

Risk Management Policy



Implemented July 2025 | Version 1.1

I. Purpose

The purpose of the risk management policy is to provide guidance regarding the management of risk to support the achievement of corporate objectives, protect staff and business assets, and ensure financial sustainability.

II. Scope

This policy applies to all YEÇED activities. It forms part of YEÇED's governance framework and is applied to all employees, contractors, and volunteers.

III. Policy Statement

YEÇED is committed to embedding a culture of risk awareness and responsible risk-taking that supports informed decision-making, organizational resilience, and effective service delivery. All risks, including operational, financial, reputational, legal, safeguarding, and strategic risks, must be identified, assessed, documented, and managed appropriately.

IV. Risk Management Principles

Proactivity: Risks should be identified and managed before they escalate.

Integration: Risk management is part of all planning, decision-making, and review processes.

Transparency: All relevant stakeholders must be informed of significant risks and mitigation measures.

Accountability: Clear roles and responsibilities must be assigned for identifying and managing risks.

Continuous Improvement: Risk management practices must be regularly reviewed and improved.

V. Risk Appetite and Tolerance

- YEÇED defines its **risk appetite** as the level and type of risk it is willing to accept in pursuit of its mission. Low to moderate risk levels may be accepted when appropriate mitigation is in place. Risks assessed as **high** or **critical** must be escalated to senior leadership within 48 hours for urgent review and response. No tolerance exists for safeguarding violations or legal non-compliance.
- YEÇED maintains an institutional Risk Register that is updated regularly to reflect emerging risks and track mitigation efforts.

VI. Risk Governance

All employees, volunteers, and stakeholders are encouraged to familiarize themselves with this Code of Conduct and to seek guidance or clarification when needed. YECED is committed to maintaining an ethical work environment, and it is the responsibility of every member to uphold these standards. This Code will be reviewed annually to ensure its continued relevance and effectiveness.

Role	Responsibility
Board	Provides policy, oversight and review of risk management.
Chair of the Board	Drives risk management culture and signs off on the annual risk attestation.
Program Managers	Ensure their units comply with this policy and foster a culture where risks are identified and escalated.
Staff and Contractors	Comply with risk management procedures and report potential risks.

VII. Integration with Strategic and Program Planning

Risk management is embedded into YEÇED's **strategic planning, project cycle management, and monitoring and evaluation (M&E)** systems. All new programs and projects must complete a risk assessment as part of their design and implementation process.

VIII. Risk Management Process

Identify Risks: Through planning meetings, stakeholder consultations, and incident reports.

Assess Risks: Evaluate likelihood and impact.

Treat Risks: Decide whether to avoid, reduce, transfer, or accept the risk.

Monitor and Review: Regularly review risks, controls, and mitigation plans.

Report: Document and report risks through internal systems and escalate high/critical risks.

IX. Escalation Protocol

All staff and managers are responsible for escalating serious or emerging risks.

Moderate risks: Managed at the department or project level.

High and critical risks: Must be reported to the Chair of the Board within 48 hours.

Safeguarding or legal risks: Must be escalated immediately and trigger incident response procedures.

X. Project-Based Risk Template

YEÇED utilizes a standardized Project Risk Assessment Template for each project during the planning and implementation phases. This template includes:

Ref, Risk Classification, Risk Description, Location, Impact, Likelihood, Risk Score, Risk Profile, Control Strategy, Existing Controls, Planned Controls, Risk Owner, Current Impact, Current Likelihood, Current Risk, Current Risk Profile.

XI. Risk Categories

YEÇED's risk assessments consider internal and external contextual factors such as political instability, regulatory changes, and donor-related uncertainties.

YEÇED considers the following types of risks:

- Strategic and reputational risks
- Operational and programmatic risks
- Financial and compliance risks
- Legal and regulatory risks
- Safeguarding and protection risks
- Environmental and safety risks
- Data protection and cybersecurity risks

XII. Incident and Crisis Response Link

If a risk materializes into a significant incident or crisis, YEÇED activates its **Incident Management Procedures**. This ensures coordinated action to minimize harm and protect stakeholders. The Emergency Response Focal Point coordinates immediate actions with support from senior management.

XIII. Monitoring and Review

This policy is reviewed annually by the Risk Manager and approved by the Board to ensure it remains current, compliant with legal requirements, and aligned with donor and UN standards.

Children of Earth Association

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