



Risk Management

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Benefits of Risk Management

Risk management is about assessing and treating the risks that the organisation faces in the work for the established objectives of *A Just World*. This means that the uncertainties in the day-to-day work will be actively controlled. This document contains a strategy and a process for the work of Afrikagrupperna with risk management. Risk Management will bring a more holistic approach to the organisation's threats. Different aspects of risk are interlinked and influence each other. Risk management is the process of identifying, analysing and then responding to any risk that arises to meet the goals for the organisation. Risk management isn't reactive only; it should be part of the planning process to figure out the risk that might happen and how to control that risk if it in fact occurs.

Risks are potentialities, if they become realities, they then become classified as "issues" that must be addressed. So, risk management, is the process of identifying, categorising, prioritising and planning for risks before they become issues.

Risk Management helps us identify circumstances that can negatively impact our ability to reach our goals. These circumstances are called risks. Once we have identified the risks, we can plan of how we can prevent or limit the damage of these risks. Preventive work strengthens the capability of the organisation. Only identified risks can be managed.

During this process of risk assessment, the organisation will be given the opportunity to state Risk tolerance which describes the amount and type of risk that Afrikagrupperna is willing to pursue or retain, in order to work for the organisation's established objectives. And describes what level of risks that can be tolerated. The management group will summarise the identified risks and present an analysis and action plan to the board. The *Risk Tolerance* within the organisation is established by the Board and is revised when necessary by the Management team.

That would normally imply some expenses for Risk Treatment, but at the same time probably larger costs if risks are realised. The Risk Criteria are commonly defined for the consequence categories and determine whether a certain risk can be tolerated or requires treatment, and in what way the risk should be managed. The consequence categories are described in detail below.

Purpose and structure

The purpose of this document is, by describing a uniform and structured method of working with risk management, to create conditions for Afrikagrupperna to work with risk management in accordance with ISO 31 000. The strategy and the process which are established in this document, should contribute to the formation within Afrikagrupperna of a common view on the organisation's risk scenario, and that Afrikagrupperna in a cost and resource effective manner is able to manage the uncertainties which the organisation faces in the day-to-day business.

In addition, the work with risk management, should provide basic data for the management of the organisation and hence provide initial values for planning, prioritisation and financial control within the organisation.

Risk is in these guidelines defined as “effect of uncertainty on our objectives”.

Risk management concerns the entire organisation's operations in Sweden and Southern Africa. Afrikagrupperna has therefore categories risks focusing on; *Core activities, Safety & Security, Staff, Finance and Trademark*

The guidelines apply to all staff within Afrikagrupperna. It is the responsibility of all staff to acquire knowledge of those risks which have an impact on the organisation's activities, so that they can be managed. Afrikagrupperna's work with Risk Management should therefore be characterised by openness, transparency, proactivity and efficiency.

That will include an analyse that identifies risks together with a presentation of actions, to be able to assess and decide on what risk tolerance the organisation would like to have.

The mission is to carry out preparatory work, a total of two workshops with staff at the offices in Stockholm and Johannesburg to identify risks in the above areas. The aim is to raise awareness of the organisation's risks in the individual and organisational activities. This work provides the opportunity to focus on and reduce identified high risks and become more cost-effective and less vulnerable. Analysis of the consequences of the risks to the organisation if they occur and develop measures for the identified high risks according to the model below. This is then the basis of the annual routine to assess the level of risk in the organisation.

That will include an analyse that identifies risks together with a presentation of actions, to be able to assess and decide on what risk tolerance the organisation will accept.

Process

Risk management must be integrated into the whole organisation together with other tasks within the organisation's activities. Risks should be managed on the organisational level where they belong.

The main procedure for the work with Risk Management within Afrikagrupperna should be carried out in accordance with the process illustrated in Figure 2.

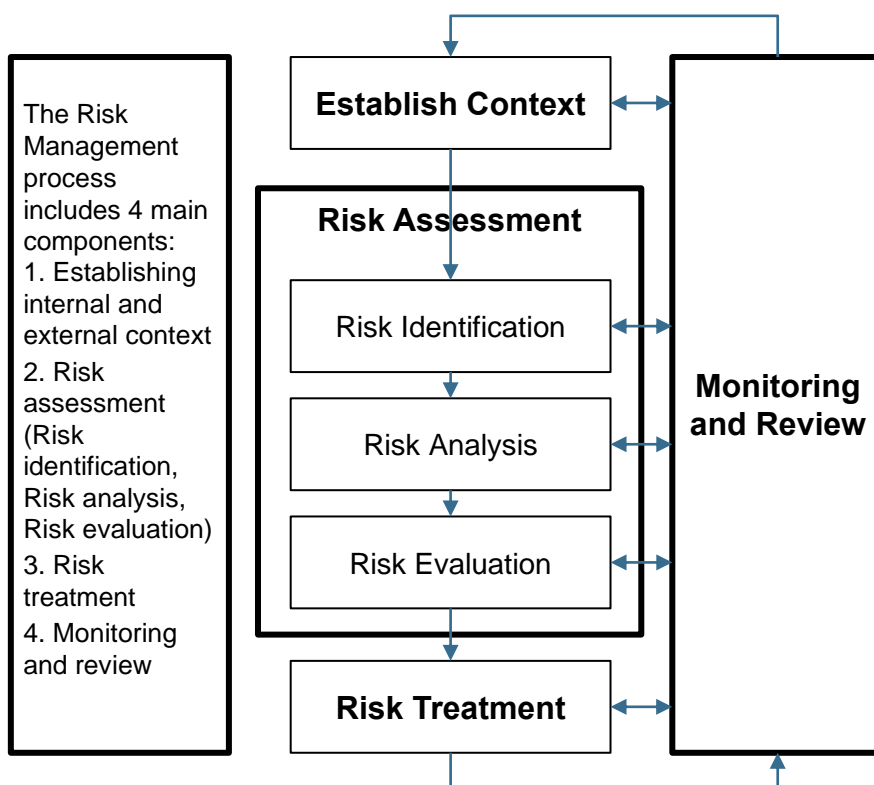


Figure 2. Risk Management Process in accordance with ISO 31 000.

To ensure the ownership by the staff of the process and that risks are properly monitored and reviewed, the first three components (context, assessment, treatment) are to be done together in a workshop setting. All identified risks should be documented and monitored in the *Risk Register template & Risk Treatment Plan/Operational plan*.

Risk assessment cycle

Risk Assessment is the term for the overall process of Risk Identification, Risk Analysis and Risk Evaluation. The process of the Risk Management work is structured in a yearly risk assessment cycle with appointed task and accountability.



The Annual Risk Assessment Procedure

After the Annual General meeting in Maj the board must modify the dates for the operational work with the risk assessment according the dates of board meetings.

September – Evaluation & Risk identification with rating. Risk assessment workshop in Stockholm and Johannesburg offices- involving all staff members. Evaluate previous risk analyses and mitigations, identify new risks and rate them in the matrix. Use the Power Point workshop presentation for Risk assessment.

At Stockholm office: _ All staff (SG) September staff days

At Johannesburg office: _All staff (RK) September

- ✓ **October – Mitigation Decision (MG)** The Management group will develop an action plan on how to mitigate the identified medium to high risks. Define the risk owner and deadlines. The decided measures shall be incorporated within the operational plan for the organisation.
- ✓ **October-November – Mitigation presents to board (SG) & Approval of the risk tolerance (Board)**
The risk analyses and developed action plan by the Management group will be presented by the Secretary General at the *Board Meeting no 4* of year. The eventually cost for the mitigations should be including in the presented budget.

Task for the board at the *Board Meeting no 4*:
 - The suggested measures are evaluated to see whether they are sufficient.
 - Does the plan for mitigation requires more resources; new systems, new staff, new equipment etc to secure the program for the organisation when facing severe stress and crisis?
 - Will the organisation be able to handle identified risks?
 - Approval of the risk tolerance by the board
- ✓ **November- December– Risks associated with the work of the board (Board/EC)** The board will make a risk assessment focusing on the assignment of the boards related activities and their responsibilities, *Board Meeting no 5*. The identified and rated risks with suggested mitigations should be presented into the Executive Committee (EC)
- ✓ **February Risk follow up (SG)** The risk owners report to the Management Group the status of the work with mitigations of earlier identified risks. The Management group evaluate the information and prepare a report to the board of mitigated risks. The report will be presented by the General Secretary at the *Board meeting no 6* related to the action plan.
- ✓ **April – Update the board (SG)** The risk owners report to the Management Group the status of the work with mitigations of earlier identified risks. The Management group evaluate the information and the GS will give a verbal update at the board meeting no 7 of implemented mitigations of identified risks.

- ✓ **Maj - Presentation at the Annual General Meeting (GS/Board).** The work with the risk assessment and approved risk tolerance will be presented at the Annual General Meeting, by the GS/Board.
- ✓ **Risk mitigation implementation all year round (all staff and board).** The identified risks that shall not be accepted will be treated accordingly developed action plan and appointed risk owner. Not identified risks can appear during the year and shall be analysed and mitigated if needed.

Risk assessment Workshop step by step

ISO 31000

Risk assessment WS should be carried out at the offices in Stockholm and Johannesburg once a year according to the yearly procedure. All staff shall be involved to ensure a wide perspective to strengthening the possibilities to predict the unpredictable.

Risk Identification

Risk Identification is the process of finding, recognising and describing risks. It is about to define what risks are relevant for Afrikagrupperna, that is, what risks may have an impact on Afrikagrupperna's opportunities to achieve set goals and offer a good working environment.

Risks are unique and cause different consequences depending on the external context in which they occur. Share among each other; basic understanding of the *political, economic, social, and legal status*. Any development and important trends connected to these categories during the past 12 months?

The internal context can be influent of these categories; Physical working environment and work burden, stress, sick leave, organisational culture. Economic status, internal routines, processes and communication, language skills and geographical perspective, inter-cultural skills of staff, and relationship with local actors.

Risk Identification is a brainstorming process.

- What risks can you identify within your activities connected to;
 - **Core business**
 - **Staff**
 - **Personal safety**
 - **Finance**
 - **Trademark**
- Write down one risk on each" post it" and share and discuss in the group.
- The risks should be described concrete and be unique, that the risks must not overlap each other or be set out more than once.

Common problems when identifying risks is that the risks are poorly described, too abstract:

- "Lack of competence" "Risk of fire", "The risk that our new project won't become a success". It is important that the risks are described in such a concrete and clear way as possible, to make them easy to attack and hopefully treat.

Risk Analysis

Risk Analysis is the process to comprehend the nature of the risk and to determine the level of risk.

Risk Analysis involves consideration of the causes and sources of risk, their positive and negative consequences, and the probability that those consequences occur. The consequences should be rated according to the impact on the organisation to be able to continue planned operations.

The Risk Analysis shall include an estimation of the consequence/es and probability

Example; Driving after 6 pm in Johannesburg. The probabilities to be involved in a car accident is quite high Probability 4 and consequences 3

- Group Work

Assess the level of consequence and the level of probability for each risk:

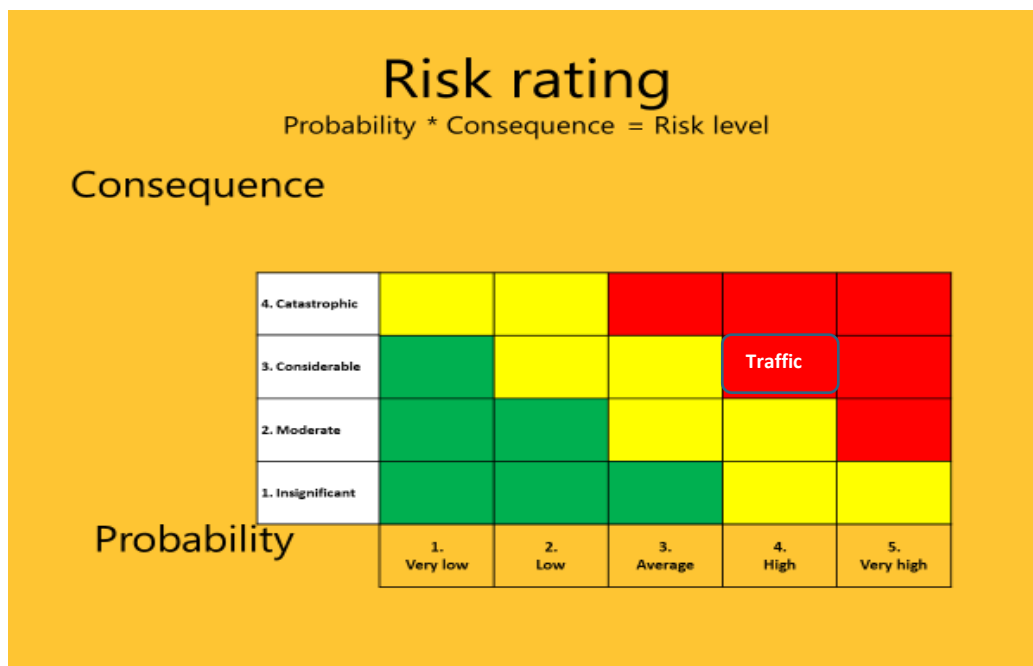
- Group A: Core business
- Group B: Staff, personal safety
- Group C: Finance, trademark

Probability 1-5

Consequences 1-4

- Based on group discussion plot the post- it into the matrix

Example; Traffic; driving after 6 pm in Johannesburg. The probabilities to be involved in a car accident is quite high Probability High 4 * consequences 3 Considerable = 12 risk product



- The Risk Analysis provides the basis for Risk Evaluation and should be documented in the Risk Register.

Risk Evaluation

Risk Evaluation assists in the decision about whether a risk should be treated or accepted. Evaluating all risks enables Afrikagrupperna to concentrate the resources of the organisation and invest in Risk Treatment for those risks that are deemed to be most critical for the organisation.

The risk product, which considers both the consequence of the risk and the probability of the risk, provides the basis for evaluation of Afrikagrupperna's risks levels.

It is important to have a common definition of what sort of consequences are acceptable. By compiling a criteria model where different consequences are described, it is possible to create consensus concerning what sort of risks are acceptable.

Risks within the green field - To be accepted

Risks within the yellow field - To be treated

The suggested risk treatment shall be included in the operational plan for the organisation with a deadline and responsible appoint

Risks within the red field -To be treated, given priority measures

- The Risk Evaluation should be documented in the Risk Register.

Risk Treatment

Aims at choosing an approach on how to handle the prioritised risks from the evaluation and, if necessary, start treatment.

Risks that are accepted should be reviewed within a period that is decided during the Risk Assessment latest by the upcoming year of Risk assessment workshop.

Risks that are not accepted should be treated. The overall alternatives for Risk Treatment are:

- *Accept* A conscious and considered decision on accepting the risk
- *Avoid* (the organisation decides not to start or continue the activity that gives rise to the risk)
- *Prevent* (the organisation decides to take actions to reduce the probability of the risk, for example by removing the risk source)
- *Reduce* (the organisation decides to take actions to reduce the consequences of the risk)
- *Transfer* (the organisation decides to transfer/share the risk to another operator, for example an insurance company, outsourcing)

The actions that are decided to reduce the probability and/or the consequence of the risk sufficiently, so that the risk can be accepted, should be documented in a Risk Treatment Plan. The Risk Treatment Plan should be as concrete as possible, and it should be possible to follow-up on the results. The Risk Treatment Plan should be documented in the Risk Register, with an appointed risk owner and a deadline. And should be included in the operational plans for the year.

For each Risk Treatment an owner should be appointed accountable for the implementation of the treatment. After the treatment the risk should be analysed afresh.

Monitoring and Review

While the risk is valid it should be monitored and reviewed with respect to the Risk Treatment in progress, and changes in the Risk Analysis that has been carried out. Changes, that is an updated Risk Analysis, should be documented in the Risk Register. After that a Risk Evaluation should be carried out once again in accordance with the previous step in the Risk Management Process. The risk owner is accountable for Monitoring and Review of risks.

In the performed risk assessment, the existing continuity solutions are evaluated to see whether they are enough for managing the demands of the organisation