



SPREP
Secretariat of the Pacific Regional
Environment Programme



Risk Management Policy



October 2021





I hereby approve the SPREP Risk Management Policy

This policy will strengthen the administration and management of the secretariat in fulfillment of Key Requirement 4 of the SPREP Governance Policy

Date: 3/11/2021

Kosi Latu
Director General

This table tracks all revisions and updates to this policy from time to time. It attempts to capture the date of when the policy has been reviewed and updated together with the official designation and signature of the Director General or proxy for approval. A summary of the changes that are made to this policy should be provided in a separate form and attached as an "Addendum".

Policy Reviewed and Updated			
Date	Designation	Signature	Addendum Number
Dec 2016			
October 2021			

Related Policies, Strategies and Guidelines:

- Governance Policy <https://pmis.sprep.org/node/7674>
- SPREP Strategic Plan 2017-2026 <https://www.sprep.org/attachments/Publications/Corporate Documents/strategic-plan-2017-2026.pdf>
- PIP 2021-2022 <https://www.sprep.org/sites/default/files/29-SPREP-Meeting/New/Eng/WP%2011.1 Att.2%20-%20Draft%20PIP%202020-2021.pdf>
- Risk Management Manual <https://pmis.sprep.org/node/7674>
- HR Policies (\\files.sprep.org\alfresco\Sites\hr\documentLibrary\Public\HR Policies) and Staff Regulations (\\files.sprep.org\alfresco\Sites\hr\documentLibrary\Public\Staff Regulations)

THE SPREP Risk Management Policy

1. SPREP Risk Management Policy Statement

Risk management is an integral component of on-going corporate governance and decision-making to improve resilience, accountability, and the achievement of strategic objectives.

2. Objective

To establish and maintain an effective and structured approach to risk management ensuring that all risks which could affect the achievement of SPREP's strategic objectives are identified, mitigated, and managed.

3. Principles

The international Standard for risk management, ISO 31000:2018, outlined eight principles to guide effective and efficient risk management. These principles are foundation of managing risks and should be:

a. Integrated

Risk management is an integral part of all organisational activities.

b. Structured and comprehensive

A structured and comprehensive approach to risk management contributes to consistent and comparable results.

c. Customised

The risk management framework and process are customised and proportionate to the organisation's external and internal context related to its objectives.

d. Inclusive

Appropriate and timely involvement of stakeholders enables their knowledge, views, and perceptions to be considered. This result is improved awareness and informed risk management.

e. Dynamic

Risks can emerge, change, or disappear as an organisation's external and internal on next changes. Risk management anticipates, detects, acknowledges, and responds to these changes and events in an appropriate and timely manner.

f. Best available information

The inputs of risk management are based on historical and current information, as well as on future expectations, Risk management explicitly considers any limitations and uncertainties associated with such information and expectations. Information should be timely, clear, and available to stakeholders.

- g. Human and cultural factors
Human behaviour and culture significantly influence all aspects of risk management at each level and stage.
- h. Continual improvement
Risk management is continually improved through learning and experience.

4. Definition of risk management

For this policy, 'risk' is the possibility of an event occurring that would threaten or limit SPREP's ability to achieve its objectives. This includes achieving its objectives in an economic and timely manner within the requirements of environmental and social safeguards. An EVENT is an occurrence or change of a particular circumstance (ISO 31000:2018). An event can have one or more occurrences and can have several causes and several consequences. An event can also be expected which does not happen, or something that is not expected which does happen. An event can be a risk source.

Risk management is the continuing process of:

- Identifying the risks of not reaching set objectives
- Estimating the likelihood and possible consequences of risks
- Identifying response actions
- Monitoring the implementation of mitigating measures and risk reduction targets
- Reporting on management of risk responses.

Risks can be classified as strategic, political, reputational, operational, project, and programme related, environmental, organisational, financial, and compliance in nature.

Three contexts of risk management need to be distinguished for this Policy.

- i) Enterprise Risks which have an organization wide impact. These are of interest to senior management:
 - Enterprise Risks are recorded in the Enterprise Risk Register (ERR) and entered by risk owners.
 - Priority Enterprise Risks are selected and agreed to by the Senior Leadership Team (SLT) from the Enterprise Risks and are recorded in an Enterprise Risk Management Plan (ERMP) and implementation of which is overseen by SLT. These are of interest to SPREP Members and are to be reported to SPREP Governance meetings annually along with progress updates on response measures.
- ii) Programme and Departmental Risks are risks that that could affect the achievements of specific administrative and organisational objectives and outcomes of Programmes, Departments, and work units within the organisation. Identifying, managing, and entering these risks into the ERR is the responsibility of SPREP Directors and are to be reported by them to the monthly SMT meetings.
- iii) Project risks. All projects being developed, implemented, or executed by SPREP will be assessed for risks at the project level, either according to specified donor process requirements or via SPREP's Risk Management Framework (RMF).

5. Risk Management Framework (RMF)

The implementation of this policy is guided by the RMF which is a key component of the Risk Management Manual. The RMF is inspired by the International Standard on Risk Management - Principles and Guidelines (ISO31000), consistent with international best practice and generally harmonised with SPREP's key donors' requirements. The RMF:

- applies a consistent, structured approach to identifying and managing risk
- supports the achievement of the SPREP's strategic and operational goals by managing risks that may otherwise impede success
- encourages an open and transparent culture where risks and management options are discussed, and management measures supported
- enables better decisions at all levels
- encourages better understanding of the risk environment within which the SPREP operates
- ensures implementation of the SPREP Risk Management Policy and that the expectations of SPREP Governing Bodies, Members, and donors that critical risks are being identified and managed effectively.

6. Roles, Responsibilities and Accountabilities

All staff are responsible for the implementation of this Policy to ensure that effective risk management practices are applied. More specifically:

- Programme and Departmental staff are responsible to assess risks in their areas of responsibility and for keeping Directors and Managers informed.
- Project¹ Managers and associated Teams and are responsible for identifying and managing project risks as an integral part of the project cycle.
- Risk Owners are responsible for managing risk and accountable for the implementation of risk response plans and other operational actions identified in the Enterprise Risk Register. Risk Owners should ensure that Directors and Managers are aware of the level and nature of risks identified, consulted on planned management responses, and updated on on-going monitoring.
- Directors, Managers and Heads of Units are responsible for:
 - their programme or department's risk management performance, including the implementation of, and adequate resourcing for management responses.
 - monthly reporting to SLT on emerging project risks and any Programme/Departmental level risks.
 - are responsible for ensuring and facilitating an effective risk management process throughout SPREP.
- The Monitoring and Evaluation Adviser (MEA) is responsible for appraising risk entries in the Enterprise Risk Register and updates and assessing the effectiveness and efficiency of response plans finalised by the Risk Owner.

¹ The term project in this section also includes programme.

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- Senior Leadership Team (SLT) is responsible for maintaining, implementing, and monitoring of the Enterprise Risk Management Plans. A detailed schedule of reporting is provided in the Enterprise Risk Management Plan.
- The Director General and the Deputy Director General for Governance and Operations are accountable for:
 - ensuring that risk management is mainstreamed into all SPREP's corporate activities.
 - ensuring that there are adequate risk management systems in place for each of the three forms of risk and
 - reporting on the effectiveness of risk management by the Secretariat to SPREP governing body meetings supported by the Risk Committee.

- Risk Committee

Its purpose is to ensure that risks which may prevent SPREP from reaching its strategic and operational objectives are known and managed at an appropriate level. The Terms of Reference for the Risk Committee are in the Risk Manual.

The Risk Committee is responsible for:

- oversight and monitoring of the Enterprise Risk Register.
- monthly reporting to the Senior Leadership Team.
- recommending enterprise risks rated higher than medium to SLT for consideration as priority enterprise risks.
- implementation of the current Strategic Risk Management Plan.
- overview and review of the Risk Management Policy and Risk Manual.
- annual reporting to the Senior Leadership Team.

- The Audit Committee

The Audit Committee is responsible for independent advice to the Senior Leadership Team and governing body meetings on risk management performance by the Secretariat.

- The Risk Management Support Group

The Risk Management Support Group is an Ad-hoc group which comprises of the Internal Auditor and the Monitoring and Evaluation Adviser responsible for coordinating and managing risk management activities including support to the Risk Management Policy, Risk Management Manual, Enterprise Risk Management Plan and providing secretariat support to the Risk Committee under the overall guidance of the DDG-GO.

7. Compliance

Staff as well as organisational compliance with this Policy and the Risk Manual is mandatory. Failure to comply will be subject to consideration under the Staff Regulations 2012.

file:///files.sprep.org/alfresco/Sites/hr/documentLibrary/Public/Staff%20Regulations/Staff%20Regulations_2012_APPROVED.pdf

8. Policy review

This policy shall be reviewed every three years.

End of document

