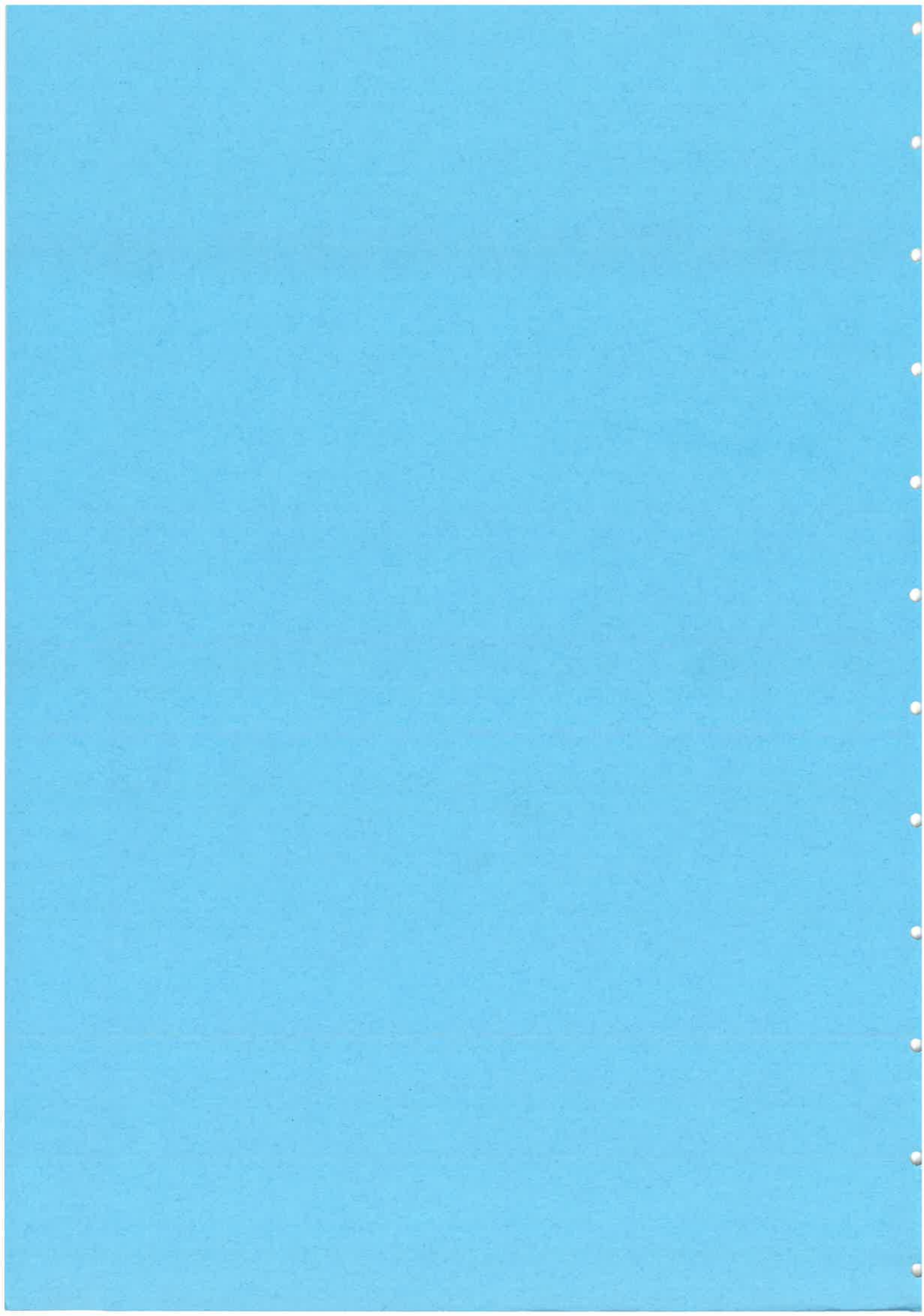




CHRISTIAN SOCIAL SERVICES COMMISSION (CSSC)

RISK MANAGEMENT POLICY AND PROCEDURE

NOVEMBER, 2021



APPROVAL PAGE

This policy and procedures apply to Christian Social Services Commission Offices. It is the responsibility of all employees to follow the policies and procedures herein.

Approval by Executive Council Chairperson:

Approved.......... (signature)

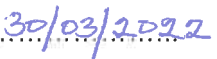
Date..........

Table Contents

1.0	Preamble.....	2
2.0	Abbreviations and Acronyms.....	3
3.0	Introduction	4
3.1	Christian Social Services Commission	4
3.2	Vision statement.....	4
3.3	Mission Statement.....	4
3.4	Objectives	4
3.5	Activities	4
3.6	Zones	4
4.0	Key Definitions	5
5.0	Policy statement.....	5
6.0	Risk management process.....	6
7.0	Risk Management methodology	7
8.0	Principles of Risk Management	8
9.0	Risk Profile	9
10.0	Risk Register	10
11.0	Roles and Responsibilities.....	10
12.0	Risk Assessment Matrix and Risk Register	13
12.1	Risk Consequence Severity.....	13
12.2	Likelihood Probability & Frequency.....	13
12.3	Control Effectiveness.....	13
12.4	Risk Assessment Matrix	14
12.5	Risk Assessment Matrix Definitions	14
12.6	Proposed Risk Register Format.....	15

1.0 PREAMBLE

This Risk Management Policy and Procedures (hereinafter to be referred to as the "Policy and Procedures"), as approved by the Executive Council of the Christian Social Services Commission (hereinafter referred to as CSSC), sets the authoritative guidelines on establishing the context, identifying, analyzing, evaluating, treating, monitoring, and communicating risk. This Policy and Procedures shall be part of an integral part of all our business activities of the CSSC.

The Executive Director of CSSC, in consultation with the Senior Management Team, has the responsibility for determining the need and content of the Policy and Procedures. All Heads of Departments have the responsibility for administering the Policy and Procedures in compliance with its content and in a consistent manner for the good of the Department and its employees. The Policy and Procedures are consistent with the CSSC Constitution and policies.

Risk is inherent in all administrative and Operational activities. Risks are such events or the conditions that has a harmful or negative impact on the organizational goal or its operational objectives. The exposure to the consequences of uncertainty constitutes a risk. Every staff continuously manages risk. The systematic approaches to managing risk have evolved and are now regarded as good management practice. The objective of this policy is to manage the risks involved in all spheres of the activities of the organization to maximize opportunities and minimize the adversity.

Effective risk management requires strategic focus, forward thinking and active approaches to management, balance between the cost of managing risk and the anticipated benefits, and - contingency planning if mission critical threats are realized.

The main objective of this Policy and Procedures is to ensure value creation for all the stakeholders with sustainable Organization growth and to promote a pro-active approach in reporting, evaluating, and resolving risks associated with the CSSC's Operations. The specific objectives of this Policy and Procedures are:

- To ensure that all the current and future material risk exposures of the organization are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.
- To establish a framework for the organization's risk management process and to ensure its implementation.
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- To ensure business growth with financial stability.

Moreover, this policy outlines the organization's risk management process and sets out the responsibilities of the Board of Trustees, the Executive Director, Senior Management Team and others within the Organization in relation to risk management.

The policy applies to all activities and processes associated with the normal operation of CSSC. It is the responsibility of all Board members and staffs to identify, analyze, evaluate, respond, monitor and communicate risks associated with any activity, function or process within their relevant scope of responsibility and authority.

This Policy and Procedures will be reviewed after every five (5) years. However, the Senior Management Team (SMT) may initiate amendments anytime if gaps identified have severe impact to the organization. The Senior Management Team (SMT) by make recommendations to the Executive Director for consideration. Any proposed amendments shall be forwarded to the Executive Council for review and approval. shall be informed in writing of any amendments to this Policy and Procedures in a timely manner.

2.0 ABBREVIATIONS AND ACRONYMS

CSSC	-	Christian Social Services Commission
FBO	-	Faith Based Organization
HQ	-	Head Quarters
NGO	-	Non-Governmental Organization
SMT	-	Senior Management Team
PPP	-	Public Private Partnership
ZPF	-	Zonal Policy Forum

3.0 Introduction

3.1 Christian Social Services Commission

Christian Social Services Commission (CSSC) was established in 1992 as an ecumenical body for facilitating delivery of social services focusing on Education and Health.

3.2 Vision statement

A society in which all people have access to quality health and education.

3.3 Mission Statement

Supports the delivery of social services by church institutions in Tanzania through collaboration and partnership, advocacy, lobbying, capacity building, and selected interventions with the compassionate and love of Christ.

3.4 Objectives

1. To contribute to the physical, mental, social, and spiritual development of Tanzanian people through facilitating the provision of quality social services to all people regardless of color, race, or creed, and;
2. To foster promotion, improvement and expansion of education, health, and other social services all over Tanzania.

3.5 Activities

With the above-mentioned strategies, CSSC will perform the following activities:

- Advocate and lobby for policies to improve health and education services;
- Offer trainings for personnel of health and education institutions;
- Maintain networking among stakeholders in the education and health sector;
- Support public private partnerships (PPP) between the Government and private health and education services providers;
- Build, rehabilitate and equip church run health and education facilities; and
- Implement of various projects in health and education funded by international organization

3.6 Zones

To harness countrywide broad-based policy dialogue and input, in 2001 CSSC decentralized its set up by establishing policy dialogue forums in five zones as follows:

- Eastern Zone (Dar es Salaam, Coast, Tanga, Morogoro and Dodoma, Lindi, Mtwara and Zanzibar Islands)
- Lake Zone (Mwanza, Geita, Mara, Shinyanga, Simiyu and Kagera)
- Northern Zone (Kilimanjaro, Arusha and Manyara)
- Southern Zone (Iringa, Njombe, Mbeya, Ruvuma, Rukwa and Songwe)
- Western Zone (Singida, Katavi, Tabora and Kigoma)

The role of the Zonal office is to realize CSSC's decentralized structure and allow close support to CSSC's member institutions. It is implementing headquarters' efforts at Zonal level as follows:

- To coordinate between CSSC HQ and stakeholders (Diocesan Senior Leadership, Regional/Local Government and NGOs) on community social services (Education and Health);
- To advocate for the functionality of social institutions and cooperate with stakeholders on awareness regarding health and education service delivery to communities;
- To lobby for inclusion of FBOs in the Government supported Comprehensive Council plans;
- To advocate for Public Private Partnerships (PPPs) in the various available fora;
- To conduct a forum for church leaders (Ecumenism) to share experience, e.g. on

- addressing the sector Policy Reform on social services;
- To promote CSSC as an instrument of deliberating church's social services as related to social political changes and contribute to its sustainability;
- To advocate for equitable and affordable quality health and education services;
- To monitor the implementation of issues raised from the zonal policy forum (ZPF), CSSC HQ or other relevant partners; and
- To organize capacity building sessions to health and education service providers.

4.0 Key Definitions

Risk is the likelihood is the likelihood that a harmful consequence (death, injury or illness) might result when exposed to a hazard.

Risk Profile is the threats to which an organization is exposed

Likelihood is a qualitative description of probability or frequency.

Consequence is the outcome of an event, being a loss, injury, disadvantage or gain. There may be a range of possible outcomes associated with an event.

Risk control means taking action to eliminate risks so far as is reasonably practicable and if that is not possible, minimizing the risks so far as is reasonably practicable.

Risk Assessment is the process of evaluating and comparing the level of risk against predetermined acceptable levels of risk.

Risk Management is the application of a management system to risk and includes identification, analysis, treatment and monitoring.

Risk Owner is the person(s) responsible for managing risks and is usually the person directly responsible for the strategy, activity or function that relates to the risk.

Risk Register is a tool in risk management and project management.

Root cause is the underlying reasons that tells us why a risk or issue occurs.

5.0 Policy statement

CSSC is committed to embedding risk management to create and maintain an environment that enables organization to achieve its mission and objectives. To meet this commitment, risk management is every employee's responsibility. All employees are required to be competent and accountable for adequately managing risk within their area of responsibility.

Risk management can be applied at many levels in an organization. It can be applied at a strategic level and operational level. It may be applied to specific projects, to assist with specific decisions or to manage specific recognized risk areas.

Risks shall be effectively managed by CSSC through the effective implementation of various controls, which include:

- Board of Trustees' approved risk management Policy framework;
- Documented policies, guidelines and or procedures;
- Maintenance of registers;
- Implementation of risk-based systems and processes;

- Ongoing monitoring of regulatory obligations;
- Checklists to guide activities and project plans to record actions; and
- Internal and external reporting.

6.0 Risk management process

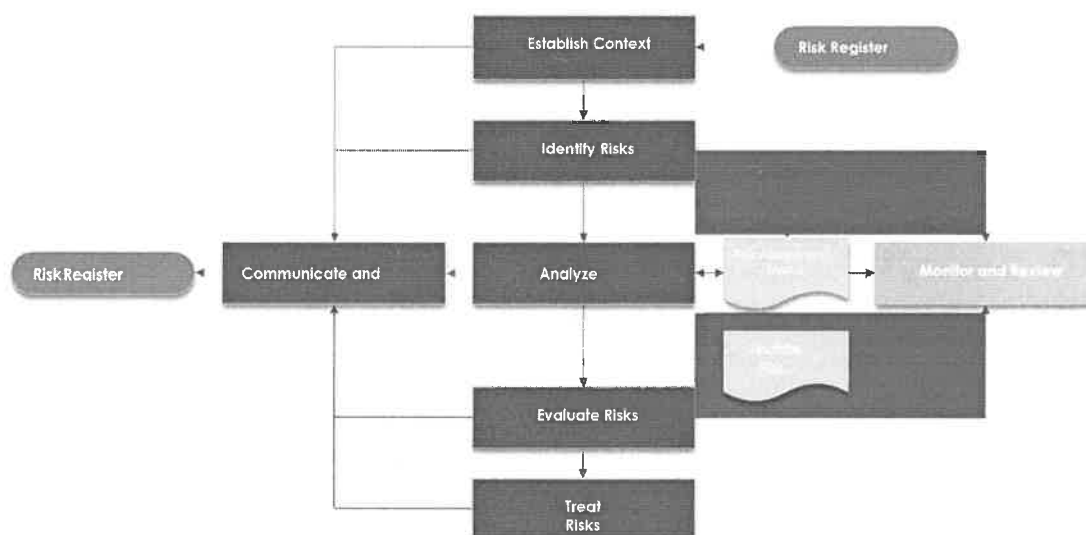
The risk management system is dynamic and is designed to adapt to CSSC's developments and any changes in the risk profile over time. Compliance measures are used as a tool to address identified risks.

The risk management system is based on a structured and systemic process which considers CSSC's internal and external risks.

The main elements of the risk management process are as follows:

- **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.
- **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.
- **Identify risks** – identify where, when, why and how events could prevent, degrade, delay or enhance the achievement of CSSC's objectives.
- **Record risks** – document the risks that have been identified in the risk register.
- **Analyze risks** – identify and evaluate existing controls. Determine consequences and likelihood and hence the level of risk by analyzing the range of potential consequences and how these could occur.
- **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.
- **Treat risks** – develop and implement specific cost-effective strategies and action plans for increasing potential benefits and reducing potential costs.
- **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.

Summary of procedure



7.0 Risk Management methodology

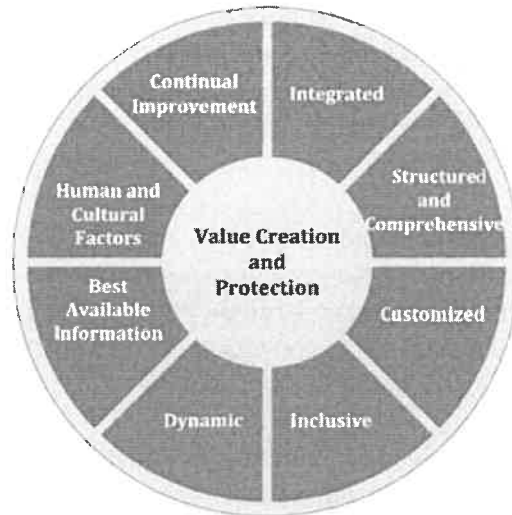
The methodology adopted by CSSC for managing and treating its risks can be defined as follows:

1. Document a risk management framework (i.e. the context)
2. Identify the general activities involved in running the operation (i.e. risk categories)
3. Identify the risks involved in undertaking the specific operation activity by asking the questions:
 - a) What could happen?
 - b) How and why could it happen?
4. Rate the likelihood of the operation activity not being properly performed. Likelihood is assessed to the assumption that there are no existing risk management and compliance processes in place. It is assessed as either **Almost Certain, Likely, Possible, Unlikely** and **Rare**.
5. Rate the consequence of not properly performing the business activity - damage can be quantified in terms of financial loss and reputation. It is assessed as **Catastrophic, Major, Severe, Serious** and **Minor**.
6. Assign the inherent risk rating based on a combination of the risk rating. Low and medium risks may be considered acceptable and therefore minimal further work on these risks may be required. The rating may be assessed as **Critical, High, Significant, Medium** and **Low**.
7. Decide whether a control (eg policy, procedure, checklist, reporting mechanism or account reconciliation) is necessary given the level of risk, based on likelihood and consequences and if so, identify control.
8. Assess whether the existing controls are adequate and allocate the responsibility of monitoring the control to treat the risk. This will integrate risk management and compliance to daily activities and facilitate appropriate control of operational risk.
9. Raise awareness about managing risks across the organization through communicating the policy and responsibilities.
10. Routinely monitor and review ongoing risks so can risk can be effectively managed
The Risk Assessment Matrix and Risk Register format attached.

8.0 Principles of Risk Management

The purpose of risk management is the creation and protection of value. It improves performance, encourages innovation, and supports the achievement of objectives.

The principles outlined below provide guidance on the characteristics of effective and efficient risk management, communicating its value and explaining its intention and purpose. The principles are the foundation for managing risk and have been considered when establishing the organization's risk management framework and processes. These principles enable CSSC to manage the effects of uncertainty on its objectives.



For risk management to be effective, CSSC comply with the principles below at all levels:

- a) Risk management creates and protects value.
Risk management contributes to the demonstrable achievement of objectives and improvement of performance in, for example, human health and safety, security, legal and regulatory compliance, public acceptance, environmental protection, project management, efficiency in operations, governance and reputation.
- b) Risk management is an integral part of all CSSC processes.
Risk management is not a stand-alone activity that is separate from the main activities and processes of the organization. Risk management is part of the responsibilities of management and an integral part of all organizational processes, including strategic planning and all project and change management processes.
- c) Risk management is part of decision making.
Risk management helps decision makers make informed choices, prioritize actions, and distinguish among alternative courses of action.
- d) Risk management explicitly addresses uncertainty.
Risk management explicitly takes account of uncertainty, the nature of that uncertainty, and how it can be addressed.
- e) Risk management is systematic, structured, and timely.
A systematic, timely and structured approach to risk management contributes to efficiency and to consistent, comparable, and reliable results.

- f) Risk management is based on the best available information.
The inputs to the process of managing risk are based on information sources such as historical data, experience, stakeholder feedback, observation, forecasts, and expert judgement. However, decision makers should inform themselves of, and should consider, any limitations of the data or modelling used or the possibility of divergence among experts.
- g) Risk management is tailored.
Risk management is aligned with the organization's external and internal context and risk profile.
- h) Risk management takes human and cultural factors into account.
Risk management recognizes the capabilities, perceptions and intentions of external and internal people that can facilitate or hinder achievement of the organization's objectives.
- i) Risk management is transparent and inclusive.
Appropriate and timely involvement of stakeholders and, in particular, decision makers at all levels of the organization, ensures that risk management remains relevant and up to date. Involvement also allows stakeholders to be properly represented and to have their views considered in determining risk criteria
- j) Risk management is dynamic, iterative, and responsive to change.
Risk management continually senses and responds to change. As external and internal events occur, context and knowledge change, monitoring and review of risks take place, new risks emerge, some change, and others disappear.
- k) Risk management facilitates continual improvement of the organization.
Organizations should develop and implement strategies to improve their risk management maturity alongside all other aspects of their organization.

9.0 Risk Profile

CSSC's risks may come from any internal or external event which, if it occurs, may affect the ability to operate efficiently and effectively:

- **Internal risks** – those risks that specifically relate to CSSC's operation itself and as such as generally within its control.
- **External risks** – those risks that are outside the control of CSSC. They include risks such as operating environment conditions, fund raising digital disruption, cyber-security, privacy and data breaches, sustainability, climate change and legislative change.

CSSC categories risks in the following categories;

Category	Details
Financial Risk	Possibility of events occurring that will cause financial loss to CSSC.
Compliance Risk	Possibility of events occurring that will cause organization failure to comply with donor agreement and Laws and regulations
Strategic Risk	Possibility of events occurring that will hinder overall organizational /unit/project goals and objectives from being achieved
Operational Risk	Possibility of events occurring that will cause organization /unit/project failure to meet operational objectives and not doing so efficiently.
Reputation risk	Possibility of events occurring that will cause distortion of CSSC image and bring negative perception of NGO's

10.0 Risk Register

A risk register, sometimes known as a risk log, is an important component of the overall risk management framework. A risk register is used to identify, assess, and manage risks down to acceptable levels through a review and updating process.

The purpose of a risk register is to record the details of all risks identified along with their analysis and plans for how those risks will be treated.

The Organization risk register will be maintained and updated periodically by the Internal Auditor or Human Resource and Operation Manager and reviewed by Senior Management Team in quarterly basis. It is the responsibility of the Internal Auditor or Human Resource and Operation Manager to ensure that the risk register is updated whenever necessary.

11.0 Roles and Responsibilities

General responsibilities

Risk management processes should be integrated with other planning processes and management activities.

Where there is legislation in place for the management of specific risks (such as Occupational Health and Safety) this Risk Management policy does not relieve CSSC of its responsibility to comply with that legislation.

Managers are accountable for strategic risk management within areas under their control, including the promotion and training of the risk management process to staff.

Specific responsibilities

A person can have more than one duty and more than one person can have the same duty at the same time.

Position	Delegation/Tasks
Board of Trustees	▪ Exercise due diligence to ensure that CSSC complies with the Risk Management Policy. This includes taking reasonable steps to: - Gain an understanding of the hazards and risks associated with the operations of CSSC, and - Ensure that CSSC has and uses appropriate resources and processes to eliminate or minimize risks to health and safety.
Management	Executive Director ▪ Establish and implement risk management systems for all functions and activities of CSSC. ▪ Ensure, implementation of the strategy, ensuring appropriate resources are made available on a priority basis. ▪ Reporting to the Board of Trustees on compliance with this policy; ▪ Ensure development, implementing and monitoring of systems, management of policies and procedures relevant to the operation, including facilitating regular review of the policy. ▪ Ensure implementation of the risk management plans and proper remedial action is undertaken to redress areas of weakness. Senior Management Team ▪ Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. ▪ Management is responsible to develop and provision of risk management awareness and training throughout the organization.
Risk Owner	▪ Ensure daily that the relevant operational procedures and controls implemented to treat each risk area are adequate and effective. ▪ Report inadequate and ineffective control or procedure in treating the risk and recommendation for an alternative risk treatment.
Staff	▪ Compliance with Risk Management Policy. ▪ Contribute to the establishment and implementation of risk management systems for all functions and activities of CSSC. This extends to recommending suitable plans to manage risks and obtaining appropriate approval prior to action. ▪ Every CSSC staff member is responsible for effective management of risk including the identification of potential risks.

Position	Delegation/Tasks
	Ensuring management is aware of risk associated with CSSC's operations.
Internal Auditor	Core roles - Giving assurance on the risk management processes - Giving assurance that risks are correctly evaluated - Evaluating risk management processes - Evaluating the reporting of key risks - Reviewing Management of key risks Safeguarding roles - Facilitation identification and evaluation of risks - Coaching management in responding to risks - Coordinating Risk management activities - Consolidating reporting on risks - Maintaining and developing the risk framework - Championing establishment of risk management - Developing risk management strategy for Board Approval Consulting roles The consulting roles that internal auditing may undertake in relation to Risk Management; - Making available to management tools and techniques used by internal auditing to analyze risks and controls; - Being a champion for introducing Risk Management into the organization, leveraging its expertise in risk management and control and its overall knowledge of the organization; - Providing advice, facilitating workshops, coaching the organization on risk and control and promoting the development of a common language, framework and understanding; - Acting as the central point for coordinating, monitoring and reporting on risks; and - Supporting managers as they work to identify the best way to mitigate a risk.

12.0 Risk Assessment Matrix and Risk Register

12.1 Risk Consequence Severity

Consequence Type	Minor	Serious	Severe	Major	Catastrophic
Financial Loss	< Tshs 5m	Tshs 5m-20m	Tshs 20m-100m	>Tshs100m	Threatens viability of Organization
Reputation Loss	To Department	To District Office	To Regional office	To Zonal office	To all the offices and Headquarter

12.2 Likelihood Probability & Frequency

Likelihood Rating	Description	Probability
Almost Certain	Known to happen often	> 95%
Likely	Could easily happen	50% - 95%
Possible	Could happen & has occurred before	15% - 50%
Unlikely	Hasn't happened yet but could	5% - 15%
Rare	Conceivable, but only in extreme circumstances	> 5%

12.3 Control Effectiveness

Control Effectiveness	Description
Effective	The control design meets the control objective, and the control is operating the majority of the time
Partially Effective	The control design mostly meets the control objective and/or the control is normally operational but occasionally is not applied when it should be, or not as intended
Ineffective	The control design does not meet the control objective and/or the control is not applied or is applied

12.4 Risk Assessment Matrix

LIKELIHOOD	Likelihood Rating					CONSEQUENCE				
	Minor		Serious		Severe	Major		Catastrophic		
	Medium		High		Critical	Critical		Critical		
	Medium		Significant		High	Critical		Critical		
	Medium		Medium		Significant	High		Critical		
	Low		Low		Medium	Significant		Critical		
	Low		Low		Medium	Medium		High		

12.5 Risk Assessment Matrix Definitions

Critical	Extreme risk - detailed research and management planning required at senior levels
High	High risk- immediate senior management attention needed
Significant	Significant risk - Senior management attention needed
Medium	Moderate risk - Management responsibility must be specified
Low	Low risk - Manage by routine procedures

