



Her Rights, Her Legacy



THE ALLIANCE OF WOMEN ADVOCATING FOR CHANGE

AWAC RISK MANAGEMENT POLICY

OCT 2024

Located Off Balintuma Road, On Nabulagala Road, Plot 10,1st Black Gate on your left. Mengo-Rubaga Division Kampala City. **PO BOX 31762, Uganda; Tel; +256(0)392 8 81 454/+256(0)774 603 754; AWAC-Malaika Toll-free Center: 0800 333 177; Email; awacuganda@gmail.com; Twitter; <https://twitter.com/@awacuganda>; Website; <http://www.awacuganda.org>; Face book; <https://www.facebook.com/alliance of women advocating for change>;**


AWAC RISK MANAGEMENT POLICY

On behalf of The Alliance of Women advocating de Change (AWAC) Board Members (BM), we hereby certify that this AWAC Risk Management Policy has been duly passed and adopted as part of the Corporate Governance Policies of AWAC.

Signed and sealed this 6th Day of Oct 2024



IMMACULATE B. OWOMUGISHA
BOARD CHAIRPERSON
AWAC BOARD OF DIRECTOR



KYOMYA MACKLEAN
EXECUTIVE DIRECTOR & SECRETARY TO THE BOARD

DATE: 6th Oct 2024

PLACE: At AWAC Office

Introduction

Like every other organization, the Alliance of Women Advocating for Change (AWAC) faces numerous risks. The risks have the potential to disrupt achievement of AWAC's strategic and operational objectives. The organization aims to use risk management to take better informed decisions and improve the probability of achieving its strategic operational objectives. This policy is a formal acknowledgment of the commitment of AWAC to risk management. The aim of this policy is not to have risk eliminated completely from AWAC's activities, but rather to ensure that every effort is made by the organization to manage risk appropriately to maximize potential opportunities and minimize the adverse effects of risks.

The objectives of this policy;

The overall development objective of the risk management policy at AWAC is to; ensure that the organization meets and/or exceeds its objectives. At a more detailed level, the main objectives of the risk management policy are to:

1. Protect, maintain and enhance financial and reputational stability and sustainability

- Assist in the maintain and/or enhancing the stability of the organization across a range of operating circumstances to ensure ongoing sustainability.
- Ensure achievement of program objectives by ensuring that negative risks are appropriately managed and that positive risks are managed for opportunity.
- Improve confidence and trust of all stakeholders of the organization.

2. Meet compliance requirement

- Ensure compliance with all legal, donor and industry requirements and law.
- Ensure compliance with all relevant internal policies, procedures and controls.

3. Increase efficiency and performance

- Minimize threats and maximize opportunities presented to the organization from risk.
- Maximize efficiency and effectiveness of controls and operations generally.
- Minimize risk related losses.

4. Strategy

Risk management is closely related with the strategic planning and the strategy plans and is designed to manage the risks that could prevent the strategies and plans from being achieved.

1.0 What is Risk?

Risk refers to anything that may have a negative impact on achieving an organization's mission, goals and strategies if it becomes a reality. A risk can also be referred to as the likelihood and potential impact of encountering a threat. In this case, a threat will imply a danger or potential source of harm or loss. AWAC defines "risk" as: "The effect of uncertainty on objectives

More specifically:

- a) Risk relates to the occurrence of one or more future events that can have impact on AWAC's objectives. AWAC objectives can be under or over achieved due to risk.
- b) The occurrence of the future is uncertain. This is referred to as the likelihood of occurrence.
- c) The degree of which AWAC objectives are affected by the risk event is known as Consequence. The consequence maybe negative if that objectives are adversely affected or positive if that objectives are positively affected. Consequences can include direct financial loss and indirect financial loss such as damaged reputation, opportunity loss and partner/donordissatisfaction.

2.0 What is Risk Management

Risk management is a process, effected by AWAC's board management and other personnel, applied in strategy setting and across the organization, designed to identify potential events that may affect the organization, designed to identify potential events that may affect the entity, and manage risks to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity's objectives." Risk management is the formal management of all risks facing the organization and consists of a number of linked processes.

It is a systematic process that aims at assisting an organization in dealing with emerging and changing risks. The process involves identifying risks, evaluating them and deciding on the necessary action.

Why we need to manage Risk?

Risk management has the following benefits;

- a) Increases credibility of the organization.
- b) Increase the probability that the organization will be compliant with laws, regulations and contracts.
- c) Enhances efficiency in organizational processes due to fewer disruptions.
- d) Assists management in planning and decision making due to better understanding of the future.
- e) Increase confidence of donors that funding goals and objectives will be met
- f) Facilitates innovation which is about taking risks

3.0 Whose responsibility it is to manage risks?

Identification and control of risks is part of the AWAC accountability framework and the responsibility of all board members, managers, officers and staff. It is required that all board members, management and staff understand and fulfill their roles and responsibilities in relation to risk management.

The main responsibility for identifying corporate risk and managing them lies with AWAC board and both management and support staff. These should consider both existing risks and any other potential risks. Other



Her Rights, Her Legacy

actors to be involved include the board committees and programme committees. The management will always take the lead since it is well placed to identify and monitor organization risks and mobilize the other departments in risk management.

In order to monitor and manage risks, a Risk Register has been developed and shared with all staff. This will be monitored and reviewed annually.

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4.0 Types of Risks

Risks can be categorized under two broad areas such as; internal risks and external risks

Types of internal risks	Types of external Risks
<ul style="list-style-type: none"> • Strategic • Programmatic • Operational • Operations /business processes • Management & Information • Organizational / General administration • Human capital/ people • Integrity • Information technology • Financial 	<ul style="list-style-type: none"> • Political • Economic • Socio-cultural • Technological • Legal/ Regulatory • Environmental • Security

4.0.1 Project and departmental risks

Individual AWAC projects may have their own risk registers which may be contained in the project logical framework. Where a project risk is considered a high priority, it should be included in the organization risk register. The Managers or Committees should advise on such risks. The regular highlight reports to board reports are a good way of doing this.

Individual managers /officers may also identify risks in their departments / programme`s aim. Mitigating actions should be included in strategic plans if considered serious enough. If it is thought that risk might be “organization”, again the manager should advise the management committee.

5.0 Options for dealing with risk

There are various options for dealing with risks

- a) **Tolerate**- if we cannot reduce the risk in a specific area (or if doing so is out of proportion to the risk), we can decide to tolerate the risk; i.e. do nothing further to reduce it
- b) **Treat**- if we can reduce the risk in a sensible way by identifying mitigating action and implementing them, we should do so. For most of the risks on the organization risk register this is what we are doing.
- c) **Transfer**- here risks might be transferred to other organizations, for example by use of insurance or transferring out an area of work,
- d) **Terminate**- this applies to risks we cannot mitigate other than by not doing work in that specific area. So, if a particular project is very high risk and these risks cannot be mitigated, we might decide to cancel the project.

6.0 COMPLETION OF THE RISK REGISTER

6.1 The risk register template (sample) is shown as Annex 2:

Category of risk	Actual risk	Risk probability	Risk impact	Existing controls	Further Action Required	Who owns the risk
The broad area which the risk exist	Detail description of the risk	The probability of risk to occur	The impact of the risk on BIBA Kenya if it occurs	The mitigation measures in place	Additional mitigation measures that are required	The management team responsible for the risk and its mitigation

6.2 Risk Status

“Risk **status**” is an assessment of the risk’s seriousness and is based on: The **probability** of the risk actually arising and,

The **impact** on AWAC if a risk does actually arise.

Risk status is assigned so that risks can be prioritized. A high impact high likelihood risk should be given more attention than a high impact low likelihood risk.

A traffic light and numerical indicator is used to show the risk status. **Annex A** provides advice on setting probability and impact.

Three assessments of risk status are needed

- Risk status before existing mitigation-** an assessment of the risk happening and its impact if no action is taken; e.g. what is the risk that we receive an increase in complaints without taking any action to address increasing backlogs?
- Risk status after existing mitigation-** an assessment of the risk happening and its impact, taking account of existing actions aimed at reducing the risk. For example, we receive an increase in complaints and streamline procedures to make the process faster; what do we now think the risk status is?
- Risk status after future mitigation-** an assessment of the risk level we will reach after all the mitigating actions identified have been done.

If after existing mitigation we think the risk status is acceptable, then the risk should be tolerated. There is nothing more we can do. But if the status remains unbearable (bearing in mind our risk appetite) then we should identify the further mitigating actions.

7.0 THE ROLES AND RESPONSIBILITIES IN RISK MANAGEMENT AT AWAC

The following sets out the significant role, responsibilities and ownership of risk and riskmanagement within AWAC.

7.1 AWAC Board

The board of AWAC has overall responsibility as the ‘accountable body’ or protecting the organization from unacceptable costs or losses associated with its operations, and developing and implementing systems for effectively managing the risks that may affect the achievement of objectives and operational outcomes.

Specifically, the AWAC Board is responsible for:

- a) Understanding the business environment in which the organization operates and the major risks faced by the organization.
- b) Setting a risk tolerance for those risks
- c) Ensuring that AWAC meets donor, prudential and statutory requirements.
- d) Ensuring management takes the steps necessary to identify measure, monitor and control those risks and monitor the effectiveness of controls.
- e) Overseeing the risk management framework and processes.
- f) Approving all risk management policies.
- g) Assisting in the development of an appropriate risk and control culture by setting the tone at the top.

The responsibility is shared by the AWAC Board, and the board sub-committee: the executive, membership and movement building, finance; investment and sustainability sub- committee. It also includes any other board sub-committee legally constituted.

8.0 Executive Director

Responsibilities of the Executive Director

- a) Accountable to the AWAC Board for the implementation of risk management framework(RMF)
- b) Responsible for implementing risk framework, including the establishment and maintenance of key controls and approval process on all major business processes functions.
- c) To assume ownership of RMF, providing leadership and direction to senior management and setting the “tone at the top”.
- d) To actively promote and be an advocate of a Risk Culture in the organization.
- e) Responsible for embedding risk management in AWAC`s processes to facilitate effective management of risk across the organization.

9.0 The AWAC Senior Management Team

The effectiveness of risk management is unavoidably linked to management competence, commitment and integrity, all of which form the basis of sound governance and management. The AWAC Senior Management Team is comprised of the Executive Director, Deputy Executive Director, Programmes Manager, the Finance Operations and Manager. While in the responsibilities of the Executive Director are listed s/he will be fully supported by the management team to undertake these responsibilities. The management team is specifically responsible for:

- a) Implementing the risk management framework
- b) Ensuring that the risk management processes are monitored on a continual and timely basis
- c) Ensuring that the organization complies with all external and internal rules, regulations, standards, policies and control the organization's resources
- d) Fostering a risk management culture
- e) Ensuring appropriate implementation of policies and procedures
- f) Taking appropriate measures to manage risks consistently and proactively
- g) Providing direction and guidance within their areas of accountability so that other staff best utilize their abilities in the preservation of the organization's resources
- h) Guiding the inclusion of risk management in all strategic and operational decision-making process

10.0 The AWAC Staff

All AWAC staff are responsible for:

- a) Acting at all times in a manner which does not place at risk the health and safety of themselves or any other person in the workplace.
- b) Identifying areas where risk management practices should be adopted and are advised by their supervisors accordingly.
- c) Meeting their obligations under relevant legislation including workplace Health and Safety, Equal Employment Opportunity and Anti-Discrimination.
- d) Taking all practical steps to minimize the organization's exposure to contractual, tortious and professional liability.
- e) Contributing to and being responsible for risk management and internal control processes in their respective areas.
- f) Supporting the development and the documentation of risks, identifying and assessing risks in their areas, and contributing to risk mitigation.
- g) Effective management of risk including the identification of potential risks.

11.0 The Internal Risk Management Audit

AWAC shall carry out an internal risk management audit every after 2 years. This will be for the purpose of reviewing

the organization's risk register. The internal risk management audit will be undertaken by a select team derived from the board, the management and the staff. This unit will be responsible for:

- a) Evaluating whether information provided by senior management to the board is complete and accurate.
- b) Assessing whether the tolerance information is communicated down from the board and senior management in a timely and effective manner.
- c) Identifying any governance or risk areas that currently are not covered by a focused risk management process.
- d) Reviewing and updating the risk register.

1.0 ANNEXES

Annex 1: Risk Probability & Impact Setting

a) Risk Probability Setting

Probability	Rating
Frequent	1
Probable	2
Occasional	3
Remote	4
Extremely	5

b) Risk Impact Setting

Impact	Rating
Negligible	1
Marginal	2
Serious	3
Critical	4
Catastrophic	5

Annex 2.0. AWAC Risk Register and Mitigating Measures

Summary table of AWAC Risk Register and Mitigating Measures			
AWAC-UGANDA			
Summary of findings	Risk Rating	Strengthening measures agreed with the applicant to mitigate the risk	Means of verifying that the measures have been implemented
GOVERNANCE			
Annual appraisals of the Board not conducted	Moderate	Annual appraisals of the Board should be done	Copies of appraisal reports
Organisation structure does not reflect the current size and resources of AWAC (vacant positions such as Grant and Business development manager and research and knowledge management officer)	Moderate	Management should consider the size, operational scale and life cycle stage of AWAC and review its organogram	A copy of the reviewed organogram
Inactive Board sub committees even though its policy provides for it	Moderate	Annual appraisals of the Board should be done. The Board is encouraged to form committees to enhance its oversight responsibilities over AWAC activities	Copies of appointment letters, Minutes of Board sub-committees
No board appraisals; No annual Board plan; There need for the finance competence on the Board; Inactive Board committees; No income tax exemption certificate	Moderate	A legal register to ensure full compliance; Preparation of annual Board plan; Board appraisals ; Use of Board committees and Revision of the organogram	Expertion certificate; Copies of Board appraisal reports; Board committee reports and Revised Organogram
PROJECT MANAGEMENT			

Variance analysis of activities undertaken not carried out	Moderate	Review of activity budgets against actual results should be done to measure performance and make informed decisions	A copy of budget performance report
Project Annual Monitoring, Evaluation and Learning not done	Moderate	Project Annual Monitoring, Evaluation and Learning should be carried out in due course to ensure meaningful assessment of activities.	A copy of monitoring and evaluation report
Insufficient project planning (focus on community needs while ignoring financial implication interventions)	Moderate	Management should develop project risk matrix to create awareness of risks associated with projects, the likelihood of occurrence and the risk mitigating factors to ensure that projects are carried out successfully	A copy of project plans and budget
Bank reconciliations of project funds not carried out	Moderate	Periodic reconciliation of project funds should be carried out	Copies of bank reconciliation statements
STAFF SYSTEMS AND PROCESSES			
Absence of staff training plan	Moderate	Annual staff training plan should be developed to inform staff training decisions	A copy of training or capacity building plan
No reward system in place for good performance	Moderate	Board and management should consider motivating staff by rewarding employee performance	A copy of award report
Use of personal emails by staff in the conduct of AWAC activities	Moderate	Staff should be restricted to use company mails to transact the business of AWAC	Organisational Email addresses created for all staff
Failure to comprehensively update the fixed asset register of AWAC	Moderate	Management should ensure that the fixed asset register is duly updated with all assets belonging to AWAC	A copy of updated fixed asset register

No staff training plan; No system of rewarding good performance; No acknowledgement of policies; Use of personal emails; Lack of a power back up system and Failure to align practice to policy in some areas	Moderate	Staff training plan; Budgeting for staff motivation; Staff acknowledgment of policies; Restriction of use of personal emails for work; Annual physical asset counts; Review of asset management policy; Need of a grant management framework and Trainings in financial review and monitoring.	Copy of the staff plan; restricted budget allocated for staff motivation; Training reports for financial and monitoring; copy of the asset management policy and list of all staff official organisation emails;
Weak Data Storage systems both physical and online	Low	Use of security Code for protection of the AWAC media Platforms.Training AWAC Staff on Digital Security.	Training reports on Digital Security for AWAC Staff. Restricted access to media platform,
FINANCE, PROCUREMENT, RISK, FRAUD AND CONFLICT OF INTEREST MANAGEMENT			
Inadquater staff knowledge on AWAC risk register	Moderate	Orientation of AWAC staff on AWAC risk register and how to update it consent	Training reports on the risk register
Accounting system not updated with financial information	High	The accounting system of AWAC should be duly updated to reflect all financial activities that have been undertaken	Reports generated by the QuickBooks accounting software
High authorisation limit of financial transactions given to the Executive director	Moderate	A review of the authorisation limit in line with financial expectations is recommended	A copy of reviewed authorization limits
The procurement policy does not reflect practical procurement activities of AWAC	Moderate	AWAC procurement policy should be reviewed to reflect current or practical procurement situations of the organisation	A copy of reviewed procurement policy
Inconsistencies in AWAC finance and procurement policies to guide the financial reporting of AWAC	Moderate	AWAC finance manual and policies should be revised to reflect generally accepted financial reporting framework	A copy of reviewed financial manual

Failure to use the master budget	Low	Management of AWAC is recommended to use a master budget	A copy of master budget
CRIMINALIZATION AND IMPUNITIVE LAWS			
Unfavorable Policies and Laws such as Anti- Homoseuality Act, Sex Offenses Bill 2024; Comuputer Misuse Act; Anti-Poonographer Act and Abortion Laws others) that return into Police Arrests and imprisonments among the community members.	High	Conduct Continous Advocacy clling for progressive laws such as decriminalisation of access to bortion and adult consensual sex work and third-party involvement in sex work, including laws against brothel-keeping, procuring, and 'living on the earnings of prostitution in Uganda; Conduct trainings targeting paralegals to help in communities in case of arrest; and AWAC has a toll free line that we share among the community members in case of any incidences	Coppies of advocacy reports, Petions, Prese releases;legal incident reports; Training Report / Incident Reports of Paralegals Toll free incident report.
Backlash from Power Actors/Non Traditional norm shift actors	Moderate	Engage in Social cohension dialogues with conservative political actors to raise awareness & promote understanding. Build alliances with progressive political actors & advocates.	Established Commitment trackers and Policy briefs developed
Institutional Sustainability: No Succession plan - No SACCO business plan	High	Investment into the AWAC Hub of Holistic Transformation and Registration of Community health and Enhancment Group (CHLEGs) SACCO for female sex worker (FSWs) with multiple and intersecting vulnerabilities.	Preparation of AWAC Succession plan; Creating of the CHLEGs SACCO business plan and trainings in different aspects of management.