



TRINIDAD AND TOBAGO TRANSPARENCY INSTITUTE

A National Chapter of
Transparency International
the global coalition against corruption

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Trinidad and Tobago Transparency Institute (TTTI)

Risk Management Policy

PURPOSE OF THIS POLICY

This risk management policy forms part of TTTI's governance documents. This document comprises a Policy Statement, specification of roles and responsibilities, and an outline of TTTI's risk management processes. The purpose of this policy is to ensure that the risk management processes adopted by TTTI is understood by all Board members and the Secretariat.

DEFINITION OF RISK

In the context of this policy, a risk is defined as the uncertainty of an event or activity which may endanger the likelihood of TTTI achieving its mandate.

GENERAL PRINCIPLES OF RISK MANAGEMENT

Following the International /Organization for Standardization (ISO) guidelines, TTTI adheres to the following 11 principles:

Risk management:

- Creates value
- Is an integral part of organisational processes
- Is part of decision-making
- Explicitly addresses uncertainty
- Is systematic, structured and timely
- Is based on the best available information
- Is tailored
- Takes human and cultural factors into account
- Is transparent and inclusive
- Is dynamic, iterative and responsive to change
- Facilitates continual improvement and enhancement of the organization.



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POLICY STATEMENT

TTTI's general approach to risk is to instil a culture of risk awareness throughout the organisation such that Board members and the Secretariat consider risk as part of their daily activities and decision making. Where there are considered to be significant risks, the Secretariat is required to notify the Chair, Vice-Chair or Secretary of the Board of Directors.

The strategies for managing risk include:

1. Acceptance
2. Contingency
3. Prevention
4. Reduction
5. Transference

TTTI recognises that in pursuit of its mission and vision it may choose to accept an increased degree of risk. It will do so, subject always to ensuring that potential benefits and risks are understood before any course of action is authorised and that reasonable measures to mitigate risk are established. The Institute will try to adopt best practices in the evaluation and cost effective management of risks to which it is exposed in pursuing its strategic objectives.

TTTI's risk appetite is greater in areas where it seeks to achieve its strategic objectives, recognising that change is necessary to deal with the evolving anti-corruption environment.

TTTI will however exercise stringent risk management controls in regards to the protection of the credibility of the organisation.

To assist in **implementing this policy**, TTTI will:

1. Identify, analyse and produce a risk management strategy for those risks which potentially obstruct TTTI from achieving its strategic objectives and which would threaten its ongoing survival;
2. Raise awareness of and integrate risk management into the way in which TTTI is managed;
3. Promote an understanding of the importance and value of risk management;
4. Establish, regularly review and maintain registers of the major risks facing TTTI.



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FRAMEWORK FOR MANAGING RISK

To be successful, risk management is to function within a risk management framework which provides the foundations and organizational arrangements that will embed it throughout the organization.

The framework for managing risk at TTTI involves the following four key elements:

1. The allocation of Roles and Responsibilities;
2. The development of a Risk Criteria;
3. The design of a Process for risk management; and
4. The definition of a Reporting Structure

ROLES & RESPONSIBILITIES

Responsibility for risk management runs throughout TTTI. Clear identification of roles and responsibilities will ensure the successful adoption of risk management and demonstrate that it is embedded in our culture.

The **Board of Directors** has responsibility for determining the strategic direction of the organisation and for ensuring the creation of the environment and structures for risk management to operate effectively. Robust risk management systems and clear accountability arrangements will allow the Board to demonstrate its commitment to good practice.

The **Secretariat** is an integral part of the risk management process, since those who are directly involved in the daily operations of the Institute are concerned about the levels of risk associated and can be best placed to minimise risks to themselves and others. The Secretariat is also responsible for maintaining a safe environment and for notifying the Secretary of any identified risk and must comply with relevant risk management policies and procedures.

RISK CRITERIA

As a prerequisite for the development of the risk management process, TTTI has created criteria for the definition of “probability” and “impact” that will be used in the evaluation of the significance of risk. Based on these two criteria, a risk will be rated as low, medium or high. The criteria reflect the organisation’s values, objectives and resources. The following three tables define how TTTI will assess risk likelihood, impact of a risk coming to pass, and the overall risks rating.



Likelihood Definitions

Descriptor	Rare – 1	Unlikely – 2	Possible – 3	Likely – 4	Almost Certain – 5
Probability	Can't believe this event would happen – will only happen in exceptional circumstances	Not expected to happen, but definite potential exists –unlikely to occur	May occur occasionally, has happened before on occasion – reasonable chance of occurring	Strong possibility that this could occur –likely to occur	This is expected to occur frequently / in most circumstances – more likely to occur than not.

Impact Definitions

	PEOPLE (Any person affected by an Incident: Staff, Managers, Board Members or Members,	RESOURCES (Premises, money, equipment, operations interruption, problems with service provision)	REPUTATION (Adverse publicity, Complaints, Non Compliance with Legal/Statutory Requirements, Litigation)	QUALITY AND PROFESSIONAL STANDARDS (including priorities, targets and organisational objectives)
CATASTROPHIC (5)	Incidents that lead to one or more deaths	Severe organisational wide damage/loss of services /unmet need	Adverse publicity. Investigation following an incident or complaint Criminal prosecution.	Gross failure to meet external standards, contractual deliverables
MAJOR (4)	Permanent physical/emotional injuries/trauma/harm.	Significant damage, loss of property / service / unmet need	National adverse publicity. External investigation or Judicial Review into an incident/complaint. Criminal prosecution /prohibition notice	Repeated failure to meet external standards.
MODERATE (3)	Semi-permanent physical/emotional injuries/trauma/harm (recovery expected within 1 year).	Medium damage, loss of property / service /unmet need	Damage to public relations. Internal investigation (high level), into an incident/complaint. Civil action	Repeated failure to meet internal standards or follow protocols.
MINOR (2)	Shot-term injury/harm Emotional distress. (Recovery expected within days/weeks)	Minimal damage, loss of property / service /unmet need	Minimal risk to organisation. Investigation into an incident/complaint Legal challenge	Single failure to meet internal standards or follow protocol.
INSIGIFICANT (1)	No injury/harm or no intervention required/near miss	No damage or loss, no impact on service, Insignificant unmet need	Minimal risk to organisation, informal complaint	Minor non compliance



Risk Score Definitions

The combination of the risk probability and impact will determine the overall risk rating as follows:

		Consequence				
		Negligible 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
Likelihood	5 Almost certain	Moderate 5	High 10	Extreme 15	Extreme 20	Extreme 25
	4 Likely	Moderate 4	High 8	High 12	Extreme 16	Extreme 20
	3 Possible	Low 3	Moderate 6	High 9	High 12	Extreme 15
	2 Unlikely	Low 2	Moderate 4	Moderate 6	High 8	High 10
	1 Rare	Low 1	Low 2	Low 3	Moderate 4	Moderate 5

RISK REPORTING

Reporting on the risks assessed is essential in order to maintain all parties involved in the management of risks at TTTI informed, and therefore able to act on such information. Risks identified during the process will be recorded in a Risk Register following the format below:

Risk Category	Risk Name	Risk Number	Probability (1-5)	Impact (1-5)	Risk Score	Existing controls	Treatment	Action By	Action When
Financial									



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The Risk Register will be maintained up to date at all times, and form the basis for all reporting on risk management.

Monitoring and Review

Monitoring and review is a planned part of the risk management process. TTTI monitoring and review processes encompass all aspects of the risk management process for the purposes of:

1. Analysing and learning lessons from events, changes and trends;
2. Detecting changes in the external and internal context including changes to the risk itself which can require revision of risk treatments and priorities;
3. Ensuring that the risk control and treatment measures are effective in both design and operation.

Policy review

For continuing adequacy, suitability and relevance, this policy shall be subjected to review and Board approval, annually or as need arises.

Approved by TTTI Board of Directors on February 2nd, 2024

Policy to be reviewed by February 2nd, 2026