Integration with governance and strategic planning

The Risk Management Policy forms part of the governance framework and integrates with the strategic planning process. The Policy addresses both strategic and operational risks and the requirement of the organisation to operate in its regulatory environment.

### 6.3 Accountability

Ownership of risks and risk treatment actions will be assigned to relevant roles within the organisation. Barefoot Initiative has incorporated risk management accountability for all Board members, which are required to report on risks and risk treatment actions.

### 6.4 Risk Management Oversight

Barefoot Initiative's Board will oversee the Risk Management Policy and the organisation's exposure to risk. Oversight of the effectiveness of our risk management processes and activities will provide assurance to the Board and stakeholders and will support our commitment to continuous organisational improvement.

### 6.5 Reporting, Monitoring and Review

Barefoot Initiative will monitor risks and treatment actions on an ongoing basis. Performance of the risk management system and outstanding risk treatment actions will be reported to the Board on a regular basis. Formal reviews of both the risk management system and the Risk Register will take place on an annual basis and the Board will assess the effectiveness of the Risk Management Policy annually.

### 6.6 Communication and Consultation

Barefoot Initiative will communicate and consult with its stakeholders (internal and external) on its approach to risk management.

## 5. MONITORING & REVIEW OF POLICY

The Co-Managing Directors are responsible to ensure that this policy is implemented, and updated based on a needs basis. At minimum this policy will be reviewed by the Co-Managing Directors every two years, and revisions and changes to the policy will be shared with the Board of Directors for validation. An

## 6. RELATED POLICIES & PROCEDURES

- Finance Policy
- Conflict of Interest policy
- Child Protection Policy
- Gender & Diversity Policy
- Complaints and response mechanism policy
- Media policy
- 'Welcome to Ethiopia' Document



ANNEX 1:

## RISK ANALYSIS TEMPLATE

			CONSEQUENCE (C)				
			Insignificant	Minor	Moderate	Critical	Catastrophic
			1	2	3	4	5
Likelihood (L)	Rare	1	LOW Accept risk	LOW Accept risk	LOW Accept risk	MEDIUM Specific strategy	HIGH Quarterly Review
	Unlikely	2	LOW Accept risk	LOW Accept risk	MEDIUM Specific strategy	MEDIUM Specific strategy	HIGH Quarterly Review
	Possible	3	LOW Accept risk	MEDIUM Specific strategy	MEDIUM Specific strategy	HIGH Quarterly Review	HIGH Quarterly Review
	Likely	4	MEDIUM Specific strategy	MEDIUM Specific strategy	HIGH Quarterly Review	HIGH Quarterly Review	EXTREME Not acceptable
	Almost certain	5	MEDIUM Specific strategy	MEDIUM Specific strategy	HIGH Quarterly Review	EXTREME Not acceptable	EXTREME Not acceptable

## Internal Risks

Risks that come from within the organisation; i.e. lack of resources, time, corruption etc.

#	Description	L	C	Risk category	Current Strategies	Required Actions
1	Resources Misuse	1	3	Low	Finance policy developed	Adhere to finance policy
2	Reputational	1	3	Low	Develop Media policy, cross check all communication shared on BF social media platforms, and orientate all volunteers travelling to Afar around culturally appropriate behaviour via a 'Welcome to Ethiopia' document	Finalise Media policy and ensure 'Welcome to Ethiopia' is updated with each new visit to Ethiopia (document already developed, but requires regular updating)
3	Health & well-being Injury Accident	3	3	Medium	Volunteer insurance for Barefoot Initiative personnel within Australia. For all field visits to Ethiopia BFI personnel and volunteers are required to take out health insurance. Travel by road after dark should be avoided while in Ethiopia	

4	Financial Fraud Theft Insufficient funding	2	3	Medium	Financial Policy and due diligence policy/checklist for partners developed. Develop annual budgets based on actual funds acquired	Adhere to finance policy Carry out due diligence policy/checklist for all partners, and orientate partners to the said policies
5	Conflict of interest	3	3	Medium	Conflict of Interest Policy developed	Adhere to Policy
6	Exclusion of Vulnerable or people associated with Barefoot's activities in its projects in Ethiopia	3	3	Medium	Gender and Diversity policy developed with Code of Conduct	Adhere to policy and orientate the same to BFI partners, BFI personnel and volunteers. Ensure all BFI personnel, volunteers and partners sign Code of Conduct

## External Risks

Risks that come from outside of the organisation; i.e. disasters, elections, changes in government policy etc.

#	Description	L	C	Risk category	Current Strategies	Required Actions
1	Environmental Climate event	3	2	Medium	Monitor updates from news sites and direct communication with partners in the Afar and base decisions accordingly	
2	Political Political unrest/conflict	4	2	Medium	Monitor political developments and plan any intended travel accordingly	
3	Economic	3	3	Medium	Fluctuations in currency need to be monitored and 5% contingency within project budgets to be built in to cover potential losses	
4	Cultural	2	4	Medium	Cross check all communication shared on BF social media platforms, orientate all volunteers travelling to Afar around culturally appropriate behaviour via a 'Welcome to Ethiopia' document. Seek cultural advice an input from Afar partners	Update 'Welcome to Ethiopia' document with each new visit to Ethiopia with new volunteers. Ensure all projects are developed in close coordination with Afar partner, so that activities are designed and planned according to local cultural context
5	Conflict of interest	2	2	Low	Conflict of Interest Policy developed	Adhere to Policy