



MEAGO

RISK  
MANAGEMENT  
POLICY

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2022



## GUIDANCE NOTES

### 2020.02 COMPLAINTS POLICY (v.2)

- A policy is a formal statement of intent that is uniform across the organisation.
- Policies are implemented as high-level building foundations and should reflect the organisation's objectives.
- Policies must be created with the intent to be in place for several years and regularly reviewed with approved changes made as needed.
- Any member of the organisation's Governing Body may authorise the adoption of this policy by signing the Policy Adoption section.
- The contents and format of this document are provided as an example only. It is the responsibility of the user to customise the document to the user's specific needs, circumstances and applicable legislation.
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## 1. INTRODUCTION

- This policy seeks to encourage a 'risk awareness' culture within the organisation whilst embedding risk management into everyday business activities and processes of the organisation.
- This policy further documents the primary responsibilities and accountabilities that have been established throughout the Organisation, and which aims to enhance the Organisation's risk management procedures and practices.
- This policy supports the Organisation's standpoint that effective risk management enables the Organisation to achieve both its long-term and short-term objectives, whilst managing the negative consequences of risk.

## 2. PURPOSE OF A RISK MANAGEMENT POLICY

- The purpose of the risk management policy is to guide the management of risk within the organisation in a manner that supports the achievement of corporate objectives.
- Risk management procedures also play an integral part in protecting both human and business resources, while ensuring financial and environmental sustainability.
- This document therefore outlines the organisation's objectives directing how risk management will be managed and implemented within the organisation.

## 3. DEFINING RISK

### 3.1 Risk

"Risk" may be defined as the measure of the likelihood of something happening that will have an effect on achieving objectives; most importantly, but not exclusively, an adverse effect.

### 3.2 Risk Management

"Risk Management" may be defined as the systematic application of processes and structures that enable an organisation to identify, evaluate, analyse, optimize, monitor, improve or transfer risk while communicating risk and risk decisions to stakeholders.

## 4. OBJECTIVES INFORMING THE RISK MANAGEMENT POLICY

- To provide consistency to business risk management practices throughout the organisation;
- To provide assurance that all key risks within the business are being identified and managed appropriately and to ensure the organisation's members are aware of key business risks;
- To help the organisation maximise existing opportunities;
- To provide important information to support strategic decision making;
- To ensure that effective and appropriate resource allocation decisions are made;
- To help the organisation meet compliance and governance requirements;
- To improve stakeholder confidence in the organisation;
- To reduce the likelihood of injury and illness throughout the organisation and across all activities;
- To ensure risk management is adopted throughout the organisation's management process, reporting processes, its values and culture;
- To ensure the effective management of all risks that threaten to adversely impact the organisation, its customers, stakeholders, people, assets, functions, objectives and operations; and
- To protect the organisation from adverse incidents, both internal and external, to reduce its exposure to loss and to mitigate and control loss should it occur.

## 5. SCOPE

- It is the obligation of the Board, management and staff members to have due regard for possible risk as they carry out their responsibilities on a daily basis, and thereby acknowledging

## **6. ALLOCATION OF RESPONSIBILITIES**

- The governing body is responsible for the governance of risk through formal processes, which include the total system and process of risk management.
- Although the board remains ultimately responsible for the governance of risk, it may delegate this function to a separate risk committee at a later stage.
- Managers within the organisation are also required to apply risk management principles to decision-making processes and to ensure that risks facing their department are avoided, reduced or modified where necessary.
- 'Risk awareness' should be infused at all levels of the organisation, within a wide range of activities, including strategies and decisions, operations, projects management and the delivery of products and services.
- While this policy seeks to establish risk awareness at all levels of the company, managers are required to lead with risk management in mind.
- This policy also applies to all staff members of the Organisation, and Management is tasked with ensuring that the Staff Members in their department are aware of what types of conduct may lead to an increase of risks.

## **7. THE ORGANISATION'S RISK APPETITE**

- The organisation is aware that in order to maintain and enhance the organisation's standing and reputation within the financial services industry, the organisation will, at times, be required to take certain business risks.
- These risks must however, meet the strategic and operational imperatives established through the organisation's annual planning meetings.
- The organisation is not averse to accepting, managing or reducing risk, provided a thorough risk assessment has been carried out and where appropriate, contingency plans and mitigation strategies have been developed.
- In particular, the organisation recognises that in order to achieve its objectives and to capitalise upon opportunities, it will need to accept some level of risk.
- While all risks require appropriate management, risks that have the potential to compromise the health and safety of staff and / or clients require a higher level of thorough evaluation, additional management scrutiny, and must be mitigated as far as reasonably possible.

## **8. RISK GOVERNANCE**

- The organisation's governing body, its employees, volunteers, contractors, suppliers and any other persons acting on behalf of the organisation are required to familiarise themselves with the risk management plan and policy and undertake to comply with the stated processes and procedures.
- The Board is responsible for the effective governance of risks, whilst the Audit and Risk Consultant assists the Board in carrying out their risk management responsibilities.
- Management is responsible for integrating the organisation's approach to risk management into the day-to-day activities of the company.

## **9. NON-COMPLIANCE**

Any form of Non-compliance with this policy is seen as a serious form of misconduct, which may lead to disciplinary action and possible dismissal.