



Heartprint Risk Management Policy

Purpose

Heartprint is subject to certain risks that affect our ability to operate, serve our clients, and protect assets. These include business risks, financial risks, risks to employees, volunteers, visitors, liability to others, and environmental risks. Controlling these risks through a formal Risk Management program is necessary for the well-being of the organization and everyone in it.

This document sets out Heartprint's approach to identifying risks, assessing level of risk and adopting processes to mitigate or minimise these risks.

This is a 'living' document and will require developing and updating as experience grows.

Risk Management Policy

1. Policy

Heartprint aims to use the best practice in risk management to support and enhance our activities. We will ensure that risk management is integrated with our decision-making processes. We will use a structured risk management approach to minimize reasonably foreseeable disruptions to operations including the areas of personal safety, anti-fraud and business risks, other harm to people including the protection of children and vulnerable people, and damage to the environment and property. We will always attempt to identify and take advantage of opportunities as well as minimizing adverse effects.

We will train our staff to implement risk management effectively. We will strive to continually improve our risk management practices.

2. Responsibilities

The staff and volunteers of Heartprint are accountable to the GM of Heartprint and the Board of Directors for the implementation of the risk management and risk assessment process. Ultimately, responsibility for the management of risk in the business lies with the GM and the Board.

3. Risk Tolerance

This Policy recognises that in order to undertake our work in Cambodia, Heartprint must accept both the accompanying risks and also that while all reasonable steps are taken to mitigate those risks, there remains certain residual risks that present a very real possibility that a risk event will occur because of the environment and circumstances in which we work. Every effort goes into reducing risks but there are also contingency arrangements in case an event arises despite the precautions taken. A discussion on risk tolerance is included in Appendix 2. In conclusion, while tolerance levels are reflected on with regards to activities undertaken, it is not used as a control measure.

Practical Approach to Risk Management

Heartprint has adopted a practical approach to Risk Management. There are two main elements to the approach, each with its own process:

1. Identifying and analysing the risk/s
 - a. Identify risks
 - i. What can happen?
 - ii. How can it happen?
 - b. Analyse inherent risks
 - i. Establish impact before controls
 - ii. Establish likelihood before controls
 - iii. Confirm inherent risk level (using risk management scale in 5.3)
 - c. Review existing controls
 - i. What actions are taken to reduce risk?
 - d. Analyse residual risks
 - i. Establish impact after controls
 - ii. Establish likelihood after controls
 - iii. Confirm residual risk level (using risk management scale)
2. Treatment of the identified risks
 - a. Implement the mitigating controls
 - b. Assess the effectiveness of the mitigating controls
 - c. Review the mitigating controls and update where necessary

Identifying and Analysing the Risk/s

The Heartprint Organisational Risk Register uses the following terms and definitions:

1. Risk Impact Scale

RATING	POTENTIAL IMPACT
Catastrophic	Heartprint could be put out of business Legal Action & Police Involvement Death of a Person
Major	Heartprint would be severely threatened Legal Action & Police Involvement Permanent Physical & Psychological injury to a person
Moderate	Effort required to rectify the situation and/or Incident Report required about the event and/or Possible visit to the Police station to make a report Possible visit to a Doctor or Hospital Possible Insurance Claim
Minor	Remedied by supervising staff members
Negligible	Very small impact

2. Risk Likelihood Scale

RATING	POTENTIAL IMPACT
Almost Certain	Will probably occur Could occur on more than one occasion
Likely	High Probability Likely to arise on one occasion
Possible	Reasonable likelihood May arise on one occasion but equal likelihood of event not occurring
Unlikely	Plausible, but event will probably not occur
Rare	Very unlikely, but not impossible

3. Risk Priority & Risk Management Scale

Heartprint will manage risk according to its priority as outlined in the table below.

Impact	Probability/Likelihood				
	Rare	Unlikely	Possible	Likely	Almost Certain
Minor	Low	Low	Low	Medium	Medium
Moderate	Low	Low	Medium	Medium	High
Major	Medium	Medium	Medium	High	High
Catastrophic	Medium	High	High	High	High

Risk management is included in induction and orientation activities

High risks are discussed at Board level on a bi-monthly basis. Risk ratings are subject to change whenever it is deemed appropriate.

Project Level Risk Assessments

Risks are also considered for each project following the same approach as outlined in this policy.

Step 1: Project specific risks are identified

Step 2: The level of inherent risk is established (using the impact and likelihood scale)

Step 3: Mitigating controls are listed

Step 4: The level of residual risk after controls is determined.

The project manager reviews these risks, particularly high residual risks, in project team meetings and adjusts them depending on the circumstances, the stage of project implementation, or any external changes.