



European Network

From choice, a world of possibilities

Risk Management

IPPF European Network



Sarah Wong
Accreditation Advisor

Membership
Development officers
lunch-meeting
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swong@ippfen.org

IPPF Context

- IPPF is a global service provider and a leading advocate of sexual and reproductive health and rights
- We have six Regional Offices –EN has 40 Members
- All members undergo a membership review every 5 years – 10 Principles of Membership



Open & Democratic, Well-governed, Strategic and Progressive, Transparent and Accountable, Well-managed, Financially Healthy, A Good Employer, Committed to Results, Committed to Quality, A Leading SRHR NGO.

IPPF Context

- Risk Management falls within our principles of membership which we believe make us stronger, more effective, and more able to respond to the needs of the people we serve...**Developed by Members**

Why do we address risk management?

- Good Governance and management
- Accountability and Financially Healthy
- We deal with donors and grants
- We respond to the needs of vulnerable groups

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What is risk?

- An event or action that cause a possible threat to the achievement of an organization's objectives
- Surprise actions that are good or bad...

Governance	Strategic	Operational	Financial	Compliance	External / Reputational
	• medium to long-term	• day-to-day		• Constitution & legislation regulations	

Q: Are risk always negative?

Q: What are the risks beyond finance or IT?

What is Risk Management ?

is the identification, assessment, and prioritization of risks to minimize, **monitor and control** the probability and/or impact of unfortunate events or to maximize the realization of opportunities...

Risk: is measured in terms of the probability of an event occurring and its negative consequences

Risk management is a central part of any organization's strategic management.



Responsibility?

The responsibility for the management and control of risk registry rest with **Governance**.

The **management team** should be involved in the identification of risk and risk mitigation strategies...once identified should be management will generally have accountability to ensure they are acted on.

Q: What can we do to encourage Boards to get involved?

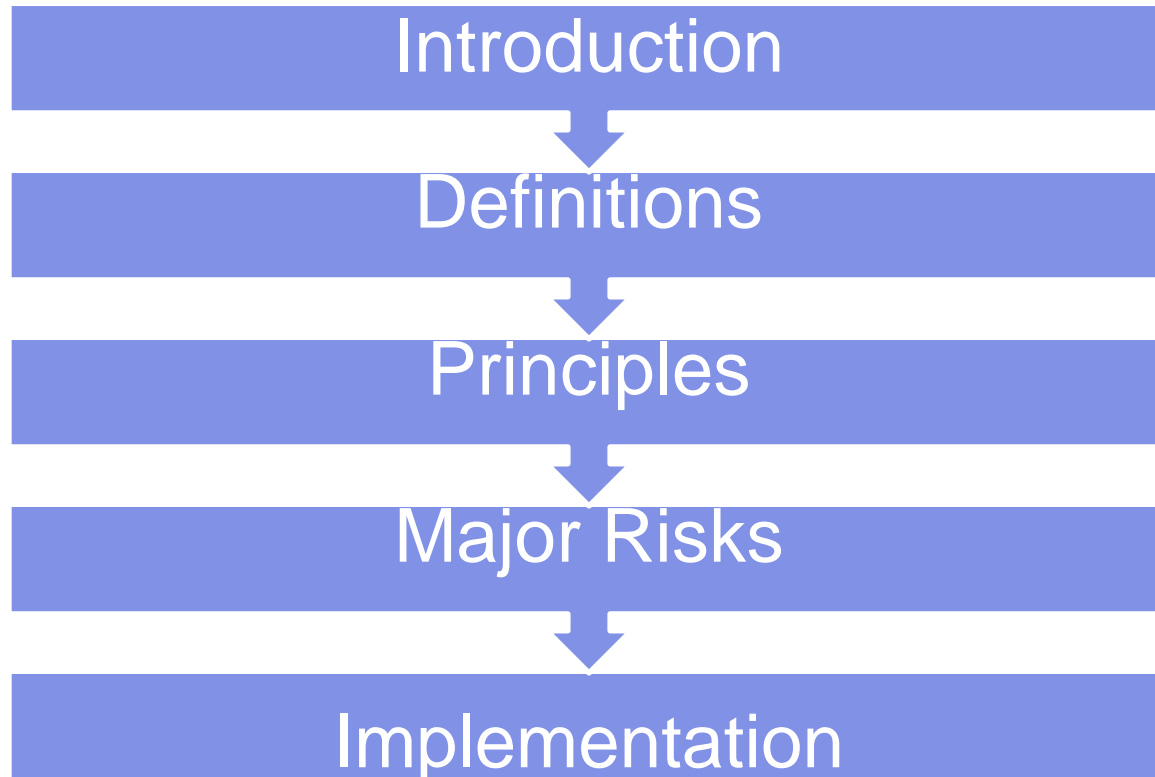
How IPPF is implementing...



Set a framework

Developed at the governance level and approved by the members.

IPPF Policy 3.8 Risk Management



Changing a practice

Managing risk in a formal way

1st cycle: advise all Associations to develop a policy/registry

2nd cycle: identified gaps – ownership and capacity

It's not a cultural practice...it's a good practice.

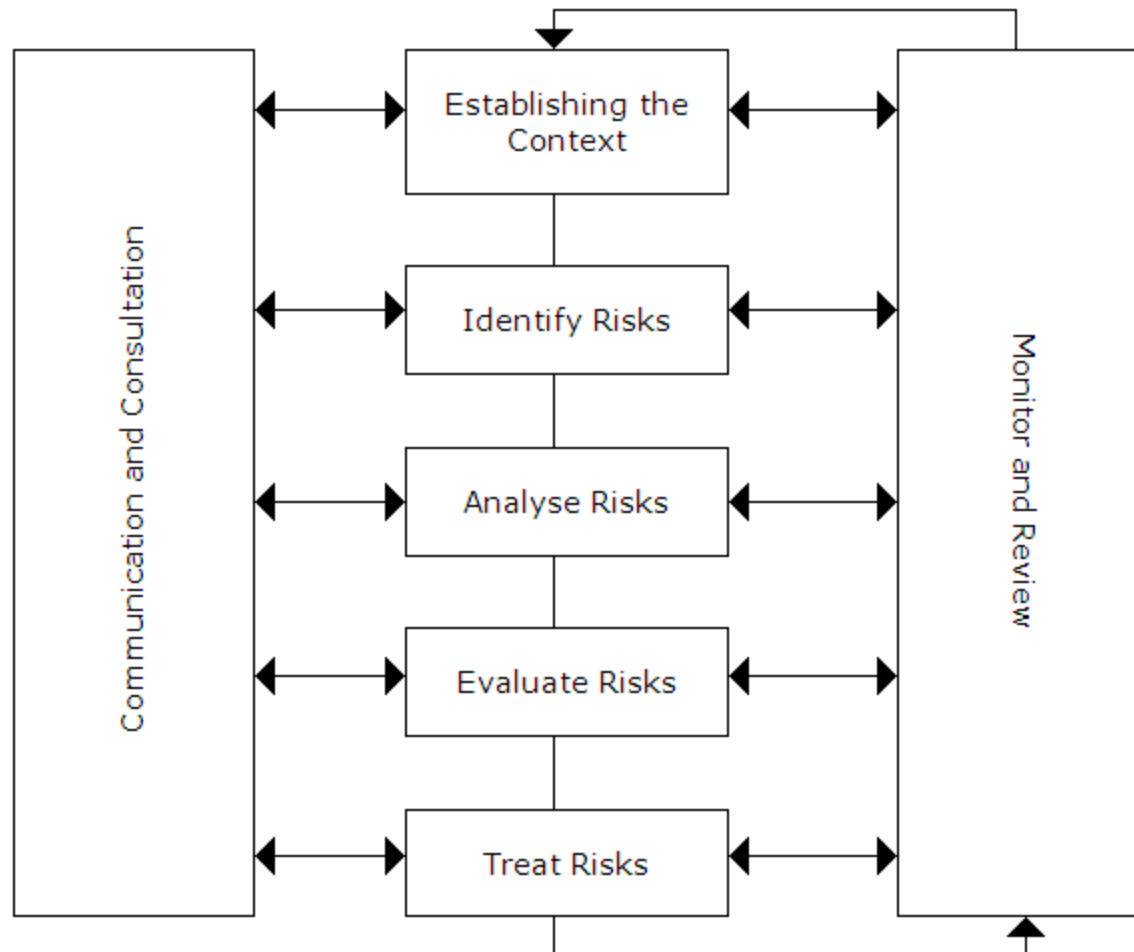
Q: How do you change the mind-set of an organization?

Tools

- Governance Manual: includes risk management
- Checklists
- Technical Assistance: 2 day workshop with volunteers/staff, 0.5 workshop with staff
- Accreditation: every 5 years
- Modules: can be implemented at local level without IPPF facilitating.

Tools we share

Risk Management (in a diagram)



Appendix 18

Risk management checklist for governing bodies and their members

- Attend governing body meetings regularly.
- Keep a written, permanent record of all governing body minutes and official actions.
- Exercise general supervision over the Association's affairs.
- Corporate decisions require knowledge of the subject and a great deal of common sense. If you vote in the minority, make sure your vote is so noted in the minutes.
- Pursue the warning signs that come to your attention that something is wrong.
- Insist on meaningful governing body meetings with full disclosure of operating results.
- Require the Association to employ professional auditing services by an accredited certified public accountant.
- When possible, retain competent legal counsel.
- Keep written reports from all committees.
- Authorize appropriate corporate indebtedness.
- Know all the directors and officers of the governing body.
- Adopt and follow sound business policies and practices.
- Avoid self-serving policies.
- Avoid conflicts of interest.
- Require and review human resources policies.
- See that the Association maintains a good credit and financial standing.
- Review the adequacy of the Association's insurance cover.

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Check list*

10-point plan for risk assessment

Risk Assessment:	
Develop/review your strategy	-Should be done on a regular basis -Should include the Board and staff -
Highlight the potential risks	- -
Research the evidence	-Assessment should be done to fit your needs and your realities -
Risk Analysis	
Categorize the risk	- -
Score and prioritize the risks	-Every item on your list should have a score. If it is 0, then it should not be included. -
Risk management	
Devise a risk management strategy	-Should include the Board and staff -
Agree a plan of action	-Should include the Board and staff -
Communicate about risk	-Board and staff members should be aware of the plan and how to implement -
Monitor and evaluate	-Is it done on a regular basis? -
Review policies and procedures	-Should be done on a regular basis -

*Page 42 of Welcome on board: A handbook to help IPPF Member Associations improve their governance.

RISK ASSESSMENT

Risk assessment is the process of prioritizing risks by assessing and combining their **likelihood of occurrence** and **impact**. This process is often accompanied by a quantitative assessment of the **risk impact**, in case it occurs, on the project **objectives, quality, cost and schedule**.

RISK
IMPORTANCE

=

LIKELIHOOD

X

IMPACT

RISK ASSESSMENT MATRIX

Impact

Low

Medium

High

Probability of occurrence

High

Medium

Low

High	Yellow	Red	Red
Medium	Light Brown	Yellow	Red
Low	Light Brown	Light Brown	Yellow

Inherent Risk

	Consequence				
Probability	Minor	Low	Moderate	High	Critical
Expected	M	H	C	C	C
Likely	M	H	C	C	C
Possible	L	M	H	C	C
Unlikely	L	M	M	H	H
Rare	L	L	L	M	M

Level of Risk	Description	Inherent Risk C*P
Critical	Critical Risk, Immediate action required	Over 260
High	High Risk, Corporate senior management attention needed to develop and possibly initiate action steps in the near future	151 to 260
Moderate	Moderate Risk, Functional head attention needed	76 to 150
Low	Low Risk, Manage by routine procedures	Less than 75

Ownership: personalize and useful

Implementation : volunteers/board and staff

Regular Revision : involvement and annual practice



IPPF : <http://www.ippf.org/>
<http://www.ippfen.org/>

Governance Manual/handouts:

<http://www.ippf.org/resources/publications/Welcome-Board-governance-handbook>

Risk management:

<http://www.irmi.com/online/riskmgmt/risk-management-why-and-how.pdf>

Thank you!