COUNCIL OF EUROPE

RISK MANAGEMENT POLICY

28 June 2016
1. **Introduction**

1.1. The environment in which the Organisation operates is subject to a wide range of risks, and the need for adequate risk management is recognised by the Organisation.

1.2. Article 2 of the **Financial Regulations** states that the Secretary General is responsible..."for the sound administrative and financial management of the Organisation, ensuring the efficient administration of the Organisation and the economic use of the resources and that he will put in place a governance system, including notably: **risk management, internal control, internal audit, performance indicators and evaluation of results.**"

1.3. This risk management policy accordingly forms part of the corporate governance and management arrangements within which programmes and administrative entities are expected to operate.

2. **Definitions of Risk and Risk Management**

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<th>Term</th>
<th>Definition</th>
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<tr>
<td>Risk</td>
<td>The possibility of an event occurring that will have an impact (positive or negative) - on the achievement of objectives. Risk is measured in terms of impact and likelihood.(^1)</td>
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<tr>
<td>Risk Management</td>
<td>A process to identify, assess, manage, and control potential events or situations to provide reasonable assurance regarding the achievement of the organisation’s objectives.(^2)</td>
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3. **Purpose and Objectives**

3.1 This policy is a formal acknowledgement of the commitment of the Council of Europe to risk management. The aim of the policy is to ensure that every effort is made to manage risk appropriately and consistently to maximise potential opportunities and minimise the adverse effects of risks through the adoption of good practices in their identification, evaluation and cost effective mitigation to ensure that risks are either i) avoided, ii) reduced to an acceptable level, iii) mitigated, iv) transferred or v) assumed.

3.2 The Council of Europe considers risk management to be an integral part of day to day management and corporate governance in a changing and challenging environment. Risk management helps to create and seize opportunities in a managed way as well as ensure that objectives are met in an efficient and effective manner. As such, risk management is integrated in the Council of Europe’s management practices and incorporated within the strategic and operational processes across the Council of Europe.

\(^1\) Institute of Internal Auditors: International Professional Practices Framework.

\(^2\) Ibid.
3.3 All staff must understand the nature of risks and accept responsibility for managing them in their area of authority.

3.4 The risk management objectives of the Organisation are to:

- Embed risk management within strategic and operational management processes, with a pragmatic and cost effective approach as well as within the culture of the organisation;
- Make risk management decisions at the right level and in a timely manner;
- Ensure that risks are managed in accordance with applicable norms and practices;
- Anticipate and respond to changing circumstances with forward-looking rather than reactive risk management by encouraging well planned and well managed risk-taking.

4. **Responsibilities, Roles and Approach**

4.1 The following key principles outline the Organisation’s approach to risk management and internal control:

a) the Secretary General, is responsible for the implementation of risk management within the Organisation;

b) Commitment Officers are responsible for implementing good risk management practices within their administrative entities;

c) Managers identify and monitor risks and mitigating actions on a regular basis;

d) The Risk Management Working Group presents timely risk information to the Secretary General.

4.2 The Secretary General is responsible for ensuring that specific structures and procedures are in place for establishing and maintaining risk management activities within the framework set out above. He / she delegates day to day responsibility for risk management to the Commitment Officers.

4.3 The Secretariat of the Risk Management Working Group\(^3\) will undertake a central co-ordination role in the overall risk management process, and will provide guidance and support to Commitment Officers and managers for updating and reviewing risk registers.

4.4 Risk Management Guidelines for Council of Europe Staff provide further practical and detailed information.

Thorbjørn Jagland

[Signature]

Secretary General of the Council of Europe

\(^3\) For the composition of the Risk Management Working Group, please refer to the Risk Management Guidelines for Council of Europe Staff