

**THE RISK MANAGEMENT POLICY
OF
COMMUNITY INITIATIVE FOR PARTNERSHIP AND
DEVELOPMENT (CIPAD)**



**ENDORSED BY:
BOARD OF DIRECTORS,
AT AWEIL HEAD OFFICE,
NBeG State, SOUTH SUDAN,
AMENDED 2020**

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ABBREVIATIONS

AFO	Administration and Finance Officer
ED	Executive Director
CPO	Cash Payment Order
EC	Evaluation Committee
CIPAD	Community Initiative for Partnership and Development (CIPAD)
FOM	Finance and Operations Manager
FIFO	First-In First-Out
FBS	Fixed Budget Selection
GRN	Goods Received Note
HR	Human Resource
IGO	Income Generation Officer
IC	Individual Consultants
ITC	Instruction to Consultants
LCS	Least-Cost Selection
LOI	Letter of Invitation/Intent
M&IE	Meals and Incidental Expenses
PC	Project Coordinator
PM	Programme Manager
PmO	Programme Officers
PO	Purchase Order
PV	Payment Voucher
QBS	Quality-Based Selection
QB	QuickBooks
QCBS	Quality and Cost Based Selection
RFP	Request for Proposal
RFQ	Request for Quotation
SSS	Single-Source Selection
TOR	Term of Reference
USD	United States Dollar

1. INTRODUCTION AND OVERVIEW

1.1. Community Initiative for Partnership and Development (CIPAD)

Community Initiative for Partnership and Development (CIPAD) came into existence as a result of the motivation and personal initiative of its founding members who wholeheartedly seek to enhance the socio-economic status of the impoverished communities especially women, youth, children and elderly. Living in war affected South Sudan particularly Northern Bahr El Ghazal State, the founding members were not stranger to hardships faced by the underprivileged communities.

Having strategies to overcome economic and social challenges that impoverished communities are facing, the founding members registered CIPAD at Northern Bahr El Ghazal state level with Relief and Rehabilitation Commission (RRC) and Ministry of Social Development from 2010 to 2016 supporting communities with different capacities depending on funding from partners and well-wishers.

In the year 2017, the founding members of the organization decided to register the organization at national level with Relief and Rehabilitation Commission (RRC) obtaining registration number 902 as National Organization mandated to operate across the country as humanitarian and development organization.

The key areas of interventions include human rights; sustainable food security and livelihood; women & youth economic empowerment; peacebuilding; justice; education; health & nutrition; WASH; and people with disabilities participation and inclusion.

Our efforts have developed lasting relationship with government at all levels, nongovernmental organizations, United Nations agencies and corporate organizations as also with the communities, individuals and groups with whom we have worked.

We have come a long way following a small beginning in 2012, and have implemented a wide variety of projects related to child rights for change; food security & livelihood; women & youth economic empowerment; peacebuilding; community security & community policing; gender base violence; access to justice; reproductive child health care; trauma healing and psychosocial supports; HIV/Aids awareness; COVID 19 awareness; quality education; boreholes rehabilitation and capacity building of water user committees in different Bomas and Payams in the five counties of Northern Bahr El Ghazal State. While implementing different developmental projects, our thrust has always been on working through people's participation and constructive engagement of government institutions and community leaders for project ownership and sustainability.

At CIPAD, we have always believed in the capacities and capabilities of the communities, and have always strived to channel their hidden energies for the betterment of society at large. Our efforts have always been directed towards creating an environment that is conducive of enhancing opportunities to local people to think and act positively.

We have endeavored to develop skills and competencies of the local communities with a view to enabling them to operate and maintain the assets created through the implementation of the projects on sustainable basis.

This philosophy of ours has led us to the adoption of a holistic and participatory approach to rural and urban development. We believe in inclusive approach, covering all the sections of the society, particularly the impoverished people in the Bomas, Payams, Counties and States in the Republic of South Sudan. We work with existing village level fora (and creating new ones wherever necessary) through Participatory Rural Appraisal (PRA) approaches, principles and techniques.

1.2. Vision, Mission, and Goal

Vision: A just, peaceful, and resilient society where all people live with dignity, self-reliance, and well-being.

Mission: To advance sustainable development, deliver humanitarian assistance, and advocate for inclusive policies by empowering communities and fostering equitable partnership.

Goal: To contribute to sustainable peace, improved livelihoods, and community resilience among vulnerable populations in South Sudan.

1.3. Objectives

1. To work for community development, to cooperate in sustainable development by local participation through integrated program.
2. To Improve community safety & Security through community security & community policing program in collaboration with the security providers
3. To enhance wellbeing of the people of the State & counties by operating result oriented program for poverty alleviation and development at the grassroots.
4. To develop mutual relation and brotherhood fillings in community.
5. To carryout water, sanitation and hygiene program to our local populations
6. To cooperate in managing water supply schemes in its working area.
7. To cooperate in road repair and maintenance with the coordination with local agency.
8. To lunch the awareness program in the field of education, health, WASH, peace building, civic education, human rights, gender and children issues.
9. To lunch appropriate program in developing community of women, children, old age, helpless and disable.
10. To work for creative youth activities and sports development.
11. To implement social protections program
12. To lunch awareness program against anti-social activities like girls trafficking, drug abusing, betting, vulgarity.

CIPAD is a national organization working for community development and empowerment through capacity building in order to provide essential knowledge that will lead to awareness, which will further lead to self-development, empowerment and action.

In furthering of the above objectives, CIPAD shall continue to:

- a) Mobilize local resources from community, members, governments, organizations and banking institutions. This shall be in form of contributions, donations and income generating activities.
- b) Advocate for large communities in furthering of its objectives for communal interests.
- c) Promote and carryout or assist in promoting and carrying out rural development research, surveys, assessments and investigations on the matter of community concern and publish the useful results thereof for public consumptions and intervention.
- d) To promote rural development, work through singular or join workshops, exhibitions, meetings, awareness campaigns, lectures, seminars and training courses.
- e) Collect and disseminate information on all matters affecting the said objects 1-18 above and exchange such information with other bodies having similar objects whether in South Sudan or overseas.
- f) Undertake, execute, manage or assist any communal work which may lawfully be undertaken, managed or assisted by the organization.
- g) Purchase, take on lease or in exchange, hire or otherwise acquire any property and any rights and privileges necessary for the promotion of the said objects and construct, maintain and alter any buildings or erections necessary for the work of the organization.

- h) Within laws of publications, to write and print or otherwise reproduced and circulated such workshop documents, papers, books, periodicals, pamphlets or other documents or films or recorded tapes (whether audio or visual or both) as shall further the said objectives.
- i) In accordance with **section 20 (i) of the South Sudan Non-Governmental Organizations (NGOs) ACT 2016**, the organization shall within its financial capacity, employ and pay any person or persons to supervise, organize, and carryout the work of the organization and make all reasonable and necessary provision for the payment of pensions and superannuating to or on behalf of employees and their dependents as maybe determine by the employment contracts between the organization and such a person or persons
- j) Establish where necessary field offices within the Republic of South Sudan or country offices in other countries of the world
- k) Make policies and regulations like finance policy manual, human resource policy manual, assets management policy manual, frauds policy, security policy, code of conducts and strategic plan to guide the work of the organization.

1.4. Values

- Human rights and dignity
- Partnership beyond boundaries
- Mutual Respect
- Honesty, Integrity and Ethics
- Diversity, Inclusivity, Transparency and Accountability
- Gender sensitivity
- Cost efficiency
- Solidarity
- Safeguarding
- Trustfulness and legality

1.5. Organizational Structure

1.5.1. Staffing

Below are summaries of main CIPAD staff only. Organisation Chart is presented in **Figure 1**.

Executive Director (ED): is responsible for the overall management of Community Initiative for Partnership and Development (CIPAD) Programmes and Operations and operates under the Board. The ED serves as the principal CIPAD representative liaising with donors and partner organizations on project related technical, policy, and financial issues. The ED is ultimately responsible for the generation, commitment and disbursement of all project funds and provide technical and administrative leadership to the overall achievement of the goals and objectives of the organization. The ED is ultimately responsible for the management of all CIPAD resources.

Programme Manager (PM): Operates under and closely with the ED and is responsible to oversee and coordinate CIPAD capacity building, advocacy and service delivery programme activities and provide technical and programmatic leadership to the overall achievement of the goals and objectives of the programmes. With the ED, the PM leads the development, implementation, and monitoring of the organization strategy and work plans and communicates results and achievements to the community and other stakeholders.

Finance and Operations Manager (FOM): Operates under and closely with the ED and is responsible for developing and maintaining the financial systems of the organization, managing financial and other organizational resources, and managing other organizational operations including, human resources, procurement of equipment and materials, and tracking inventory and managing fixed assets. The FOM will assist the ED in ensuring that financial controls and systems comply with acceptable accounting practices and meet donors and CIPAD standards. The FOM ensures that programme activities adhere to the financial and operations policies and procedures of the organization and donors. The FOM works closely with the PM and the technical team to ensure smooth implementation of programmatic activities. The Human Resource (HR) Manager in this document refers to the FOM.

Programme Officers (PO) and Project Coordinators (PC)/Project Managers: Operate under and closely with the PM and are responsible to coordinate capacity building, advocacy and service delivery programme activities. With the PM, the PO develops, implements, and monitors project activities and work plans. In the absence of the PM, the senior PO acts as the Programme Manager. The Project Coordinators (PC) / Project Managers operate under and closely with the Programme Officer (PO) and/or the Programme Manager (PM) and are responsible to implement capacity building, advocacy and service delivery programme activities at the community level.

Logistics and Procurements Officer (LPO): Operates under and closely with the FOM and is responsible for the management of and supervision of support staffs (drivers, store keepers, logistics & procurements assistants), procurement, logistics and managing vehicles as well as motorbikes.

Administration and Finance Officer (AFO)/Accountant: Operate under and closely with FOM. Accountants assist the FOM and maintain the field accounting system, reviewing and processing purchase orders and expenditures, reviewing employee timesheets, and distributing checks, and executing payments with the cashier. The Finance Officer will take over in the absence of the FOM. The AFO also can work as the cashier. AFO is also responsible for the management of and supervision of support staff (Security Guards, Cooks, Cleaners, Cashiers, and Assistants).

Human Resource Officer (HRO): Operate under and closely with FOM and is responsible for human resource planning, recruitment & selection, performance management, learning & development, industrial relations, job analysis & design, maintaining work culture, processing payrolls, maintaining employees' records, compensations & benefits, labor law compliance, and staff motivation. HRO is also responsible for the management of and supervision of support staff like human resources assistants and related staff.

Cashier: Operate under and closely with Finance Officer/Accountant and manage petty cash and executes payments. The cashier can be given various other responsibilities and serve as office assistance, store keeper... etc.

The above Admin & Finance, Logistics and Procurements positions are responsible for the smooth flow of finance, administration and logistic implementation of the CIPAD projects.

It is important that the duties of accounting/financial personnel be properly segregated. No staff member should be assigned duties that could lead to a situation where the person could carry out and conceal illegal acts or violations of rules. To accomplish a proper segregation of duties, different individuals should perform the following functions:

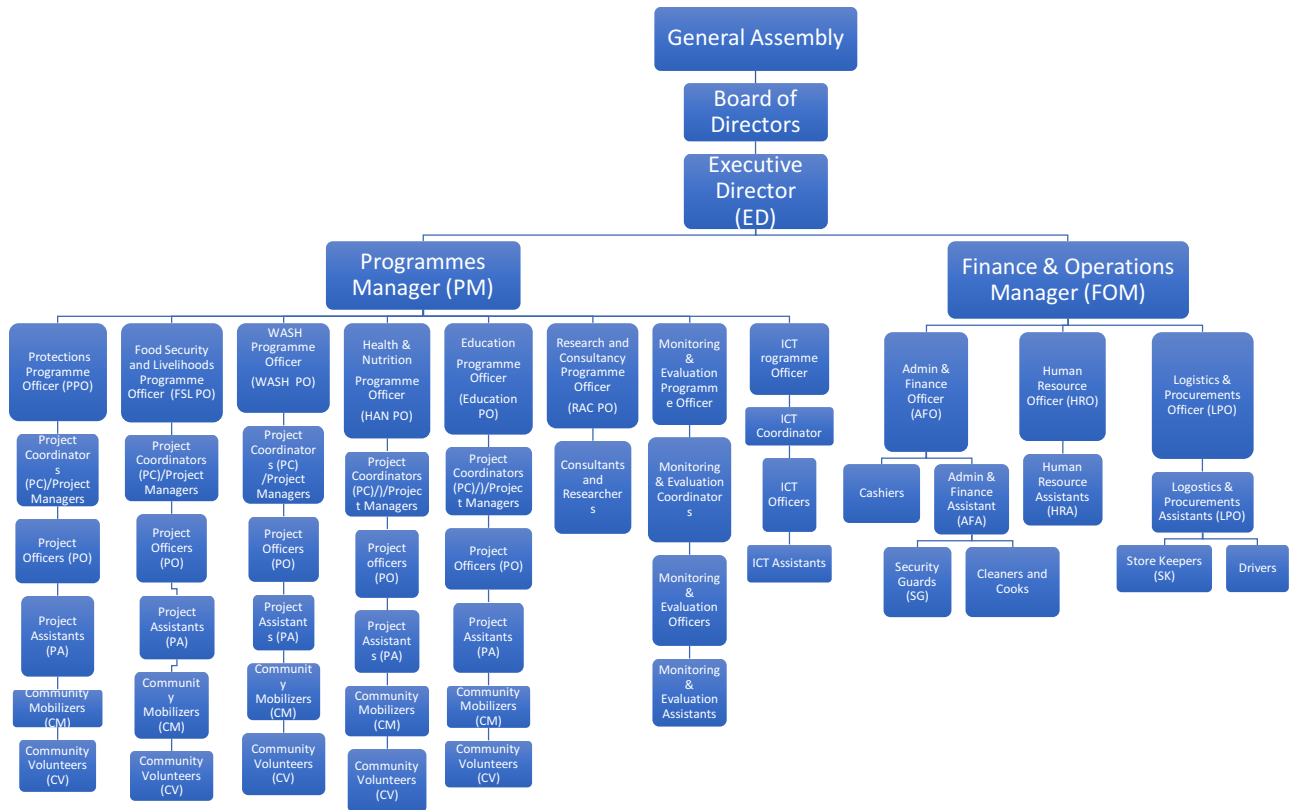
- Authorize transactions (ED and FOM),
- Record transactions (Admin & Finance Officer, Accountants, Cashier)
- Maintain custody of the assets that result from a transaction (LPO, Store Keeper)
- Compare assets with the related amounts recorded in the accounting records (Auditor)

Minimum Required Staff: in times of restricted resources the minimum required staff members for CIPAD are:

- The Executive Director (ED)
- The Finance and Operations Manager (FOM)
- The Cahier/Accountant/Admin and Finance Officer

Other staff members listed in this document will be appointed as necessary.

Figure 1: See below the Organizational Chart of CIPAD



1.5.2. Offices

The Head Office of CIPAD is Aweil, Northern Bahr El Ghazal State, South Sudan. CIPAD will work in multiple States of South Sudan to achieve its mission depending on operational capacity attained. There three field offices in Gokmachar, Aweil North County and Nyamlell in Aweil West County, and Wanyjok in Aweil East County. We have Coordination office in Juba, South Sudan.

1.6. Purpose of this Policy

This Manual is to be used by **ALL** staff of projects implemented by CIPAD. It is intended to be a guideline for all projects risks management strategies. This manual must be viewed in conjunction with the Human Resource (HR) Manual as well as CIPAD's other financial and administrative manuals and resources.

This risk management policy addresses questions staff and partners may have about the CIPAD programmes and projects in regard to its risk management plans within policies and procedures. It serves as a reference document for partners of their rights, responsibilities and obligations and is a guide for supervisors and directors in the administration of the various policies and procedures.

CIPAD reserves the right to make changes and updates to this policy as outlined in this chapter. As policies are added or changed, staff will be notified by official memoranda from the ED. These memoranda will then become part of the official CIPAD partnership policies and procedures. Please read the policy, understand its contents and always refer to it for reference. If you have any questions or suggestions regarding this manual, please see the Executive Director, Finance and Operations Manager or Human Resources Officer of CIPAD.

1.7. Changes to this Policy

This document is subject to change and revision as and when the circumstances require it. If there is an item or a section in this manual that requires an update, the procedures outlined below should be followed to ensure that all employees receive and record the change. Once a year, if multiple changes have been made, a complete revised version will be produced and distributed. It is the responsibility of each employee to read, understand, and adhere to any policy changes that are made. Employees and partners will be notified of a change via memo as outlined below.

Minor changes to an amount, name, or item:

1. Send a memo to all employees noting the change.
2. Each employee should insert the memo in his/her manual directly after this procedures page to deemed track of who initiated the change and when.
3. The employee should locate and cross out the outdated item in his/her manual, writing in the change.

Major section changes

1. Send a memo to all employees noting the change and attach the revised section with the current date.
2. Each employee should insert the memo in his/her manual following this procedures page.
3. Each employee should insert the revised version in front of the original section, simply crossing out the pages that are no longer current.

The Executive Director of CIPAD must authorize all changes to the manual.

2. RISK MANAGEMENT POLICY

2.1. Purpose

1. Risk in this document is defined as the uncertainty surrounding events, either external or internal, and their outcomes that may have a significant impact, either enhancing or inhibiting, on any area of CIPAD's operations.
2. CIPAD maintains risk registers as an integral part of the Risk Management Framework, which informs understanding of risk within all areas of CIPAD's activity.
3. The purpose of this policy is to provide guidance on managing organisational risk to support the achievement of strategic objectives, protect beneficiaries, staff and business assets and ensure business operations and financial sustainability.
4. The policy objective is to provide a framework to:
 - a. Define risk governance
 - b. Identify principal risks
 - c. Assess priority risks
 - d. Describe how risks should be documented
 - e. Develop mitigating strategies and actions
 - f. Monitor and review risk activities
 - g. Communicate and report risks

2.2. Risk Governance

1. Board: is required to identify and review the strategic, operational, regulatory, people, political and environmental risks to which the organisation is exposed and to assess the likelihood of such risks and the possible level of impact they would have. The Board must be satisfied that risk management is embedded in the organisation and adequate systems are in place to monitor, manage and, where appropriate, mitigate CIPAD's exposure to major risks. The Board is required to:
 - a. Ensure an effective framework is in place to identify and manage risks
 - b. Ensure risk management is integrated into the strategic and operational planning processes - approve major decisions affecting CIPAD's risk profile or exposure
 - c. Agree and review the institutional risk appetite as required
 - d. Seek assurance on matters of risk management, control and governance from audit
 - e. Identify areas of risk for focused discussion where appropriate
 - f. Undertake "Audit and Risk Committee" role which includes:
 - i. Review the work of internal and external auditors along with relevant management responses and implementation plans, and other matters as appropriate
 - ii. Review reports from management and other sources relating to risk
 - iii. Regularly review the Strategic Risk Register and associated controls, and, as required, the risk management framework to ensure they are appropriate
2. Executive Director: is responsible to the Board and for reviewing key management reports, issues and actions at every management meeting. Discuss and decide as to whether priority risks need to be introduced, amended or replaced in light of external

events or operational challenges. Promote risk management processes throughout the organisation and encourage transparency in reporting and speedy issue and risk escalation.

3. Internal Auditor: is responsible to the Board and need to prepare and report which has a detailed review of priority risk log at every audit and Board meeting. The report should include an opinion on the adequacy and effectiveness of CIPAD's arrangements for risk management, control and governance; and determine the internal audit plan through a risk-based approach, which includes a review of the risk management framework.
4. External Auditors: will consider whether the statement of control included in the corporate governance section of the audited financial statements, explaining the risk management arrangements operated by CIPAD, is consistent with their knowledge of CIPAD. The Board is responsible for signing off this statement and does so based on the work of the external auditors and having considered the annual reports from the Internal Audit, containing an opinion on the adequacy and effectiveness of the risk management, control and governance arrangements.
5. CIPAD Staff: Need to comply with risk management policy and processes and foster an environment where risks can be identified and controlled.

2.3. Risk Identification

1. CIPAD needs to look at risks specific to each particular project context.
2. Risks need to be reviewed every year by the CIPAD management team.
3. Priority risks change quite often. The principal risks shall be categorized and presented to the ED and the Board as:
 - a. Financial
 - b. Operational
 - c. Legal and regulatory
 - d. Political and environmental
 - e. Strategic
 - f. People
4. Each principal/priority risk should be entered into the **Risk Register** (see below) dated, summarised, categorised, and assigned an owner (for mitigation strategy), and mitigation strategy.
5. The priority risk is assessed by considering the following dimensions:
 - a. Risk appetite (high, medium, medium/low, low)
 - b. Significance of the risk (scale of 1-5, where 5 is the most significant)
 - c. Probability of risk occurrence (scale of 1-5, where 5 is the most probable)
 - d. Description of worst-case outcome, including a financial quantification if appropriate

2.4. Risk Matrix

- For grading risk, the scores obtained from the risk matrix are assigned grades as follows:

1-6	Low Risk	Monitor, inc aggregated/multiple green issues; action as required
8-15 If the Likelihood is higher and the Severity is lower	Moderate Risk	Identify action to mitigate/reduce the risk to commence within 6 months
8-15 If the Severity is higher and the Likelihood is lower	High Risk	Identify action to mitigate/reduce the risk to commence within 3 months
16-25	Very High Risk	Identify immediate action required to mitigate/reduce the risk

- Likelihood score (L):** this answers the question “What is the likelihood of the consequence occurring?”

Likelihood score	1	2	3	4	5
Descriptor	Rare	Unlikely	Possible	Likely	Almost Certain
Frequency How often might it/does it happen	Will probably never happen/ recur. Less than a 25% probability that event will occur.	Unlikely to happen/ recur, but it is possible it may do so. Between 20% and 40% probability that event will occur.	Will possibly happen/ recur occasionally. Between 40% and 60% probability that event will occur.	Will possibly happen/ recur persistently. Between 60% and 80% probability that event will occur.	Will undoubtedly happen/ recur, possibly frequently. Greater than 80% probability that event will occur.

2.5. Risk Register

- The Risk register helps to monitor and show how risks are being managed. The below describes how each section of the risk register should be completed.
- References:** Each risk will have a unique reference and will use the following formula: CIPAD/year the risk identified/risk number. For example, CIPAD2019-01 indicates the first risk identified in 2019.
- Risk Description:** All risks should be written using the ‘If’ event and ‘then’ consequence wording. The ‘If’ part of the sentence should explain the condition(s) that would need to be present in order for the risk to occur. *For example, if project activities are not adequately monitored and coordinated.* The ‘Then’ part of the sentence should detail the consequence(s) that might occur should the risk occur. *For example ...then planned project results will never be adequately achieved.*

4. **Risk Category:** Each risk should be assessed against each risk category (Financial, Operational, Legal and regulatory, political and environmental, strategic, and people). The risk category detailed in the risk register should be the category (or categories) that the risk affects the most and/or is the furthest away from the risk appetite.
5. **Risk Severity and Likelihood:** are completed based on the Risk matrix described above.
6. **Risk Score:** The risk score is determined based on the risk matrix; the likelihood and severity score must be captured to indicate how the risk scoring was derived. A net risk rating of 10 could be derived from an almost certain likelihood and a minor severity impact, or an unlikely likelihood and a catastrophic impact hence the need to record the likelihood and severity for each risk.
7. **Risk Response plan:** The action plan should clearly map out how each risk will reach its target risk rating and should include the task, action owner and deadline.
8. **Mitigation Action:** Should be done based on the risk mitigation matrix below.
9. Indicate if there is any **Residual risk after mitigation.**
10. **Risk Owner:** All risks should have a risk owner who is accountable for ensuring the risk is managed appropriately. The risk owner should be a member of the Senior Leadership Team.
11. **Risk Support:** Most risks will have one or more individuals who are risk supports. These individuals will have direct responsibility or oversight of activities to manage the risk. The risk support will be responsible for providing relevant updates and the risk owner will review this before it is accepted on the risk register.

2.6. Risk Mitigation

3. Each risk shall have an owner responsible for the mitigation strategy. The key elements of the mitigation strategy are noted on the risk register with summary associated comments. In addition, if a risk has been delegated to a specific committee or the Board, this should also be captured.
4. Below is CIPAD's risk response/risk mitigation options:



5. This approach is designed to be a dynamic process, both in terms of considering what the top risks are and looking at strategies to mitigate them.
6. These strategies provide the foundation for developing our key operational and financial processes such as safeguarding, reserves, investment and treasury management policies.

2.7. Risk Monitoring

1. The Board is ultimately responsible for the system of risk management and internal control and through the auditor reviews the effectiveness of this system.
2. Every year the Board considers in depth the nature and extent of the principal risks that CIPAD is willing to take to achieve its strategic objectives. For each principal risk, risk appetite is assessed to balance opportunities for business development and growth in areas of potentially higher risk, while maintaining reputation and reasonable levels of broad stakeholder support.
3. The risk list is reviewed in depth by the ED and senior management prior to each audit and annual review of risks by the Board. The auditor reviews and presents the risk register at each meeting.
4. Key management reports, issues and actions are reviewed at every monthly management meeting.
5. It is an accountability of the ED and senior management to promote risk management processes throughout the organisation and encourage transparency in reporting and speedy issue and risk escalation.
6. Priority risks are reviewed regularly by Internal Audit and considered when developing the annual internal audit plan. Key risks are also assessed and referenced in the development of the audit approach for each individual internal audit review.

2.8. Risk Reporting

1. A risk systems adequacy statement and description of each priority risk should be included in the annual report.
2. Project risk registers should be included on each project reports alongside other relevant documentation.
3. Risk management should be factored into business planning, performance management, audit and assurance, business continuity management and project management and monitoring.
4. Partner risk processes inclusive of safeguarding and financial control elements are assessed as a core element of partner due diligence.

Table 6: Community Initiative for Partnership and Development (CIPAD) Risk Register Form

CIPAD_Risk year_RISK- NUMBER		Risk Description = Fact >Cause (IF) - >Event (THEN)		Severity: (5) Catastrophic. (4) Major. (3) Moderate. (2) Minor. (1) Negligible.	Likelihood: (5) Almost certain. (4) Likely. (3) Possible. (2) Unlikely. (1) Rare.		Plan Risk responses using cost benefit analysis (outputs include actions, actionees,	SCIPAD Risk Mitigation Section			
Risk ID	Date Raised	Risk description	Risk Category	Severity / Impact	Likelihood / Probability	Risk score	Risk Response	Resolution/ Mitigating Action	Residual risk after mitigation	Status	Risk Owne
CIPAD2019-01				0	0	0				New	
				0	0	0					
						0					
						0					
						0					
						0					
						0					

Risk grading = Likelihood x Severity (L x S) = Risk Grading						
Likelihood						
Almost Certain - 5	5		10	15	20	25
Likely - 4	4		8	12	16	20
Possible - 3	3		6	9	12	15
Unlikely - 2	2		4	6	8	10
Rare - 1	1		2	3	4	5
	Negligible - 1		Minor - 2	Moderate - 3	Major - 4	Catastrophic - 5
	Severity					

Approved by Board on 17th of April 2020

Sign

A handwritten signature in blue ink, appearing to read "Jacob Lual", is written over a horizontal line.

Jacob Lual Jok,
Board Chairperson.