RISK MANAGEMENT POLICY

@ 2025

ADS Eastern

Secure Livelihoods

ANGLICAN DEVELOPMENT SERVICES EASTERN (ADSE)
RISK MANAGEMENT POLICY, 2025

1. Introduction

Anglican Development Services Eastern (ADSE) operates in some of Kenya's most fragile and vulnerable environments - namely the arid and semi-arid counties of Machakos, Kitui, Makueni, Garissa, Wajir, and Mandera. These regions are exposed to a range of socioeconomic, climatic, institutional, and security-related risks that threaten the effective implementation of ADSE's mandate. As outlined in the 2026–2030 Strategic Plan, ADSE is committed to empowering communities to achieve secure and sustainable livelihoods through participatory approaches, guided by Christian values.

To safeguard this mission and enhance organizational resilience, ADSE recognizes the need for a robust and proactive risk management framework. This Risk Management Policy provides the foundation for a structured, consistent, and comprehensive approach to identifying, assessing, mitigating, and monitoring risks across all programmatic and operational areas.

2. Purpose and Objectives

The purpose of this policy is to institutionalize risk management as an integral part of ADSE's strategic and operational planning, decision-making, and performance management. It ensures that risks are systematically managed in a manner that supports the achievement of organizational goals while protecting the interests of stakeholders, communities, and staff.

Objectives of the Risk Management Policy are to:

i. Embed risk management into ADSE's culture, policies, and practices.
ii. Identify and assess risks that may affect the achievement of strategic objectives.
iii. Implement proactive measures to mitigate, control, or avoid adverse impacts.
iv. Enhance accountability, transparency, and informed decision-making.
v. Promote sustainability, operational continuity, and donor confidence.
vi. Comply with relevant legal, regulatory, and donor requirements.

3. Scope

This policy applies to all ADSE programs, projects, departments, staff, volunteers, and partners across all counties of operation. It covers strategic, financial, operational, environmental, reputational, legal, and security-related risks, both internal and external.

4. Guiding Principles

ADSE's approach to risk management shall be guided by the following principles:

i. **Integration:** Risk management shall be embedded in all planning, budgeting, implementation, and reporting processes.

ii. **Proactivity:** Risks shall be identified early, assessed regularly, and addressed in a timely manner.

iii. **Participation:** All staff and stakeholders have a role in identifying and managing risk.

iv. **Evidence-based Decision-making:** Risk responses shall be guided by data, experience, and practical scenarios.

v. **Accountability:** Clear roles and responsibilities shall be assigned for risk ownership and reporting.

vi. **Adaptability:** Risk management shall remain responsive to changing internal and external environments.

5. Risk Management Process

ADSE shall adopt a structured process comprising the following steps:

1. **Risk Identification:** Departments and field teams shall identify potential risks using tools such as SWOT, PESTELED, PVCA, and stakeholder consultations.
2. **Risk Assessment:** Each identified risk shall be rated for likelihood and impact using a standardized risk matrix.
3. **Risk Prioritization:** Risks shall be ranked (Low, Moderate, High, Extreme) and appropriate mitigation strategies identified.
4. **Risk Response Planning:** Mitigation measures, risk owners, timelines, and resources shall be determined.
5. **Implementation of Mitigation Measures:** Action plans shall be integrated into program workplans.
6. **Monitoring and Review:** Risks shall be reviewed periodically, and the risk register updated accordingly.

6. Roles and Responsibilities

Effective risk management is a shared responsibility across all levels of the organization.

i. **Board of Trustees:** Provides strategic oversight and ensures that risk management is integrated into ADSE's governance framework.

ii. **Board of Directors:** Reviews organizational risk registers, ensures implementation of this policy, and provides policy direction.

iii. **Chief Executive Officer (CEO):** Responsible for the implementation of risk management systems and integrating risk planning into organizational strategy and budgeting.

iv. **Risk Management Focal Person (or Committee):** Coordinates risk identification and monitoring processes across departments and projects, maintains the organizational risk register, and provides technical guidance.

v. **Program Managers/Department Heads:** Responsible for identifying, analyzing, and reporting risks within their areas; implementing mitigation measures; and reporting risk events or changes.

vi. **All Staff and Volunteers:** Expected to be risk-aware, actively report potential risks, and adhere to internal control measures and ethical standards.

vii. **Partners and Sub-grantees:** Shall be sensitized on ADSE's risk policy and expected to adhere to agreed-upon risk management protocols.

7. Risk Categories Covered

ADSE recognizes the following broad categories of risk, based on the strategic context:

i. **Strategic Risks:** Related to failure to achieve organizational objectives.

ii. **Programmatic:** Related to design, planning and implementation of programmes

iii. **Operational Risks:** Arising from processes, systems, people, or external disruptions.

iv. **Financial Risks:** Including funding gaps, misappropriation, or inflation shocks.

v. **Compliance Risks:** Related to breaches in legal, regulatory, or donor obligations.

vi. **Security and Safety Risks:** Including terrorism, conflict, or staff exposure in insecure zones.

vii. **Environmental Risks:** Related to drought, floods, and climate change impacts.

viii. **Political and Social Risks:** Related to disruptions, community, cultural, safeguarding effects.

ix. **Reputational Risks:** Arising from stakeholder dissatisfaction or ethical breaches.

8. Monitoring, Evaluation, and Review

Risk management performance shall be monitored on a continuous basis and formally reviewed quarterly and annually:

i. **Quarterly Risk Reviews:** Each department and project shall review its risks, update its risk log, and report mitigation progress.

ii. **Annual Review:** The CEO shall lead a comprehensive review of the risk management framework, informed by field data and audit findings.

iii. **Audit and Compliance:** Internal and external audits shall assess risk compliance, controls, and make recommendations.

iv. **Policy Review:** This policy shall be reviewed every three (3) years or upon significant changes in the risk landscape or organizational strategy.

9. Communication and Capacity Building

i. The policy shall be disseminated to all staff and integrated into onboarding and induction programs.

ii. ADSE shall conduct regular training sessions and learning forums to build risk literacy among staff and partners.

iii. Risk awareness campaigns shall be embedded into programmatic engagements with communities to enhance local preparedness.

This Risk Management Policy reaffirms ADSE's commitment to operational excellence, accountability, and organizational resilience. By embedding proactive risk management across its systems and structures, ADSE aims to not only safeguard its mission but also enhance the long-term impact of its work among Kenya's most vulnerable communities

10. Review of this policy

ADSE will undertake a review and update of the risk management policy, drawing on practice and lessons learned, as well as other relevant reviews and findings, three years after its entry into force.

SIGNATURE PAGE
ANGLICAN DEVELOPMENT SERVICES EASTERN
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	21st June 2024
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BOARD CHAIRMAN	**DATE**
	21st June 2024
………………………………………	………………………………………
CHIEF EXECUTIVE OFFICER	**DATE**