



REEP RISK MANAGEMENT POLICY



Rural Education & Economic Enhancement Program (REEP) **AN EMPOWERED GENERATION**

P.O. Box 47, 50405, Butula MOBILE: +254 792 915 991. EMAIL: reepapt@yahoo.com

Risk Management Policy

Introduction

This policy:

- Is a formal acknowledgement that the trustee board is committed to maintaining a strong risk management framework. The aim is to ensure that Rural Education and Economic Enhancement Program (REEP) makes every effort to manage risk appropriately by maximizing potential opportunities whilst minimizing the adverse effects of risks.
- Should be used to support the internal control systems of REEP, enabling REEP to respond to operational, strategic and financial risks regardless of whether they are internally or externally driven.
- Is applicable to all REEP offices, department, functions, processes and resources. It includes areas of risk and the organization will be guided by established ethical standards, values and other applicable guidelines.

Risk policy objective

- To confirm and communicate REEP's commitment to risk management.
- To establish a consistent framework and protocol for determining appetite for tolerance of risk and for managing risk.
- To assign accountability to REEP management and REEP's staff for risks within their control and provide a structured process for risk to be considered, reported and acted upon throughout the organization.

Risk policy statement

The trustees and executive management of REEP believe that sound risk management is integral to both good management and good governance practices.

REEP shall focus on risk management strategies that explore and maximize opportunities in addition to minimize threats that encounter as it pursues its vision and mission in implementing its strategic operational and programmatic plan.

Risk management shall form an integral part of REEP's decision-making process and be incorporated within strategic and operational planning.

Risk assessment will be conducted on all new activities and projects to ensure they are in line with REEP's objectives and mission.

BOARD OF DIRECTORS

Mary Makokha, Paul Owiso, Chrisantus Maseno, Christine Wanjiru, Francis Obonyo



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Any risks or opportunities arising will be identified, analyzed and reported at an appropriate level.

A risk register covering key strategic and operational risks will be maintained and updated at least four times a year and more frequently where risks are known to be volatile.

All staff will be provided with adequate training on risk management and their role and responsibilities in implementing this.

REEP will regularly review and monitor the effectiveness of its risk management framework and update it as considered appropriate.

Reports will be made to REEP's board each quarter of continuing and emerging high concern risks and those where priority action is needed to effect better control.

Individual error and incident reports will be required from individual REEP staff where a reportable event is identified. Such incidents which are considered to pose a significant threat to REEP's financial or otherwise, will be escalated in accordance with the risk management policy.

Organizational roles

The role of REEP's board

- To ensure that a culture of risk management is embedded throughout the organization
- To set the level of risk appetite and risk tolerance for the organization as a whole and in specific circumstances
- To communicate REEP's approach to risk and set standards of conduct expected of staff
- To ensure risk management is included in the development of work plans, budgets and when considering strategic decisions
- To approve major decisions affecting REEP's risk profile or exposure
- To satisfy itself that less fundamental risks are being actively managed and controlled
- To regularly review REEP's approach to risk management and approve changes to this
- To receive reports from external consultants and any other relevant parties and to make recommendations on this.

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The role of the senior management team and external consultant

- To ensure that REEP's risk management policy is implemented throughout the organization
- To anticipate and consider emerging risks and to keep under review the assessed level of likelihood and impact of existing key risks
- Provide regular and timely information to the board on the status of risks and their mitigation
- To implement adequate corrective action in responding to significant risks: to learn from previous mistakes and to ensure that crisis management plans are sufficiently robust to cope with high levels of risk.

The role of project and team managers

Project and team managers are responsible for managing specific project specific operational risks and for ensuring that risks are reported upon in a timely fashion through designated lines of reporting.

Interaction with internal control systems

Risk management forms part of REEP's system of internal controls and should be read in conjunction with the policies and detailed control procedures to be specified in our Internal and Financial Controls and Procedures Document. This document will set out in detail operational limits within which individuals may act in particular circumstances in order to minimize the risk of fraud or error. These limits cover amongst other things – control over bank payments and receipts, authorization and processing of expenditure and approval required at particular level of decision making.

In addition the organization expects to meet minimum standards required by legislation and best practice in operational areas covering the following:

- IT and data protection
- Human Resource(HR)
- Health & Safety
- Governance
- Financial accounting and reporting
- Management of volunteers

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The risk of falling short of these standards is mitigated as far as possible by ensuring that appropriate policies and working practices are adopted in each of these key areas and that REEP's staff are adequately experienced and trained to manage this. Where necessary, external advice is sought to supplement internal expertise.

This policy was approved by the board chair Francis Obonyo: 31 May 2021

The next review is due on or before:

31 May 2024

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