Introduction

Consumer Unity & Trust Society (CUTS) is committed to implement an organisational philosophy that ensures risk management is an integral part of corporate objectives, plans and management systems. Compliance with legislative requirements underpins the risk management policy. The core function of risk management is to assist organisation to meet its objectives.

CUTS will ensure that risk management:
- Is an integral and on-going part of its management process;
- Is as simple and straightforward as possible;
- That structures and responsibilities are clearly defined.

In addition CUTS will:
- Determine an appropriate method for addressing identified risks;
- Repeat the process of risk identification on an appropriate periodic basis;
- Assess identified risks on an appropriate periodic basis;
- Provide for monitoring and reporting at various levels of management.

Definitions

'Risk' in literal terms can be defined as the effect of uncertainty on the objectives. Risk is measured in terms of consequences and likelihood. Risks can be internal and external and are inherent in all administrative and business activities. Every member of any organisation continuously manages various types of risks. Formal and systematic approaches to managing risks have evolved and they are now regarded as good management practice also called as Risk Management.

'Risk Management' is the identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of uncertain events or to maximize the realisation of opportunities. Risk management also provides a system for the setting of priorities when there are competing demands on limited resources.

Effective risk management requires:

- A strategic focus,
- Forward thinking and active approaches to management
- Balance between the cost of managing risk and the anticipated benefits, and
- Contingency planning in the event that critical threats are realised.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, return on investments, business cycle, increase in price and costs, limited resources, retention of talent, etc.

Scope
This policy applies to everyone who carries out work for CUTS, including:

- All board members of CUTS;
- All regular full time employees of CUTS;
- All employees working on any programs of CUTS;

Areas of Risk
The following have been identified as risk areas to be addressed:

1. Contextual: Risks which are external and often outside of the control of an organisation (e.g., natural disasters, terrorist activity, political instability, lack of public infrastructure).

2. Programmatic: Risks which are related to how the project of programme is designed and implemented, which may result in not meeting the needs of beneficiaries and/or potentially doing harm (e.g., diversion, lack of capacity, poor service delivery)

3. Organisational: Risks which are internal to the organisation, and which may affect the security and safety of staff and/or reputation of the organisation (e.g., financial and human resource management systems/processes).

Risk Management Process
The main elements of the risk management process are as follows:
1. Communicate and consult – communicate and consult with internal and external stakeholders as appropriate at each stage of the risk management process and concerning the process as a whole.

2. Establish the context – establish the external, internal and risk management context in which the rest of the process will take place – the criteria against which risk will be evaluated should be established and the structure of the analysis defined.
3. Identify risks – identify where, when, why and how events could prevent, degrade, delay or enhance the achievement of CUTS objectives.
4. Record risks – document the risks that have been identified in the risk register.
5. Analyse risks – identify and evaluate existing controls. Determine consequences and likelihood and hence the level of risk by analysing the range of potential consequences and how these could occur.
6. Evaluate risks – compare estimated levels of risk against the pre-established criteria and consider the balance between potential benefits and adverse outcomes. This enables decisions to be made about the extent and nature of treatments required and about priorities.
7. Treat risks – develop and implement specific cost-effective strategies and action plans for increasing potential benefits and reducing potential costs.
8. Monitor and review – it is necessary to monitor the effectiveness of all steps of the risk management process. This is important for continuous improvement. Risks and effectiveness of treatment measures need to be monitored so that changing circumstances do not alter priorities.

Responsibility for Risk Management

CUTS seek the commitment of all staff in supporting this initiative. Generally every member of the organisation is responsible for the effective management of risk including the identification of potential risks. Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. Risk management processes should be integrated with other planning processes and management activities.

Compliance and Control

All the Senior Executives under the guidance of the Chairman and Board of Directors has the responsibility for over viewing management's processes and results in identifying, assessing and monitoring risk associated with Organisation's business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risk. In doing so, the Senior Executive considers and assesses the appropriateness and effectiveness of management information and other systems of internal control, encompassing review of any external agency in this regards and action taken or proposed resulting from those reports.

RISK REGISTER

No	Risk	Owner	Consequence	Likelihood	Inherent Risk Level	Controls	Control Effectiveness
Risk Area							
1.	Risk name and description						