CORPORATE POLICY

Risk Management and Internal Control Policy

EFFECTIVE DATE	VERSION	NEXT REVIEW
11 August 2026	1.0	12 months after approval

POLICY OWNER	APPROVED BY
Managing Director	Board of Directors, [date]

APPLIES TO
All business units and projects of Boafo Nsa Ltd

01 Policy statement

Boafo Nsa identifies and manages risk before it bids, while it builds and after it hands over. Contractors rarely fail because of one large event; they fail because small risks in pricing, cash flow, safety and quality are left unmanaged. Risk management follows ISO 31000, and internal controls follow the COSO framework, scaled to the size of the company.

02 Main risk categories

CATEGORY	TYPICAL CONSTRUCTION RISKS
Commercial	Underpricing, unclear scope, unfavourable contract terms, variations not instructed in writing
Financial	Late payment by public clients, cedi depreciation on imported materials, cash-flow gaps, bank guarantee exposure
Health and safety	Falls, excavation collapse, plant and vehicle incidents, lifting failures, heat stress
Technical and quality	Design errors, poor ground conditions, defective materials, failed tests
Environmental and social	Flooding, erosion, land disputes, community opposition, labour unrest
Legal and compliance	Permits, tax, labour law, procurement rules, corruption

CATEGORY	TYPICAL CONSTRUCTION RISKS
Operational	Plant breakdown, material shortages, fuel supply, key staff loss, theft
Reputational	Accidents, structural failures, media and social media attention

03 Risk process

01 **Bid stage.** Every tender above GHS [X] has a bid risk review covering scope, programme, contract conditions, site conditions, pricing assumptions and cash flow. The Managing Director approves the bid/no-bid decision.

02 **Project start.** Each project opens a project risk register, owned by the project manager and reviewed at least monthly.

03 **Assessment.** Risks are scored for likelihood and consequence on a 5 x 5 matrix. High risks need a named owner, actions and a deadline.

04 **Escalation.** Any risk rated high, or any risk that could cost more than [5]% of contract value or cause serious injury, is reported to the Managing Director within one week.

05 **Company level.** The Managing Director keeps a company risk register and presents the top risks to the Board each quarter.

04 Internal controls

- **Authorisation:** a written delegation of authority sets who may sign tenders, contracts, purchase orders and payments, and up to what value.
- **Segregation of duties:** the person who orders materials does not approve the invoice or make the payment.
- **Dual authorisation** for payments above GHS [50,000].
- **Stores and plant:** goods-received notes, stock counts each month, fuel logs per machine and reconciliation against hours worked.
- **Payroll:** headcount on site checked against the payroll every pay period; wages paid by bank or mobile money, not cash, wherever possible.
- **Contracts:** variations, claims and extensions of time are recorded and notified within contract deadlines.
- **Bank guarantees and insurance:** a register of bonds, guarantees and policies with expiry dates, reviewed monthly.

05 Insurance

Boafo Nsa maintains at least contractor's all risks, third-party liability, workmen's compensation and motor insurance, at levels required by each contract and Ghanaian law.

06 Roles

ROLE	RESPONSIBILITY
Board of Directors	Sets risk appetite, reviews top risks quarterly

ROLE	RESPONSIBILITY
Managing Director	Owns this policy and the company risk register
Project managers	Own project risk registers and controls on site
Finance	Operates financial controls and reconciliations
All personnel	Report risks and control failures

07 Review

The effectiveness of controls is reviewed annually, with an internal or external audit where the Board decides. This policy is reviewed at least every 12 months.

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