



**Solidarity
Fund**

Unity in action

Solidarity Fund
Strategic Risk Universe

May 2020



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#ThatsSolidarity

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Solidarity Fund
Introduction

Solidarity Fund | **Mandate of the Fund**

Mandate

The Fund is required to mobilise and coordinate financial and in-kind contributions from all South Africans and members of the international community.

The Fund is required to use funds raised and other in-kind contributions to both ameliorate the health crisis and the social consequences of the pandemic.

The Fund is required to bring South Africans together to play their part in combatting COVID-19.

The goals of the Fund

Detect and prevent

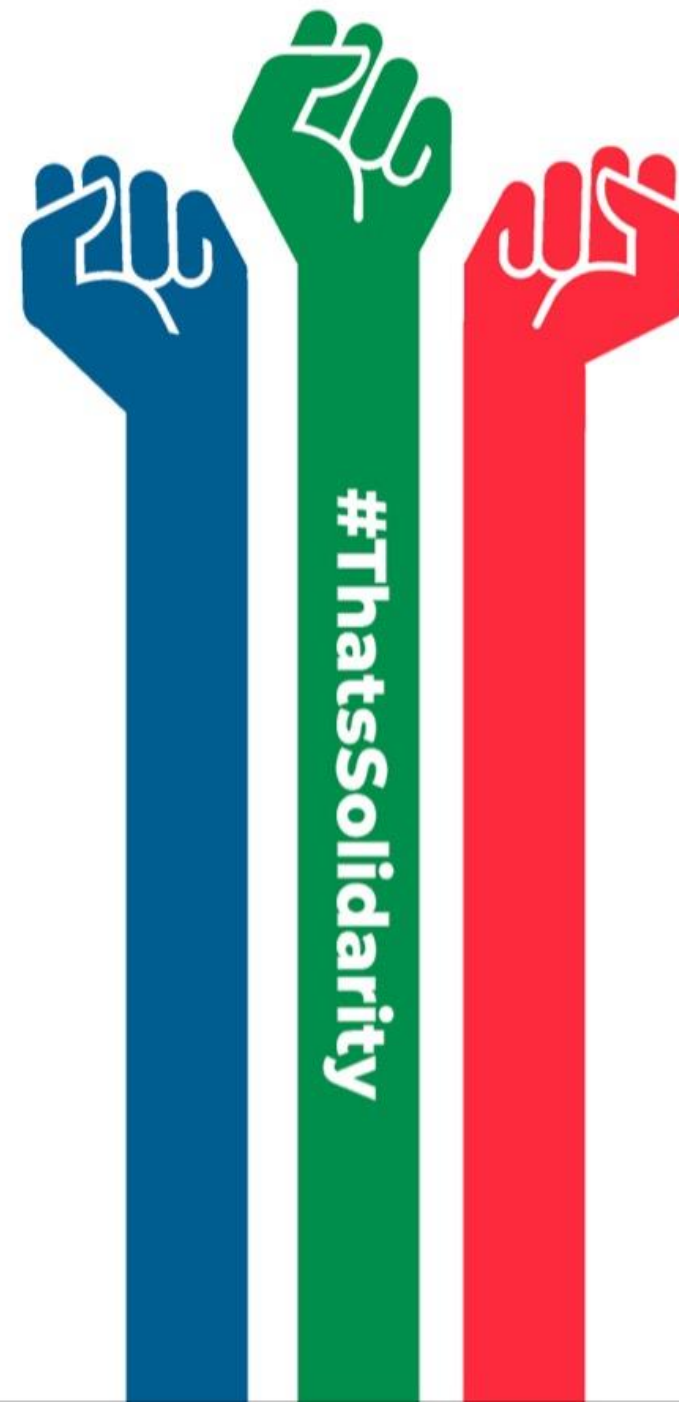
To understand the magnitude of the infection problem and support measures to flatten the curve by lowering infection rates.

Care

To assist with the management of those people in hospital or medical care.

Support

To support those people whose lives are disrupted by COVID-19.



Solidarity Fund | Strategic Risk Universe

The strategic risk universe for the Solidarity Fund (hereafter “the fund”) was compiled with the purpose of identifying and pre-empting potential events that may affect the entity, and manage risk to be within its risk appetite, and to allow for reasonable assurance to be provided through the various governance and administration structures on the achievement of the fund’s primary objectives.

In order to ensure risks are focussed sufficiently, the fund focus areas (Health Response, Solidarity Campaign, Humanitarian Effort), the mandate of the fund and the guiding principles are collectively referred to as the primary objectives for the purpose of this universe.

Using the COSO risk management framework as a basis, risk management is geared to achieving an entity’s objectives, set forth in four categories, which are represented by a different coloured border for each risk:

- **Strategic:** These objectives are high level and are aligned with an entity’s mission.
- **Operations:** These objectives refer to the effective and efficient use of resources.
- **Reporting:** These objectives surround an entity’s need for reliable reporting.
- **Compliance:** These objectives refer with an entity’s need to comply with applicable laws and regulations.

Impact of the Fund and Primary Objectives

The contributions of citizens, business and other donors will be pooled and put toward three clear focus areas where the Solidarity Fund can have the greatest impact.

1 Health Response

Supporting the emergency health system and helping support or protect community health workers.

2 Solidarity Campaign

A Solidarity Campaign that will unite the nation in action against COVID-19, and encouraging behaviour change in local communities.

3 Humanitarian Effort

Providing humanitarian support to the most vulnerable households and communities.

Solidarity Fund | **Strategic Risk Universe**

Risks were identified as potential events that could impact the primary objectives of the fund, as executed through the operational areas of the fund, namely:

- **Brand and communications**
- **Fund Raising**
- **Finance and Administration**
- **Disbursement and Deployment**
- **Governance, Reporting and Transparency**

Key actions required

1. Ratification of the completeness of the risk universe by the Board and Management
2. Assessment of each risk in terms of probability and potential impact
3. Input from Management and the Board regarding current and future mitigations where risk exposures are unacceptable

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Solidarity Fund | Strategic Risk Universe



Appendix A| Strategic Risk Universe Template

Operational Area	Key Business Risk Title	Risk Description	Potential Impact	Probability	Residual Risk
					High
					High
					Medium
					Medium
					Low

Appendix B: Explanation of key terms

What is Risk?



Risk is defined as any event or circumstance that creates uncertainty around the expected achievement of business objectives.

What are Contributing Factors?



Contributing factors are the causal drivers of risk that affect either the **severity of impact** or the **likelihood of occurrence** of the event or circumstance. Contributing factors are typically considered as being related to either People, Process, Technology or External Factors.

What is Inherent Risk?



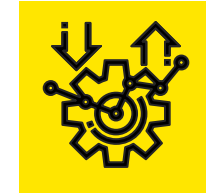
Inherent risk is the exposure to the business absent the consideration of the current **management and control activities** that have been designed and implemented to specifically manage a risk.

What are Management and Control Activities?

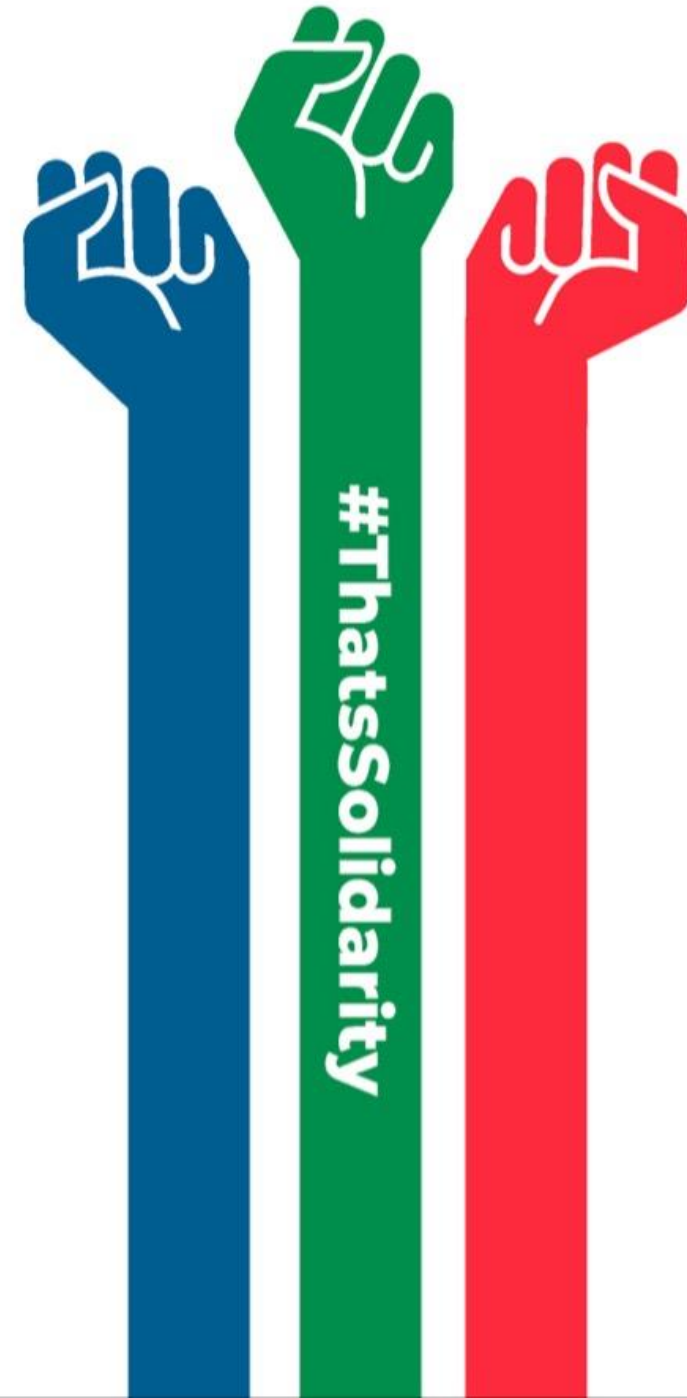


Activities implemented by Management to mitigate risks identified. The Management and control activities include initiatives, policies, processes, procedures, physical restrictions, guidelines, rules, etc. that are intended to minimise the likelihood or the impact of a risk.

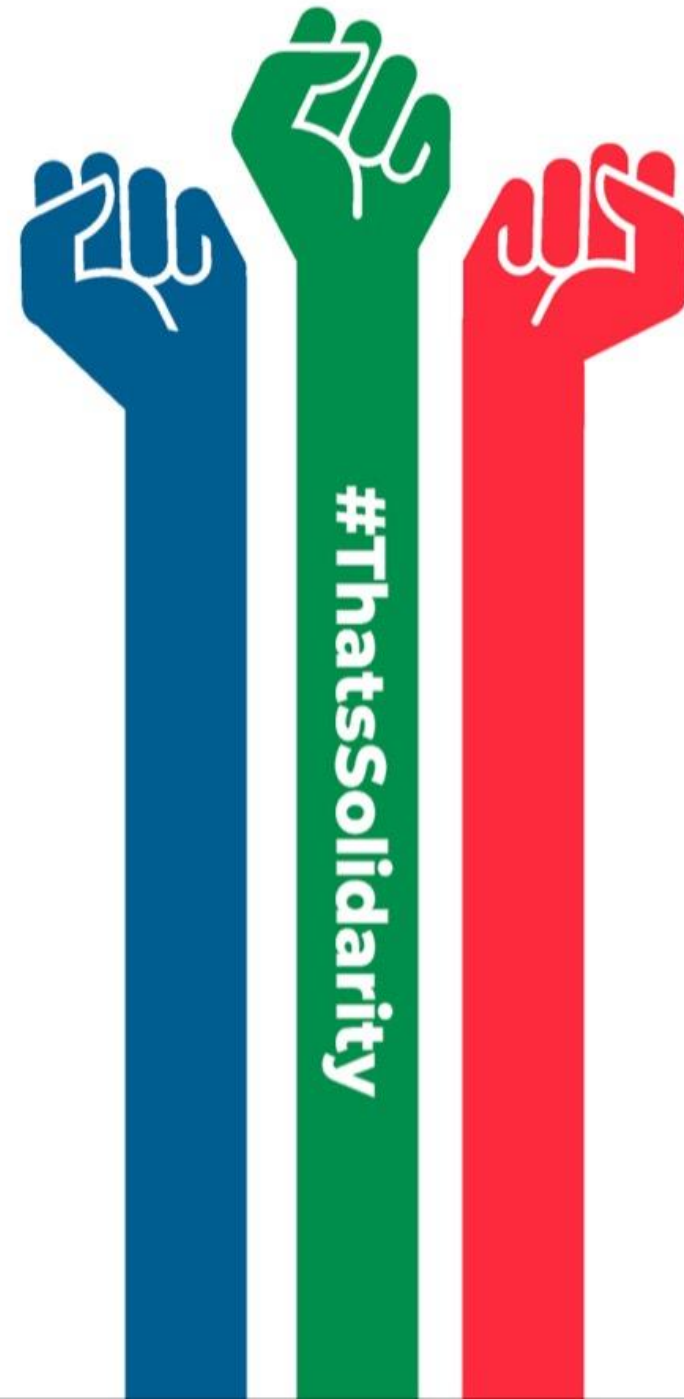
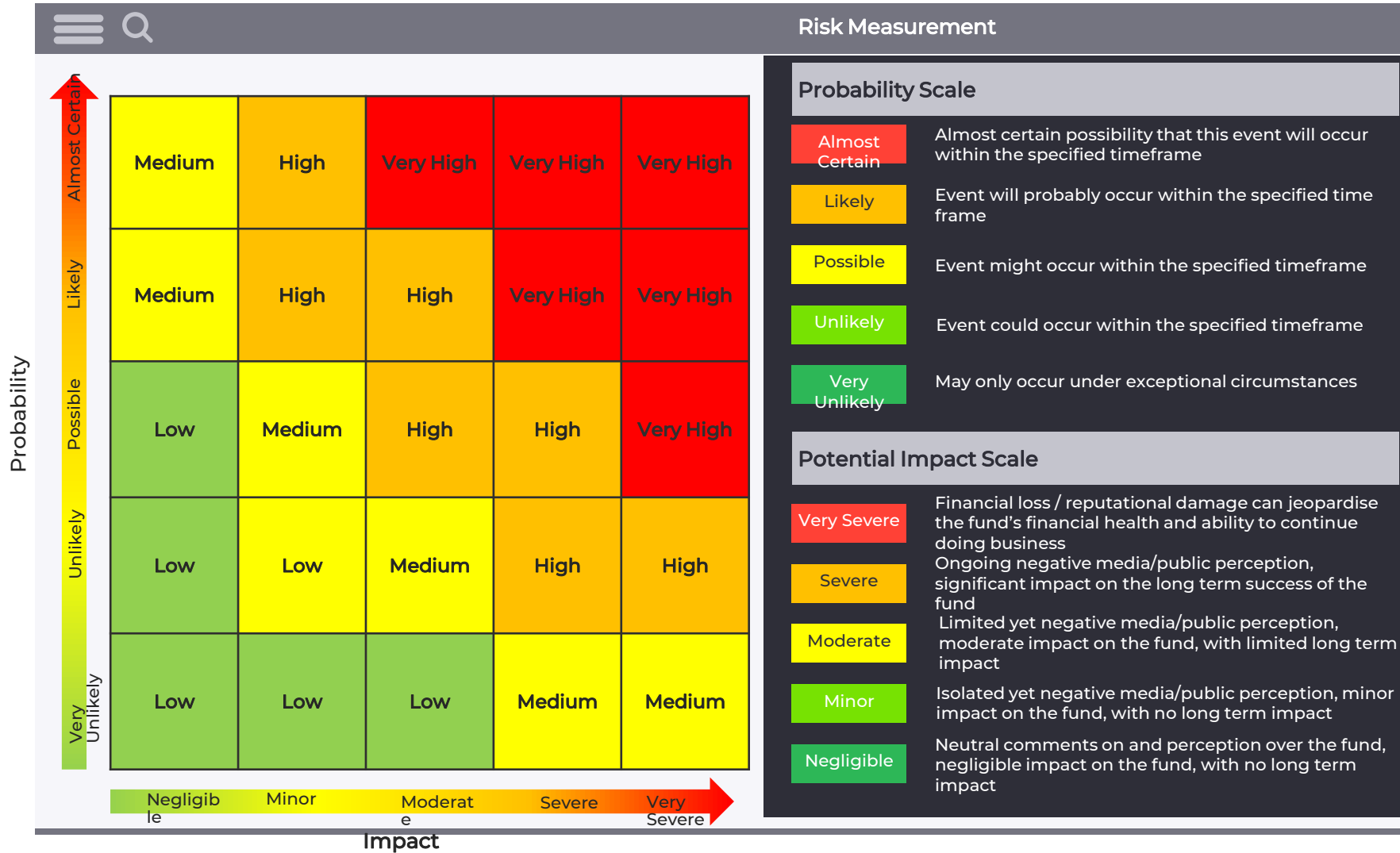
What is Residual Risk?



Residual Risk is the exposure to the business remaining after considering the level of management and control activities designed and implemented to specifically mitigate a risk.



Appendix C: Risk Rating Criteria



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