



RISK MANAGEMENT POLICY



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LEGAL FRAMEWORK

The Trust is prone to inherent charitable activity risks. This document is intended to formalize a risk management policy, the objective of which shall be identification, evaluation, monitoring and minimization of identifiable risks.

The Trust is required to lay down policy which includes the procedure for risk assessment and risk minimization. The Board of Trustees of the Trust shall periodically review and evaluate the risk management system of the Trust so that the management controls the risks through properly defined network.

KEY DEFINITIONS

Sr. No.	Term	Definition
1.	Organisation/ Trust	Prashanthi Balamandira Trust (in Short PBT)
2.	Board of Trustees	The Board of Trustees of PBT
3.	Risk	Risk is an event which can prevent, hinder and fail to further or otherwise obstruct the Trust in achieving its objectives. 'Risk' in literal terms can be defined as the effect of uncertainty on the objectives. Risk is measured in terms of its impact and probability of occurrence. Risks can be internal and external and are inherent in all administrative and charitable activities. Every member of any organisation continuously manages various types of risks.

INTRODUCTION

Risk Management is a key aspect of the "Trust Governance Principles and Code of Conduct" which aims to improvise the governance practices across the Trust's activities. Risk management aims at anticipating risks and helps an organization to make more efficient use of resources, increase performance and minimize harm of staff, its beneficiaries and communities it serves. Responding to risk is intended to help an organization achieve its objectives. Risk management is integral to all aspects of the organization including strategic planning, decision-making, operational planning and resource allocation. Risk management policy and processes will enable the Organisation to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts.

Head of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board of Trustees.

APPLICABILITY

The Applicability of the Policy shall cover:

- All functions and departments and all employees and associates of PBT across all offices and locations.
- All Programs of PBT.
- All events, both external and internal which shall have an impact on the objectives of the organization.



OBJECTIVE & PURPOSE OF POLICY

The main objective of this policy is to ensure sustainable charitable activity growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the charitable activity. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

THE SPECIFIC OBJECTIVES OF THE RISK MANAGEMENT POLICY ARE

1. To ensure that all the current and future material risk exposures of the Organisation are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e., to ensure adequate systems for risk management.
2. To establish a framework for the organisation's risk management process and to ensure its implementation.
3. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
4. To act as an Early Warning System in identification of risks which could hamper the success of PBT's vision and mission.
5. To ensure organisation is protected from adverse incidents, reduces its exposures to loss, and mitigates and controls loss should it occur.
6. To optimize resource allocation by allocating resources more effectively to risk-mitigation efforts.
7. To improve decision-making by considering risk factors and potential impacts.

ROLE OF THE BOARD OF TRUSTEES

The Board of Trustees will undertake the following actions to ensure risk is managed appropriately

1. The Board of Trustees shall be responsible for framing, implementing and monitoring the risk management plan for the Trust.
2. Ensure that the appropriate systems for risk management are in place
3. Ensure that the Risk Management Policy is being followed and effectively contributing to early identification of risks and proper mitigation process;
4. Participate in major decisions affecting the organization's risk profile;
5. Have an awareness of and continually monitor the management of strategic risks;
6. Be satisfied that processes and controls are in place for managing less significant risks;
7. Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly;
8. Ensure risk management is integrated into annual reporting mechanisms;
9. To review and approve list of risk identified, risk treatment and control mechanism.

REVIEW

The policy shall be reviewed by the Board of Trustees from time to time as may be necessary.