Risk Management Policy & Framework

1. Purpose

This policy sets out Lovemore Project's approach to identifying, assessing, managing, and monitoring risks to our organisation, projects, stakeholders, and reputation.
 It ensures we meet our legal obligations, safeguard beneficiaries, and protect donor funds while maintaining resilience in changing environments.

2. Scope

Applies to:

- All organisational activities in Australia and overseas.
- All staff, directors, volunteers, contractors, and partners.
- All stages of the program cycle — design, implementation, monitoring, and closure.

3. Policy Statement

Lovemore Project is committed to:

1. Proactively identifying and assessing risks across all operations and projects.
2. Implementing appropriate controls to prevent or reduce negative impacts.
3. Regularly monitoring risks and reviewing mitigation measures.
4. Embedding risk management into organisational culture and decision-making.

4. Definitions

- Risk: The effect of uncertainty on objectives (positive or negative).
- Risk Management: Coordinated activities to direct and control the organisation with regard to risk.
- Risk Appetite: The level and type of risk the Board is willing to accept in pursuit of objectives.
- Controls: Measures taken to manage risk.

5. Risk Categories

Risks are assessed across the following areas:

- Strategic – Risks affecting organisational direction and reputation.
- Operational – Risks impacting day-to-day functions.
- Financial – Misuse of funds, fraud, or inadequate financial controls.
- Compliance – Breaches of laws, donor requirements, or policies.
- Safeguarding – Harm to children, vulnerable adults, or communities.
- Security – Physical and digital security risks.
- Environmental & Social – Impacts of our activities on people and the environment.
- Partnerships – Risks related to partner performance and integrity.

6. Risk Management Framework

Lovemore Project follows a continuous 5-step cycle:

1. Identify Risks – Through planning, consultation, audits, incident reports, and partner assessments.
2. Assess Risks – Using a standard Likelihood x Impact matrix.
3. Treat Risks – Avoid, reduce, transfer, or accept risk based on appetite and capacity.
4. Monitor & Review – Regularly track changes in risk profile and the effectiveness of controls.
5. Report – Escalate significant risks to the Board; report to donors as required.

Risk Rating Matrix

Impact \ Likelihood	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost Certain (5)
Insignificant (1)	Low	Low	Low	Medium	Medium
Minor (2)	Low	Low	Medium	Medium	High
Moderate (3)	Low	Medium	Medium	High	High
Major (4)	Medium	Medium	High	Extreme	Extreme
Severe (5)	Medium	High	High	Extreme	Extreme

Risk Register

The organisation maintains a Risk Register that records:

- Risk description
- Category
- Likelihood & impact ratings
- Risk level
- Controls in place
- Responsible person
- Review date

The Risk Register is reviewed quarterly and updated as needed.

7. Roles & Responsibilities

- Board – Approves the Risk Management Policy and reviews the Risk Register quarterly.
- Executive/Project Coordinator – Maintains the Risk Register, oversees risk processes, and reports to the Board.
- Staff & Volunteers – Identify and report emerging risks.
- Partners – Required to have risk processes in place and share relevant information.

8. Integration with MEL

Risk data feeds into the Monitoring, Evaluation & Learning (MEL) system to:

- Identify trends over time.
- Inform future project design.
- Strengthen organisational learning.

9. Incident & Crisis Response

- Serious incidents trigger an immediate review and escalation to the Board.
- Crisis response procedures are activated for high-severity events.
- DFAT/ACFID reporting obligations are met within required timeframes.

10. Related Policies

- Financial Management & Anti-Fraud Policy
- Whistleblower Policy
- Safeguarding Policies (Child, PSEAH)
- Privacy Policy
- Partnership & Due Diligence Policy
- MEL Policy

11. Review

This policy will be reviewed every three years, or sooner if:

- Significant organisational or environmental changes occur.
- Donor requirements change.
- Post-incident reviews identify improvements.

- Approved by: Board of Directors – Lovemore Project

- Date: _____

- Next Review: _____