

Initial Risk Evaluation Policy Framework

1. Purpose

This framework establishes the policy and procedures for conducting the initial evaluation of risks within the organization to ensure early identification, assessment, and mitigation of potential threats to operations, assets, and objectives.

2. Scope

This policy applies to all departments, units, and projects across the organization. It covers all types of risks, including strategic, operational, financial, legal, compliance, and reputational risks.

3. Policy Statement

The organization is committed to proactively identifying and evaluating risks at the earliest stage of decision-making. All staff are expected to participate in risk identification and to follow the guidelines established in this framework.

4. Definitions

- **Risk:** The possibility of an event or condition that may negatively impact organizational objectives.
- **Risk Evaluation:** The process of assessing potential risks to determine their likelihood and potential impact.
- **Mitigation:** Actions taken to reduce the probability or impact of a risk event.

5. Roles and Responsibilities

- **Management:** Ensure adherence to the policy and allocate resources for risk evaluation.
- **Risk Officer:** Oversee the risk evaluation process and report findings.
- **All Employees:** Identify and communicate potential risks as part of their duties.

6. Risk Evaluation Process

1. **Risk Identification:** Collect and document potential risks related to organizational activities.
2. **Risk Analysis:** Assess likelihood and impact for each identified risk.
3. **Risk Prioritization:** Rank risks based on their overall risk level and urgency.
4. **Reporting:** Document risk evaluation outcomes for further action.

7. Review and Update

This framework will be reviewed annually or upon significant organizational changes to ensure ongoing effectiveness and relevance.

8. Approval and Implementation

This policy becomes effective upon approval by senior management and must be communicated to all organizational levels.

