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RISK MANAGEMENT POLICY

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FOREWORD

Risk Management Policy has been developed to provide a framework to minimize risks in the University activities by enhancing mitigative and corrective measures thereby maximizing potential opportunities. It helps in identification, assessment and rating of risks and developing strategies to deal with risks to provide reasonable assurance that the University's strategic objectives will be achieved. It helps in keeping the University risk appetite at manageable levels.

The Policy provides for risk management framework, benefits of managing risk, sources of risk, process for risk management and establishment of risk register or plan. It also describes the roles and responsibilities of each member of the University including Risk and Audit Committee of Council; Management Board; Risk Management Committee; Internal Audit and other Employees. It provides a structured way for employees and students to integrate risks in their areas of operations leading to improved decision making.

Signature: ……………………………………… Date: …………………………………

DR. RACHAEL MASAKE

CHAIRPERSON OF COUNCIL

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DEFINITIONS AS USED IN THE POLICY

Business Continuity Planning: The process designed to minimise any disruption to the continuity of Rongo University operations and to ensure the restoration of operational activities as soon as possible following an emergency or critical incident.

Establishing Context: Definition of the scope for the risk management process and setting the criteria against which the risks will be assessed**.**

Internal Controls: The processes, policies and procedures used to govern the University work, or any additional mitigating actions undertaken to deal with a particular, or potential situation.

Operational Risks: All other corporate risks associated with the operations of the University.

Risk: The threat or possibility that an action or event will adversely or beneficially affect University ability to achieve its goals.

Risk Acceptance: Involves acceptance of risks that are not transferred and/or excluded.

Risk Analysis: The systematic process applied to understand the effect of risk on our goals and objectives.

Risk Appetite: The degree of risk, on a broad-based level, that Rongo University is willing to accept in pursuit of its goals.

Risk Evaluation: The process of comparing the significance of the risks to define the order in which they should be dealt with.

Risk Exclusion: The non-execution of an activity that involves risk that cannot be transferred and/or is considered to be unacceptable.

Risk Identification:	The process of determining risks that could potentially prevent Rongo University from achieving its objectives.
Risk Management:	The culture, processes and structures that are directed towards the effective management of potential opportunities and possible adverse effects within the University's environment.
Risk Management Process:	The systematic application of management policies, procedures and practices to the tasks of communicating, establishing the context, identifying, analysing, evaluating, treating, monitoring and reviewing risk.
Risk Mitigation:	Refers to actions that must be taken to lower the likelihood of the risk occurring and/or to minimize the impact if the risk occurs.
Risk Owner:	Refers toany individual who is responsible for the management, monitoring and control of an identified risk, including the implementation of the selected responses.
Risk Reduction:	Involves the adoption of managerial, technological and behavioral actions that lowerthe probability of risk and/or the seriousness of the possible consequences.
Risk Register:	It's a documented record of the identified risks, their significance or rating, and how they are managed or treated.
Risk Treatment:	The process of selection and implementation of measures to modify risk. It includes, either alternatively or in combination, one or more of the following conditions: transfer of risk, exclusion of risk, reduction of risk and acceptance of risk or an amount of the risk.

Strategic Risks: Risks that affect the ongoing work of the University as outlined in the University Strategic Plan.

Transfer of Risk: The commiting   of another party to accept a risk, through a contract.

ACRONYMS AND ABBREVIATIONS

BC: Business Continuity

ICT: Information, Communication Technology

1.0 BACKGROUND OF THE UNIVERSITY

1.1 The Vision

A world class technology driven University in learning and practice

1.2 The Mission

To provide quality and innovative higher education through teaching, research and community service

1.3 Core Values

1. Integrity
2. Professionalism
3. Innovation
4. Equity
5. Social responsibility

1.4 Mandate of the University

The University derives its mandate from the Rongo University Charter of 7th October, 2016, which stipulates the objects and functions of the University as follows:

a) Provide directly, or in collaboration with other institutions of higher learning, facilities for technological, professional, and scientific education;

b) advance knowledge and its practical application by research and other means;

c) disseminate the outcomes of research by various means and commercially exploit the results of such research;

d) participate in scientific and technological innovation as well as in the generation, discovery, transmission and enhancement of knowledge and to stimulate the intellectual life in the economic, social, cultural, scientific, and technological development;

e) contribute to scientific, technological and industrial development of society in collaboration with industry and other organizations;

f) make proposals for new academic programmes culminating in degrees, diplomas and certificates;

g) make proposals for the establishment of colleges, campuses, faculties, schools, institutes, directorates, departments, centres and other resource and administrative units as may be appropriate;

h) inculcate a culture of innovation in technology, engineering and science amongst staff, students, and society;

i) promote education in social dynamics, science and technology within the institution and society;

j) develop an institution of excellence in teaching, training, scholarship, entrepreneurship, research, consultancy, community service, among other educational services and products;

k) provide a multi-level system of education and training that is relevant to the needs of the local, national and global community covering a wide range of fields and levels with provision for recognition of prior learning and flexibility of transition between educational levels;

l) play a leading role in the development and expansion of opportunities for socio-cultural, technological and vocational education and training;

m) provide high quality educational, research, residential, commercial, cultural, social, recreational, sporting, and other facilities;

n) facilitate student mobility between programmes of study at different accredited technical training institutions, polytechnics, and universities;

o) promote critical enquiry, independence and creativity in education, training and research within the institution;

p) participate in commercial ventures and activities that promote the objectives of the institution;

q) foster the general welfare of students and staff;

r) provide equal opportunity for development and further training for staff of the institution;

s) develop and provide educational, cultural, professional, technical and vocational services to the community and, in particular, the fostering of corporate social responsibility;

t) provide programmes, products, and services in ways that reflect the principles of equity and social justice;

u) conduct examinations for, and grant such, academic awards as may be provided for in the Statutes, and to syndicate examinations for awards at other institutions as may be approved by the Senate;

v) generally, facilitate the development and provision of appropriate and accessible academic and other programmes.

2.0 POLICY STATEMENT

i. RongoUniversity recognizes that risk management is an integral part of good management practice.

ii. Rongo University is committed to the protection and promotion of its resources and strategic opportunities through a comprehensive risk management framework.

iii. The University recognizes that the risk management is not only an operational function, but also a fundamental component of institutional, strategic, budget and project planning.

iv. Rongo University shall develop and deploy effective risk management practices to improve corporate governance and establish a reliable basis for decision-making and planning.

v. To support Rongo University ongoing commitment to achieving best practice in the area of risk management, the University will communicate and implement its principles and practices throughout its ranks in a timely, consistent and user-friendly manner.

vi. Rongo University is committed to demonstrating the achievement of this policy through regular monitoring, audit, and reporting.

3.0 OVERVIEW

To achieve its mission and uphold its core values the University has intergrated risk management in its overall governance, strategy and planning.The development of this policy follows the recommendation of Mwongozo: The Code of Governance for State Corporations of January 2015.

4.0 AIM, OBJECTIVESAND SCOPE

4.1 Aim of the Risk Management Policy

The aim of the policy is to provide a framework to minimize risksin the University activities by enhancing mitigative and corrective measures thereby maximizing potential opportunities.

4.2 Policy Objectives

i. To communicatetostakeholdersthe University commitment to risk management in order to assist in achieving its goals and objectives.

ii. To establish a consistent approach to managing risk for all University activities and establish a reporting protocol.

iii. To assign responsibility and accountability to all staff for the management of risks within their areas of control.

4.3 Scope of the policy

The Policy shall apply to all University officers, employees, students, relevant stakeholders and all facilities controlled by the University. The policy shall also extend to all current and future activities and opportunities.

5.0 RISK MANAGEMENT FRAMEWORK

RongoUniversity Risk Management Framework comprises the following parts;

i. **Risk Policy:** the guiding document of the framework that formally outlines the policy principles, procedures and individual and institutional responsibilities, requirements and structures imposed by the management, government and other regulatory authorities.

ii. **Risk Register:** principal repository for risks across the University that enablesmanagement to profile risks, monitor controls and prioritise treatment actions.

iii. **University Risk Management Committee**: responsible for co-ordination of risk management within the University.

iv. **Monitoring and Review:** on a regular and needs basis, to enable the University to confirm that risk management is relevant, effective, sustained and facilitates the achievement of objectives.

v. **Formal Reporting:** the University is required to report to various internal and external bodies, via the university risk register or audit reports and other approved reports.

6.0 BENEFITS OF RISK MANAGEMENT

Effective risk management will assist the University to achieve its performancetargets and to reduce the potential loss of resources. Key specific benefits include;

i. Achievememnt of pre-stated objectives.

ii. Effective and efficient service delivery.

iii. Strategic management through consideration of key elements of risk.

iv. Identification and management of risks affecting different departments and/or different processes.

v. Implementation of cost effective, integrated responses to multiple risks.

vi. Minimizing operational surprises, costly and time consuming litigation and unexpected losses.

vii. Greater transparency in decision making and ongoing management processes;

viii. Enhanced accountability and corporate governance processes.

7.0 SOURCES OF RISK

Rongo University shall identify risks associated with the following sources;

i. Commercial and legal relationships

ii. Economic circumstances

iii. Public/professional/ product liability

iv. Human behavior

v. Natural and unnatural events

vi. Political circumstances

vii. Technology and technical issue

viii. Management activity and controls

ix. Individual activity

8.0 THE RISK MANAGEMENT PROCESS

The University shall establish a detailed process for risk management that involves the following;

- i. Establishing context
- ii. Risk identification
- iii. Risk analysis
- iv. Risk evaluation
- v. Risk treatment
- vi. Monitoring and review

9.0 RISK REGISTER/PLAN

The University shall maintain and regularly update a risk register. Departments, Sections and Schools shall maintain individual risk registers.

10.0   ROLES AND RESPONSIBILITIES

For implementation of the policy the following entities shall carry out prescribed roles and responsibilities as outlined hereafter;

10.1   University Council

TheUniversity Council is responsible for;

- **i.** Ensuring the development of a policy on risk management which should take into account sustainability, ethics and compliance risks.
- **ii.** Setting out its responsibility for risk management in the Council Charter.
- **iii.** Approving the risk management policy and the risk management framework.
- **iv.** Delegating to management the responsibility to implement the risk management policy.
- **v.** Monitoring that risks taken are within the set tolerance and appetite levels.
- **vi.** Reviewing the implementation of the risk management framework on a quarterly basis.
- **vii.** Appointing a committee responsible for risk management.
- **viii.** Ensuring that the committee obtains relevant technical advice where necessary.
- **ix.** Evaluating the performance of the committee once a year.

x. Establishing a risk management function within the University.

xi. Ensuring that risk assessment is carried out on a continuous basis.

xii. Receiving from the Internal Audit function, a writtern assessment of the effectiveness of the system of internal controls and risk management.

xiii. Receiving assurance from management that the risk management framework is intergrated in the daily activities of the organization.

10.2 Risk and Audit Committee of Council

The Risk and Audit Committee is responsible for;

i. Monitoring the management of strategic and significant operational risks.

ii. Keeping under review, and advise on, the operation and effectiveness of the University's risk management systems.

iii. Ensuring that risk management and business continuity policies, procedures and framework is established, implemented and maintained.

iv. Considering the system of internal controls and to satisfy itself that the control environment is adequate and that controls are operating effectively.

v. Considering the Internal Audit Annual Audit Plan, review reports from Internal Audit and consider major findings.

10.3 The Rongo University Management Board

The Management Board is responsible for;

i. Developing and implementing the University risk management framework.

ii. Formal identification of significant risks that impact upon the achievement of the University's objectives, mission and vision.

iii. Responsible for the management of fundamental risks and allocation of priorities as individual risk owners.

iv. Considering all risk matters referred to it by the Risk Management Committee, in particular, risk issues which have emerged from Risk Register and may escalate.

v. Ensuring, in conjunction with the Risk Management Committee, that each fundamental risk has a 'Risk Owner' responsible for its management.

10.4   The Risk Management Committee

There shall be a Risk Management Committeeappointed by the Vice Chancellor.The Committee shall advise Management on:

  i.   Appropriate risk appetite and level of exposure for the University.
 ii.   The fundamental risks affecting the University and their mitigation mechanisms.
iii.   Appropriate reviews of the risk management policy and business continuity framework for the University.

The composition of the Risk Management Committee is as follows;

   i.   DeputyVice Chancellor(Administration, Finance & Planning)-Chairperson
  ii.   Registrarin charge of Academic Affairs
 iii.   Registrar in charge of Hostels and Catering
  iv.   Registrar in charge of Human Resources
   v.   Dean of Students
  vi.   Head of ICT
 vii.   Two representatives of the Academic Board
viii.   Finance Officer
  ix.   Legal Officer
   x.   Head Librarian
  xi.   Procurement Officer
 xii.   Chief Security Officer
xiii.   Quality Assurance Officer
 xiv.   Internal Auditor-Secretary

However, the committee may co-opt other members as need arises.

10.5   Internal Audit

Internal Audit shall review the risk management process as part of the audit cycle based on the risk registers in place, provide an independent and objective assurance as to the adequacy and effectiveness of the risk management process, and propose improvements where necessary.

10.6   Other Employees

All employees shall be responsible for applying the Risk Management Policy in their areas of responsibility.

11. BUSINESS CONTINUITY (BC)

The University shall continually conduct business continuity planning to ensure uninterrrupted service delivery in the event of disruptionof operations and shallinclude the establishment of an adequate continuity framework.

12.TRAINING AND DEVELOPMENT
The University shall continually build capacity in risk management and business continuity management.

13.REGULATIONS

Regulations shall be developed by Management to supplement this policy.

14. REVIEW OF POLICY
This Policy shall be reviewed by the University Council from time to time as may be necessary.

15. EFFECTIVE DATE
This policy shall be effective from the date of approval by Council.