**WWF-US Risk Management Processes**

1. **Steps Taken to Enhance Risk Management at WWF–US**

WWF has reexamined its approach to risk management both at a Network and US level. Specifically, WWF-US has taken the following steps:

* Established grievance mechanisms in all offices.
* Conducting Environmental and Social Safeguards Framework screenings in project landscapes.
* Adding a risk checklist to project development.
* Creating a cross-functional staff committee to further support assessment of risk and referral to Executive level committee.
* Championing the development of new Network values and embedding them in our work.
* Increasing training to encourage a “speak up” culture.
* Added an Enterprise Risk Management (ERM) function, reporting directly to the Chief Operating Officer.
* Moved Internal Audit to report to the ERM function.
* Increasing IT capacity and cyber-security support for Country Offices.
* Elevated and strengthened cyber-security function, reporting directly to the Chief Financial Officer.

1. **Role of WWF-US Audit and Executive Committees**

Risk management is critical and has oversight by the Executive Committee, a cross-cutting group of Board leadership. Our Executive Committee includes our Board Officers and the Chairs of each Committee and has a holistic view of the organization.

*Role of Executive Committee*

* Receives regular updates from the Executive Team (min 2x/yr.)
* Receives regular updates on key issues (i.e., finances, data, HR, human rights)
* Timely updates on emerging issues

*Role of Audit Committee*

* Direct line of communication with internal and external auditors
* Additional oversight on safety and security issues
* Escalation of larger-scale issues to the Executive Committee as needed
* Annual report out to full Board

1. **Role of WWF-US Enterprise Risk Management Function**

WWF-US’s ERM function includes culture, processes and practices that are integrated into WWF-US’s work, empowering staff to manage risk, seize opportunities, and drive innovation. There is a common framework, approach, resources, and support to assist staff in practically and efficiently incorporating risk management and compliance into their work by using values as the main driver for ethical behavior. Examples of the steps taken around risk prevention, response, review, and continuous improvement include:

*Prevention*

Tools are being developed to assist staff with risk identification, assessment, and evaluation in project design, such as a:

* + *Risk Identification Checklist* to help those developing a project, proposal, program, or work in a new area or geography to (1) identify gaps and potential risks early in development and (2) provide resources for obtaining guidance as to what actions are necessary for further risk assessment and mitigation.
  + *Risk Evaluation Workshop* to streamline the risk review process. Staff will be encouraged to attend a risk workshop to receive consolidated risk mitigation recommendations for certain projects involving complex risk profiles.

*Response*

Escalation protocols have been communicated by WWF-US senior management to all staff and provide multiples ways to escalate issues, including financial malfeasance.  Within WWF-US and its offices, community grievance mechanisms have been established and are functioning with enhanced guidance for staff on how to manage and escalate questions, concerns, or complaints raised by individuals or communities impacted by WWF operations, as well as expanded options available for third parties to register their complaints.

*Review and Continuous Improvement*

The Risk Management Community of Practice is a group of key risk managers from across the organization who meet to ensure risk management alignment within WWF US functions and with WWF Network; share and discuss risks that impact WWF US and share organizational learning around risk; and eliminate redundancy in WWF-US’s work.

1. **Systems to Ensure Compliance of Subawardees**

WWF-US undertakes rigorous due diligence and oversight of its subawardees and contractors, including both unaffiliated third parties as well as other WWF organizations and offices not under WWF-US’s control. WWF-US has various systems to ensure the compliance of subawardees. They include:

* a due diligence and oversight process that assesses risks involved with any prospective contract;
* a vetting process that checks prospective subawardees against relevant exclusion and designation lists kept by the US government and the UN;
* a training process which includes a workshop for staff and subawardees at the inception of new project;
* a monitoring process that tracks technical and financial reporting and requires regular field visits by program teams; and
* a close-out process to ensure that all work – financial, administrative, and otherwise – is completed before a project is closed.

These policies, standards, and guidelines are now being further strengthened via the enhanced Environmental and Social Safeguards Framework, as described earlier.

*Risk Assessment*

WWF-US’s Risk Assessment Tool is an automated Excel-based tool to improve comprehensiveness and consistency in assessing grantee operational and financial risks, identifying appropriate risk mitigation measures, and developing the needed risk mitigation plan. Before any subaward or contract is issued, WWF-US carries out a risk assessment of the subawardee or contractor. The risk assessment includes a pre-award questionnaire by the subawardee or contractor and a Procurement Minimum Standards self-assessment and review of relevant performance information from previous experience with the subawardee or contractor. WWF-US prepares a risk mitigation plan based on the level and types of risk. That plan informs the mitigation measures that are included in the subaward or contract, taking into account factors such as the capacity of the subawardee, funding level, length of the award, and specific donor requirements. While this process has been primarily focused on operational and financial compliance, our enhanced Safeguards Framework described earlier will be fully reflected in the risk assessments going forward.

*Vetting of Subawardees*

The WWF-US project coordinators check every subawardee against the USG’s Active Exclusion List, Specially Designated Nationals and Blocked Persons List (SDN) and the United Nations Security Council (UNSC) designation list, using a commercial product, Bridger Insight. WWF-US’s compliance director is authorized to approve an initial payment only after this clearance is completed. WWF-US’s Accounting Department also conducts this check prior to every payment from WWF-US to each subawardee and contractor.

*Project Inception and Training*

At the onset of a new project, it is WWF-US’s practice to host an inception workshop training for staff and subawardees with sessions to train participants (including subawardee staff) on the roles and responsibilities of managing funding, including relevant donor policies and requirements. The inception workshops include the identification of relevant compliance requirements and guidance for ensuring that these requirements are met throughout project implementation. The implementing office logs and documents workshop’s training participants.

*Monitoring*

WWF-US diligently monitors its subawardees’ performance. This includes consistent monitoring of financial and technical program reporting (i.e., quarterly, semi-annually, and final reports) and regular project update meetings.

WWF-US typically convenes update meetings that include technical staff, financial staff, and Monitoring & Evaluation staff, to discuss progress and challenges in the project and provide an additional channel for raising issues of concern. The monitoring is further strengthened through regular program and financial team visits to the field. Periodic project financial audits are carried out by independent auditors for those subawards that meet certain award requirements or thresholds.

*Close Out Process*

At the end of a grant, WWF-US employs a close-out process to track that the work has been completed and that all financial and administrative tasks are finished. This specifically involves confirming that all technical and financial deliverables were received, reviewed, and approved by the technical and financial manager respectively; all final payments were made; advances have been reconciled; any findings or deficiencies in the audits were resolved; and an equipment inventory has been received and disposition requirements carried out.

1. **Fraud Prevention and Identifying Allegations of Misconduct**

Employees are empowered to identify issues of concern and alert appropriate management personnel, and the WWF-US Code of Conduct includes several policies that provide staff with specific processes for reporting a variety of forms of misconduct, including:

* **Whistle Blower Policy.** WWF-US has an established employee whistle blower policy and mechanism, providing employees specific, secure channels to report suspected illegal or questionable activity or the misuse of assets and protecting from retaliation those employees who make such reports. Under the policy, if an employee has any such suspicions or concerns, she or he is authorized to report it directly to the President, Chief Operating Officer, or General Counsel, and the contact information is provided in the policy. WWF-US also maintains a 24-hour whistle blower hotline and online platform maintained by a professional third-party through which reports can be made. The hotline is easily accessible by toll-free call from all WWF-US program office locations, including all offices outside the US. The online system can be reached globally. Both the phone and on-line systems are available in multiple languages and reports can be made anonymously.

Twice a year, WWF-US’s CEO sends to every employee, in DC and in every office managed by WWF-US, a personal email regarding the whistleblower hotline and why it is so important. Staff are encouraged to use the whistleblower mechanism or to talk to members of the executive team directly with any concerns. WWF-US emphasizes open doors and open communications, and we value the trust that is expressed when someone brings forward a concern about our work or operations. In turn, we inform our Board as appropriate, investigate fully, and take appropriate steps in responding.

* **Conflicts of Interest**. WWF-US’ Conflict of Interest policy is designed to assure the highest level of ethical conduct of persons employed by or involved in the governance of WWF in all that pertains to WWF and to avoid public perceptions and financial consequences detrimental to WWF that could arise from the misuse, or perception of misuse, of an individual's position or influence. On an annual basis, all WWF-US staff and Board members are asked to review the policy and disclose any potential conflicts. All staff and Board also have an ongoing duty to disclose any potential conflicts at the time they arise. Staff disclosures are received by the General Counsel’s Office, who work with the President to review and approve any proposed transactions or mitigations. Any potential conflicts involving a Board member are disclosed to the Chairman of the Board of Directors and is considered by the Board or applicable committee with the interested person not present during the discussion or decision.
* **Anti-Bribery, Corruption, and Fraud/Prohibition on Gifts to Government Officials.** It is WWF-US policy that under no circumstances shall any payments or anything of value be made, promised, or offered to any government employee or official in contravention of any US or other applicable law (*e.g.*, without limitation, the US Foreign Corrupt Practices Act) or regulation. The policy also prohibits assistance, payments, or anything of value (monetary or non-monetary), from being made, promised, offered to, or accepted by any government employee or official for the purpose of influencing any official or decision, inducing an act or omission in violation of law, or obtaining/retaining business interests.

All WWF-US staff are required to take anti-bribery, corruption, and fraud training at least once a year. The training includes information on our whistleblower mechanism and reporting channels as well as our non-retaliation policy.

* **Non-Retaliation.** WWF-US policy expressly prohibits any form of retaliation against any employee for raising or reporting a good-faith complaint or for assisting in a complaint investigation. Any employee who is found to have participated or engaged in retaliatory conduct will be subject to disciplinary action, up to and including termination.