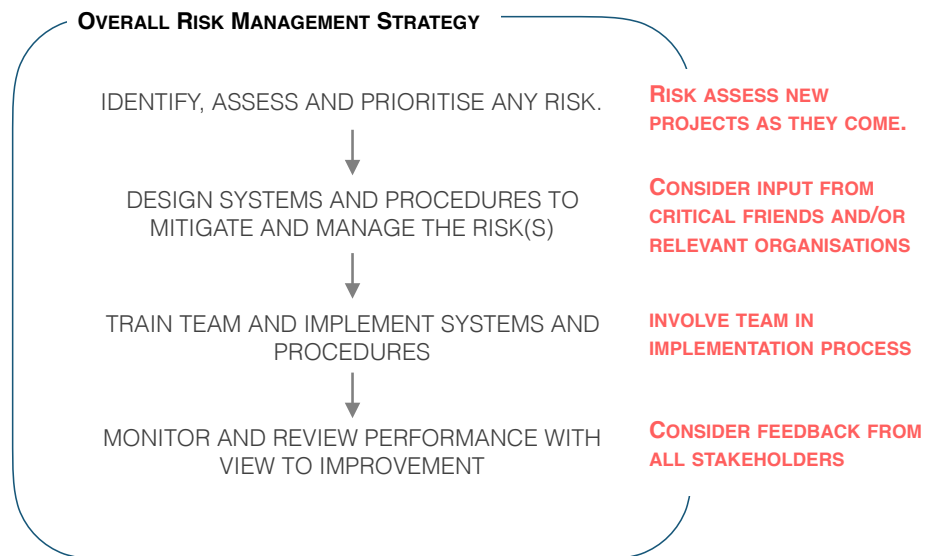


Risk Assessment

The trustees of Husti understand that working internationally comes with additional risk and steps have therefore been taken to mitigate these. The following Risk Management Strategy will be used and developed as Husti grows:



Mitigating and Managing Risk:

- All grants will be paid via multiple smaller payments to enable termination of the grant if funds are misused or the trustees suspect any suspicious activities.
- Conditions such as regular reporting or achievement of certain goals will be monitored when deciding whether to continue support.
- A suspicious donations guidance protocol will be used by the team to help guide further action if any suspicious donations are made.
- Funds will not be paid in cash, rather they will always be transferred online through well established, reputable financial service providers to internationally recognised banks. This will enable a full financial trail to be readily available. These Banks themselves will have their own safeguarding procedures to prevent funds going towards organisations of dubious nature.
- A clear and transparent complaints process is now accessible as husti.org/complaints this will enable Husti to collect feedback and manage any unintended negative occurrences.

Generalised Strengths, Weaknesses, Opportunities & Threats (SWOT) of Partners:

STRENGTHS: Operate locally, complete understanding of local customs and laws, direct access to beneficiaries.

WEAKNESSES: Operate in areas held to lower charitable standards than the UK, harder to monitor overseas projects, more complex financial control systems needed, harder to enforce compliance.

OPPORTUNITIES: Visit local partners regularly, make payments in smaller parts, stress the importance of compliance with the partnership agreement.

THREATS: Indian law changes how overseas charities are able to help e.g. recent FCRA Requirements for Local charities. Fraudulent requests for funding may result in Husti inadvertently funding inappropriate organisations.

PESTLE Analysis

POLITICAL

Indian government requires local NGOs to be FCRA registered to accept overseas grants. Changes to FCRA registration procedures may make it harder to accept grants.

ECONOMIC

High levels of inflation and political instability may weaken the Indian Rupee (INR), subsequently the majority of funds will be held in Pound Sterling in a UK bank account.

SOCIAL

Culturally, beneficiaries may be unwilling to cooperate with overseas partners. Thus, local partners organisation are used. These organisation may already be familiar with local customs and village leaders. The definition of an appropriate standard of living varies between India and the UK, subsequently care must be taken when assessing need. Social unrest between certain ethnic groups in India is increasing and care should be taken to avoid inflaming any possible issues. The beneficiaries of Husti are therefore selected without prejudice to any protected characteristic.

TECHNOLOGICAL

Husti's online presence is integral for raising and applying funds as well as providing donors with essential project information. With hacking an increasing risk, Husti has opted to use 3rd party tools that specialise in secure web presence and financial systems. These are Squarespace (web host) and Stripe (Payment processor).

LEGAL

The UK commission's legal requirements of charity's trustees are considerably more extensive than those of the Indian equivalent. Thus local partners generally tend to be of much lower organisational quality and this may propose difficulties with Husti's required due diligence. Care will be taken in choosing local partners, as outlined earlier.

ENVIRONMENTAL

Parts of India are at risk of flooding, earthquakes and landslides. Ideally multiple partners in different parts of India will be selected to minimise the impact of charitable service delivery in case of an unfortunate natural disaster. Funds may be used by local partners to help with disaster recovery in place of the intended projects and the trustees have accepted this as a risk. If visiting India then the UK Foreign Office and local authority guidelines for India will be checked and assessed beforehand.

Risk Matrix

AREAS	RISKS	LIKELIHOOD	IMPACT	CONTROLS
REPUTATION	A real/perceived link or association between the charity and terrorist activity damages the charity's reputation.	Low	HIGH	<ul style="list-style-type: none"> • Review partner's governance structures • Draw up detailed partnership agreements
	A real/perceived conflict of interest arises between the charities operations and trustees.	Low	HIGH	<ul style="list-style-type: none"> • Review project audit and monitoring, including field visits • Include an impact and risk assessment for all projects • Take references and contact other affiliates of the partner for recommendations (if possible) • Request standard documentation and invoices • Ask trustees to disclose possible conflict of interests at key meetings.
FINANCIAL/ CRIMINAL	Financial loss, fraud, money laundering, terrorist financing.	MEDIUM	HIGH	<ul style="list-style-type: none"> • Develop and implement a suspicious donations policy.
	Failure to comply with UK, International or local regulations.	Low	MEDIUM	<ul style="list-style-type: none"> • Conduct sufficient due diligence on partner organisations
	Exchange rate losses or gains	Low	Low	<ul style="list-style-type: none"> • Continuously monitor fund end use by way of reports, photographs and site visits.
	Funds or assets provided are not used for the intended project or misappropriated	MEDIUM	MEDIUM	<ul style="list-style-type: none"> • Use appropriate bank accounts and procedures to allow complete audit trail. • Monitor exchange rate losses or gains and review impact on expenditure and income. • Regular budget monitoring and forecasting and grant management
SECURITY	Risk to staff and/or beneficiaries.	Low	HIGH	<ul style="list-style-type: none"> • Country specific security risk assessment to be completed when partaking in site visits.
	Areas of conflict, political instability, hostile government	MEDIUM	HIGH	<ul style="list-style-type: none"> • Crisis management policy and procedures to be developed as Husti grows.