

COAST Foundation. Principal Office, Dhaka.

Date: 5 July, 2024

Risk Management Policy

Introduction:

The Risk Assessment policy aims to establish a comprehensive framework for identifying, assessing, and managing the organization's potential risk. This policy seeks to ensure that the organization can anticipate and address potential threats, enhance the decision-making process, and allowing the organization to take preventive measures before risks materialize.

COAST Trust always makes efforts to maintain an equal and safe environment for all at all levels. In consideration of possible sexual harassment, exploitation and abuse, a policy is being formulated to identify possible risks in life and livelihood of members and staff as well. This policy is also aimed at identifying possible risks to ensure safety, dignity and protection of members and staff. Through the policy, possible risks at all levels will be identified and measures will be taken to mitigate those. It is to be noted that, in relation to the protection from sexual harassment, exploitation and abuse policy and safety and security will be applicable in respective incidents.

Objectives:

The policy will work for equal and safe, sexual harassment free, safe place, life and livelihood for members and staff.

Method:

To identify possible sexual harassment issues, risks in life and livelihood, members have been assigned to FGD at different levels such as members and staff. After that the following possible risks have been identified.

Implementation Process:

In order to convince everyone in accordance with the following table, the orientation program will be organized for members and staff at all level. Then, once every three months, information will be collected in a specific form to know whether these things are happening. The forms filled up with the information will be sent to the head office. The concerned departments will take steps to address the issues if there is any on the basis of feedback received from field. It should be noted here that only the board members will be informed if there is any complaint against the Executive Director. Besides, if there is any complaint against others, then the concerned authority will be informed according to the complainant response policy.

Core Programs and Social Development (general category)



Rezaul Karim Chowdhury
Executive Director
COAST Foundation



Tofail Ahmed, PhD
Chairperson
COAST Foundation

Risk: Gender Relation, Livelihood and Security, dignity and protection-

Subject: Gender relation	Possible risk	Bad impact on Members level	Bad impact on staff and organization's level	Suggestion/recommendation	Means of verification
<p>Sexual Harassment, Exploitation and Abuse.</p>	<ul style="list-style-type: none"> • Whether gender insensitive words / behaviors are used/expressed if the installment is not given in time. For example, whether anyone uses undignified words towards women. • Whether any attempt to get immoral (sexual) advantage in the name of giving loan. • Any immoral or extra marital affairs to return loan irregularly. • Possibility of sexual harassment if return of installment irregularly (the definition of sexual harassment will be applicable here) • Sexual harassment or gender insensitive /words behavior without any reason. 	<ul style="list-style-type: none"> • The possibility of mental, social and economic losses, including the dignity of a member, may be created. • May make immoral relationships with a member in the name of collecting the installment. • A member may be lost membership or may be deprived of receiving a loan. • It may be forced to create affair/ relationships or to create immoral relationships. But many times it cannot be prevented due to losing loans. • Social status worsened. • The possibility of leaving a group (Samity) Schools / colleges girls can be dropped out. 	<ul style="list-style-type: none"> • The social and economic harm of the employee may be happened. • If you go for collection installments at night, then the employee may be subjected to false allegations of sexual harassment. • The employee's productivity may be reduced. • The organization's reputation and staff's reputation may be destroyed at the same time. • The possibility of project's activities can be ended. 	<ul style="list-style-type: none"> • Arrange meeting regularly for staff and member at all level to aware them to identify risks. • Encourage people to file complaints. • Quick action should be taken according to the relevant policy of the organization. • The contact number of the complainants have to be put on the signboard. Besides, there are contact numbers of the complainant behind the visiting card of all the employees. • Providing awareness building information regularly. 	<ul style="list-style-type: none"> • Meeting minutes. • All documents and complaints • Signboard and employee's visiting Card. • Register book.


 Rezaul Karim Chowdhury
 Executive Director
 COAST Foundation


 Tofail Ahmed, PhD
 Chairperson
 COAST Foundation

<p>Life and livelihood</p>	<ul style="list-style-type: none"> Loans are not given as members demanded. Any incident of not using loan in proper way. Whether the socio-social development is interrupted. 	<ul style="list-style-type: none"> If members do not get loan as their requirement they may not be able to use those properly and get back the loan as well. The possibility of losing a member's capitals because of not using loan in proper way. If a member does not return loan regularly, you may lose confidence and faith. 	<ul style="list-style-type: none"> If overdue is being increased staff can lose their confidence. If you do not use the loan in rightly then the staff's time and money are wastage to recover the loan. If staff lose their job, then they may lose their family and social dignity. 	<ul style="list-style-type: none"> Advice to use the loan rightly. 	<ul style="list-style-type: none"> Economic and social change of a member.
<p>Security, dignity and protection</p>	<ul style="list-style-type: none"> The probability of being displaced Non-cooperation of local elites Adolescents club members or other members are being insecure by the staff. 	<ul style="list-style-type: none"> Because of the extra borrowing loan from multiple agencies, members fail to repay the loan properly. Then the members suffer from insecurity. As a result, they quit the place. If members fail to get back loan in time they may be lost their social status. Therefore, their economic development may also be hampered. A member of the community / teenage girl's social security may be hampered. 	<ul style="list-style-type: none"> A member of the organization has been forced to leave the job. Employees can lose their job. The probability of the employee becoming defamatory. 	<ul style="list-style-type: none"> Provide regular messages to the members. Include the Jana Sangathan to regular meetings. Discuss the topics at regular meetings with members of the club. 	<ul style="list-style-type: none"> The minutes of the meeting.


 Rezaul Karim Chowdhury
 Executive Director
 COAST Foundation


 Tofail Ahmed, PhD
 Chairperson
 COAST Foundation

Risk: Internal Audit-

Subject: Internal Audit	Possible risk	Bad impact on Members level	Bad impact on staff and organization's level	Suggestion/recommendation	Means of verification
<p>Managing Audit</p>	<ul style="list-style-type: none"> Misappropriation or financial irregularities would not find out properly due to lack of skill some auditors. Some staff auditors may have undue financial & non-financial benefits from the staff in order to hide or avoiding their misappropriation or irregularities. Staff auditors can unprofessional behave with respective staff for collecting information. Staff shortage for planned audit completion. 	<ul style="list-style-type: none"> Group members or beneficiaries might loss financially and loss confidence toward organization. Indiscipline arise among the beneficiaries and hamper repayment in MF. Beneficiaries loss their confidence in engaging with COAST program. Some beneficiaries may take scope of stop and deferring their loan repayment and entice chaotic situation. 	<ul style="list-style-type: none"> Staff might engage with financial irregularities and misappropriations Organization will loss financially and will hamper the program quality and performance. Long term financial sustainability might be hampered. Staff may leave the organization due to feel insult or hampering social status. 	<ul style="list-style-type: none"> Orient audit staff on professional auditing and process. Regular follow up on auditing performance. Adequate audit staff to be deployed. 	<ul style="list-style-type: none"> Follow up and analysis of different audit report and cross check with field. Discussion with field staff
<p>Gender</p>	<ul style="list-style-type: none"> Staff might use slang or unsocial word at group level to collect information. Staff might engage with undue relation with other female staff for hiding misappropriation 	<ul style="list-style-type: none"> Hampering social status of beneficiaries. Beneficiaries will face financial loss due to hiding misappropriation. 	<ul style="list-style-type: none"> Beneficiaries may leave the group and migrate with loan. Organization will face financial loss and will damage institutional goodwill. Taking risk of staff dismissal. 	<ul style="list-style-type: none"> Orient staff on professional standard and moral ethics. Regular follow up at field level on auditing and auditor's performance. 	<ul style="list-style-type: none"> Discussion at group level and ask question on audit issues. Audit report cross

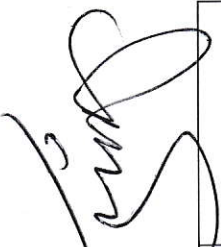

 Rozaul Karim Chowdhury
 Executive Director
 COAST Foundation


 Toqail Ahmed, PhD
 Chairperson
 COAST Foundation

				check with branch office report & group level
--	--	--	--	---

Risk: Financial

Subject: Accounts and finance	Possible risk	Bad impact on Members level	Bad impact on staff and organization's level	Suggestion/recommendation	Means of verification
Foreign donation management	<ul style="list-style-type: none"> Receiving foreign donation before making sure whether the donor agency is blacklisted by the government or UN Security Agencies. In case of receiving foreign donation, do not comply with the existing laws of the country, like money laundering and Foreign Donations (Voluntary Activities) Regulation Law 2016. The donation is likely to be used in militancy and terrorism. Receiving foreign donation without written agreement. Awarding sub grant without properly assess the partner Misuse of fund. 	-	<ul style="list-style-type: none"> As a result, the organization can be blacklisted. There is a possibility of facing legal problems. Violation of donor agreement. Reputation and Dignity of the organization may be spoiled. 	<ul style="list-style-type: none"> Before receiving the donation should be confirm that whether the donor agency is in black listed. Country law should be follow in terms of receiving foreign donation No donation can be accepted without written agreement All foreign donations should be received through banking channel. Awarding partner organization through proper due diligence 	<ul style="list-style-type: none"> UN security agency provided blacklisted donor list. Bangladesh government approved blacklisted donor list. Money laundering act. Agreement. Bank statement.



Rezaul Karim Chowdhury
Executive Director
COAST Foundation



Total Ahmed, PhD
Chairperson
COAST Foundation

<p>Financial Risk</p>	<ul style="list-style-type: none"> • Funding uncertainty • In sufficient information and inaccurate financial reporting • Inadequate reserves and cash flow • Dependency on limited income sources • Inadequate investment management policies • Insufficient insurance coverage • Fraud, Misuse and Mismanagement • Lack of knowledge on accounting system • High operational cost • Currency fluctuations • Economic downturn • Not to tracking the expenditure and compare with budget allocation • Cash payment and transportation • Mobile Financial Service (MFS) and online payment system 			<ul style="list-style-type: none"> • Staff may involve in misappropriation • Staff may feel insecurity • Staff turn over may increase 	<ul style="list-style-type: none"> • Diversify funding sources • Build and maintain strong financial reserve • Implement robust financial management • Strengthen internal control system • Enhance Donor Relations and Stewardship • Effective grant management • Preparing budget considering the inflection and fluctuation of currency rate • Prepare proper guideline for MFS and online banking system • Implement whistle blowing policy • Strengthen monitoring system of MFS and online banking • Stay informed and updated the staff 	<ul style="list-style-type: none"> • Funding trend • Financial report and books of accounts • Income and cash inflow • Internal control system • Insurance policy • Investment policy • Financial analysis
<p>Compliance with law and regulation</p>	<ul style="list-style-type: none"> • Non-Compliance with Local Laws • VAT and Taxation issues 				<ul style="list-style-type: none"> • Audit report • Certification of VAT and Tax 	



Rezaul Karim Chowdhury
Executive Director
COAST Foundation



Toftail Ahmed, PhD
Chairperson
COAST Foundation

	<ul style="list-style-type: none"> Financial Reporting and Transparency Governance and ethical standard Inappropriate communication by staff on social media. 			<ul style="list-style-type: none"> Implement robust policy and procedures Conduct regular audits and review Timely submission of VAT and Tax return as per law Established and ensure compliance 	<ul style="list-style-type: none"> Regulate of social media
Procurement procedure	<ul style="list-style-type: none"> Unnecessary procurement can increase the financial burden Supplier may fail to deliver on time Supplier and employee may engage in corruption Poorly drafted agreement can lead dispute and financial loss Awarding vendor without competitive bidding Avoiding conflict of Interest Procure low quality goods and services Procure product and service without align with the organizations goal Frequently changes of market price and supplies Weak and backdated procurement policy 	<ul style="list-style-type: none"> Unnecessary procurement causes financial loss. Violation of procurement policy. Possibility of losing asset. Employ can influence the procurement system. Chances to procure less quality product. 	<ul style="list-style-type: none"> Procurement should be approved and appropriate. All procurement should be within the approved budget. Approval should be taken for the procurement which is out of budget (in case of organization). Purchase requisition should be approved. Market survey should be done for best price offer and best quality. Comparative analysis should be prepared. Any relative of COAST employee should not participate in procurement procedure. 	<ul style="list-style-type: none"> Approved budget Procurement policy Purchase requisition Asset and stock register Inventory list 	

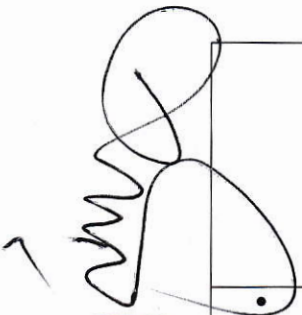


Rezaul Karim Chowdhury
Executive Director
COAST Foundation



Tojail Ahmed, PhD
Chairperson
COAST Foundation

<p>Microfinance management</p>	<ul style="list-style-type: none"> • Fail to select right scheme for right person • Fail to judge whether the member may have chance to migrate or the fraud person. • Not to conduct balance audit in every three months • Over-indebtedness /loan overlapping • Not to invest member according to the MRA policy • Fail to identify syndicate loan • Operational risk/ Poor management practices, lack of transparency, and inadequate governance • Changes in economic conditions, such as inflation, recession, or changes in commodity prices, can adversely affect borrowers' ability to repay loans • With the increasing use of digital platforms, MFIs are vulnerable to cyber-attacks and data breaches • Fail to ensure security in cash transportation 		<ul style="list-style-type: none"> • Possibility of increase defaulter • There is a possibility of losing capital. • Members can use loan money in terrorism and extremism. • Scope of fund • Embezzlement • Violation of MRA policy. 	<ul style="list-style-type: none"> • Make sure that vendor is not engaged in terrorist activities. • Loan disbursement has to be made at right person and right scheme. • Make sure whether the member may have chance to migrate or the fraud person. • All loan disbursement, savings return and loan insurance adjustment (for death case) has to be verified physically by the Br. Manager (100%) and Area Manager (test basis). • Balancing audit has to be conduct on half yearly basis to examine the balance of loan and savings with members pass book and office collection sheet/register/member ledger. • As per MRA rules, FDR Investment is must against member's savings fund. • To ensure the financing is not using for Money laundering and terrorist 	<ul style="list-style-type: none"> • Audited report • Discussed in member meeting. • MRA policy. • Check and verify member pass book. • Cash book and bank statement.
---------------------------------------	--	--	---	--	--



Rezaul Karim Chowdhury
Executive Director
COAST Foundation



Toftail Ahmed, PhD
Chairperson
COAST Foundation

	<ul style="list-style-type: none"> • Money may be used in terrorist financing and to influence terrorism. • Money may be used in drug dealing and gambling. 			financing and other any illegal way as per law of land.	
--	---	--	--	---	--

Approved by the General Council and effective date:

The review of this policy has been approved unanimously in the 6th Annual General Meeting which was held on 6 July 2024 at COAST Principal Office, Dhaka, and be effective with no delay.

Review of this policy:

This policy will be reviewed by 2027 or earlier, if necessary, incorporating significant changes in national and international laws, policies, and human rights declarations.



Rezaul Karim Chowdhury
Executive Director
COAST Foundation

M. Rezaul Karim Chowdhury
Executive Director/Member-Secretary
COAST Foundation



Professor Tofail Ahmed, Ph.D
Chairperson,
COAST Foundation
Tofail Ahmed, PhD
Chairperson
COAST Foundation