

SGBS Unnati Foundation

Risk Management Policy

A. Objective

- Ensure critical risks impacting scope, schedule, budget, business performance, and/or change management are proactively identified, communicated, mitigated, and escalated in a timely manner.
- Facilitate attention to key risks impacting the project and individual teams.
- Ensure appropriate stakeholders are informed and, if applicable, participate in the mitigation.

B. Basic principles, concepts, definitions

A risk is **ANYTHING** that may affect the achievement of the organization's objectives;

It is the **UNCERTAINTY** that surrounds future events and outcomes;

It is the expression of the likelihood and impact of an event with the potential to influence the achievement of an organization's objectives;

C. Risk Taxonomy

The Risk is to be assessed for the following sections:

Risk Head	Risk Types
Operational	<i>Mobilisation of beneficiaries, Placement opportunities, consistent Training Quality</i>
Financial	<i>Funding availability on an ongoing basis, sustainability</i>
Human Resources	<i>Attrition of skilled employees</i>
Environmental	<i>Pollution, Climate Change</i>
Legal	<i>National legislations and standards adherence, Change in government policy</i>
Economical	<i>Interest Rates, Inflation, Foreign Exchange</i>
Geo-political	<i>Government Stability</i>

D. Risk Prioritization – likelihood and impact

<p><u>Likelihood of a risk event occurring</u></p> <ul style="list-style-type: none"> ▪ Very High: Is almost certain to occur ▪ High: Is likely to occur ▪ Medium: Is as likely as not to occur ▪ Low: May occur occasionally ▪ Very Low: Unlikely to occur 	<p><u>Risk Impact: Level of damage that can occur when a risk event occurs</u></p> <ul style="list-style-type: none"> ▪ Very High: Threatens the success of the project ▪ High: Substantial impact on time, cost or quality ▪ Medium: Notable impact on time, cost or quality ▪ Low: Minor impact on time, cost or quality ▪ Very Low: Negligible impact
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E. Risk reporting and communications

Risk Level	Action & Level of Involvement Required
Critical Risk(C)	Inform CEO & Board. Immediate action
High Risk (H)	Inform Chief Executive Officer Key Management Team involvement/attention is essential Provide report to Board if appropriate
Moderate Risk (M)	Management Mitigation and ongoing monitoring required Inform relevant management team members
Low Risk (L)	Accept, nevertheless monitor risks Manage by routine procedures within the program,

F: Primary Findings

Primary finding and mitigation plan is shown in Annexure A.

G: Risk Assessment Timeline

Risk assessment and mitigation is a journey and not a destination.

All Risk Types identified as per Risk Taxonomy (C above) shall be reviewed on an-going basis with special focus as per the Primary findings and any perceived risk shall be escalated as per Reporting & communications (E above).

Approved in the Board Meeting held on 26th February 2017

Annexure A : Primary Findings

Risk Head	Risk Types	Likelihood	Impact	Mitigation Plan
Operational	Low number of Beneficiaries	High	Very High	Build a robust team, training the team, develop communication kit, track activity on daily basis, corrective action immediately as required, build brand awareness, alumni co-ordination
	Inadequate placement opportunities	High	Moderate	Enhance portfolio of employers, tie up with employers with national presence, fine tune the program to market needs
	Erosion in the quality of Training	Low	High	Monitor by constant interaction with trainees, master trainer visits to Centres for real time assessment, train the trainer program
Financial	Lack sustainable funding	Medium	High	Good delivery of project and transparent reporting, build relationship with potential partners, slowly increase recovery from trainees and employers, build a corpus/reserve fund for emergency situation
Human Resources	Attrition	High	Low	Keep a bank of master trainers and relief trainers, get the team to multi task
Environmental	Pollution, Climate Change	Very Low	Very Low	No action required
Legal	Compliance with all legal requirements	Low	Low	Quarterly review of compliances
Economical	Interest Rates, Inflation, Foreign Exchange	Low	Low	No impact due to interest rate or foreign exchange movement. Inflation to be considered in annual budgets
Geo- Political	Govt Stability	Very Low	Very Low	No action required

Reviewed in the Board Meeting held on 26th February 2017