Guidance notes to use the CVA Risk Register

# What is the Cash and Voucher Assistance risk register?

The CVA risk register is a tool for the CVA risk analysis and risk management for National Societies (individually applies this). The register captures potential risks under eight categories of risk, root causes or drivers for the identified risks, and potential consequences of each risk to CVA interventions. It also serves the purpose of identifying risk mitigation actions (current and new) for each identified root causes, and monitoring and follow-up action to be applied for the risk treatment.

## Who should be engaged?

Expertise from different functions is required to complete the register. Functions can include, but is not limited to, CVA focal point, other DM staff, PMER, procurement/logistics, finance, legal, community engagement and accountability (CEA), protection, gender and inclusion (PGI), IT/IM and data protection.

## How to use the risk register?

The CVA risk register is designed to be practical and easy to contextualise, further develop and operationalise for any National Society. The register can be used to do CVA risk analysis for a National Society or to meet the risk analysis requirement for separate projects/programmes. The pre-identified risks, root causes, consequences and mitigation measures need to be carefully considered and contextualised. However, the pre-populated CVA risk register can make the process of conducting the risk analysis shorter and easier for National Societies and ideally lead to strengthened risk management in CVA.

The CVA risk register is complementary to and formatted according to the general IFRC risk register and identified risks can be merged into this.

# Brief overview of the CVA risk register

The CVA risk register has four sheets: Terminology, Risk Register, Risk Category, and Risk Evaluation / Heat Map.

1. Sheet 1: Key terminology. Definitions of key terminology that are used in risk register are included in this sheet.
2. Sheet 2: Risk Register Template. It has a total of 18 column.

* Columns B, C, D, E are to identify, assess and analyse the risk.
* Columns I, M, N, O, P, Q & R service the risk mitigation and management actions
* Columns F, G, H, J, K, L are to quantify the impacts, likelihood and risk factor before and after applying mitigation action. As the value changes the colour of the H & L changes indicating the level of severity of this risk to the project.

1. Sheet 3: Risk categories: Eight categories of risk and the definition for each are specified here.
2. Sheet 4: Risk Evaluation / Heat map. This sheet guides to quantify the impact & likelihood of a risk as below and indicates priority levels to mitigate the risks.

# **Guidance to the CVA risk register template**

It needs to clear that what needs to go in which column, and what the connection and interlinkages of one column are with other columns. The CVA risk register has 18 columns in total. The required information in column is as below:

1. Column A: Serial number (can be transferred into the Risk Evaluation sheet when completed)
2. Column B: Types/category of risk (choose one of the risks from drop down menu)
3. Column C: Risk descriptions are pre-identified in the sheet and National Society can choose whether the listed risks are relevant risk in their context and in CVA interventions. National Societies can add new risks by inserting lines or at the bottom of the sheet: Write the risk description or risk title and fill in other columns in the row.
4. Column D: List down all possible root causes or drivers for the identified risk. Some root causes are pre-identified; it is critical to contextualise this and only include the relevant root causes as well as add others that may be relevant in the context.
5. Column E: List down all possible negative impacts or consequences of that risk to the CVA. Some common impacts and consequences related to the identified risks are pre-identified; it is critical to contextualise this and only include the relevant consequences as well as add others that may be relevant in the context.
6. Column F: Quantify the impacts of risk
7. Column G: Quantify the likelihood of that risk

The team conducting the risk analysis need to discuss and set a score (1 for minimum and 5 for highest) for both impact and likelihood.

1. Column H: Inherent risk factor. This is a multiplication of the scores assigned to impact and likelihood. The risk register automatically calculates the risk factor, and the colour also changes automatically according to the Risk Evaluation Criteria. There are four colours: Red, Orange, Yellow and green. Red equals to highest risk category, orange means that the risk is serious, yellow indicates that attention is required but CVA programme can go ahead, while green means limited or no risk for the CVA programme.
2. Column I: Current control/mitigation measures applied by the National Society. Column M of the Risk Register has a long list of suggested mitigation measures. Select the mitigation activities that your NS is doing currently and bring them to this column.

Now after applying the mitigation measures there should be changes in impact and likelihood of that risk. The column J & K is to quantify the changes in impact and likelihood of that risk to the CVA programme (and measure if mitigation measures are in fact effective).

1. Column J: Quantify the residual impacts of risk (after applying mitigation measures)
2. Column K: Quantify the likelihood of that risk (after applying mitigation measures)
3. Column L: Residual risk factor. This is a multiplication of the scores assigned to residual impact and residual likelihood. The risk register automatically calculates the residual risk factor, and the colour also changes automatically. See point 8 for instruction to the meaning of the colours.
4. Column M: Additional mitigation/control measures. Put what extra efforts that a NS need to put in place to manage that risk. In the sample risk register, there are numbers of control measures which shall fit in to the current mitigation measures column (I), or additional control measures column (M). However, this list is not exhaustive. Each National Society might need different mitigation measures depending on context, situations etc.
5. Column N: NS strategy to reduce the risk factor for each identified risk. It can be a) Transfer - it is about getting someone else to take the risk. e.g., hiring a security agency or insurance company. b) Accept- it means you do not think the impact of the risk will be great or think this risk is unlikely to happen. Such risk with low impact and less likelihood, NS may decide to accept. But this risk also needs to be monitored continuously. c) Avoid- you find a way to avoid that risk by using different methodology, using the latest technology etc. E.g., if there is risk of cash theft for cash in envelope use SMART cards or digital transfer etc. d) mitigate: using strong control mechanism to reduce the level of impact or likelihood of any risk e.g., reduce the amount of petty cash, multiple persons to approve the cash release, daily reconciliation, strong monitoring mechanisms etc.
6. Column O: Risk owner/ Timeline. Identify who is responsible to manage each identified risk. National Society must also agree on timeline for the risk mitigation actions to be completed. Mention the exact date for easy follow-up.
7. Column P: Risk Status. A risk is either open or closed. At the beginning all the risks are open. As the risk owner applies the mitigating actions, the risk will be closed. However, the risk might appear again. Hence, the National Society needs to ensure continuous monitoring of each risk and status of these.
8. Column Q: Last updated date. Last time when you updated the row related to the identified risk.
9. Column R: Next follow up. When will you do the next follow up, quarterly follow-up is recommended.