RISK MANAGEMENT POLICY

OF

Center of Participatory Research and Development-CPRD

Adopted in January 2017

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CENTER FOR PARTICIPATORY RESEARCH AND DEVELOPMENT-CPRD
DHAKA, BANGLADESH

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9. Risk Management

For risk assessment, CPRD will review at least once in every year the risks and mitigation actions implementation for the projects. Major risks of CPRD are

9.1 FINANCIAL RISK

Financial risk incurs the loss of money and fund. Main influencing factors are:

- Total grant value
- Funding mechanism
- Funds are used for same objectives in different projects.
- Foreign exchange / inflation
- Level of operational risks / ability to deliver project
- Donor sustainability

9.2 OPERATIONAL RISK

Operational risk involves project delivery, personnel, and assets related risks. It incurs failure to meet project objectives, low safety and security of personnel and beneficiaries and loss of assets. Major influencing factors are:

- Political stability and relationship with government / parties
- Experience of location, theme, type of work, technology and process
- Experience of partner / donor

9.3 LONG TERM RISKS

Long term risk involves the external and reputational risks. It incurs closure of operations in country, legal obligation and loss of reputation. . Main influencing factors are:

- Political stability and relationship with government / parties
- Environmental factors and emergency situations
- Strategic importance of donor / theme / region for future SC projects
- Level of operational risks / ability to deliver project

9.4 MITIGATION STRATEGIES

Mitigation strategies are used in CPRD to reduce the medium and high risk. A risk register is used to keep the information about the risk if the project is undertaken. Mitigation strategies that are cost-effective are considered at the review and approval stage. If the proposal/project proceeds:

- They keep the risk register of all identified and assessed risks;
- They also aware of the facts that there are a number of risks they have not considered or anticipated;
- If risks do occur, they use the cost effective mitigation strategies to reduce the risk.

9.5 MANAGING INTERNAL RISK

All types of internal risks will be faced by CPRD on a day-to-day basis. These types of risks will manage by using a series of controls, checks and balances, which help to avoid losses and detect errors and omissions in the accounting records.

9.6 DELEGATION OF THE AUTHORITY

Chief Executive of CPRD will delegate authority to respective managers of the department and project managers for the day-to-day operations of the CPRD because it is not possible for one person to make all the decisions and authorise all transactions. Respective department and project managers will therefore, further delegate authority to members of the team to relieve the load and to ensure smooth operation during absences of key staff.

9.7 DEALING WITH FRAUD & IRREGULARITIES

Fraud will consider as a deliberate, improper action which leads to financial loss to the organisation. This includes theft of goods or property; falsifying expenses claims and falsification (or destruction) of records to conceal an improper action. Other irregularities include unauthorised activities for private gain.

The procedure to deal with irregularities of CPRD are routine controls, checks and balances in place to safeguard the assets of the organisation and to protect staff from any suspicion of, or temptation to, fraud or other impropriety. Paid staff and volunteers therefore will be obliged to co-operate fully with internal control procedures and failure to do so will be dealt with as appropriate within the organisation's disciplinary code.

When an irregularity is reported or detected, record the details in writing; report it immediately to a superior in CPRD. When an irregularity comes to light, it must be dealt with quickly and sensitively. If all the evidence points to an irregularity, the individual(s) who is involved will be formally interviewed with a third person present. Protect documents and records by either removing access to them by those involved in the irregularity or by suspending the people involved during the investigation. Investigation could be conducted by the Chief executive, department or project manager.

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