

BUKOMBE DISTRICT COUNCIL



Risk Management Framework

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FOREWORD

The Risk Management Framework provides a structured, yet flexible approach for managing the portion of risk resulting from the Council's activities into the mission and Community's service deliveries processes of the organization. The risk management concepts are intentionally broad-based with the specific details of assessing risk and employing appropriate risk mitigation strategies provided by the supporting National security standards and guidelines. The National Security Guides build on the Regulation standards and guidance, consolidate information from various Acts publications, and provide sample ways to implement the standards and guidelines.

Developing the Bukombe District Council Risk Management Framework and supporting documentation is a dynamic process where the risk management concepts and related documents are continually being refined and updated to better meet the needs of the user community. This means that the Quick Start Guides may be based on evolving ideas documented in draft Council standards and guidance or reference documents that have been superseded by a later version. The Quick Start Guides will be updated regularly as Bukombe District Council standards and publications change. The supporting materials include the Roles and Responsibilities Charts, and Quick Start Guides for each step in the Risk Management Framework.

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JUNE, 2016



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LIST OF ABBREVIATIONS

CMT	Council Management Team
CRSA	Control Risk Self Assessment
HoD	Head of Department
BDC	Bukombe District Council
ISO	International Standards Organization
DED	District Executive Director
MDGs	Millennium Development Goals
PLO	Planning Officer
URT	United Republic of Tanzania



KEY DEFINITIONS

For the purpose of this document and risk management at BUKOMBE DISTRICT COUNCIL, the following terms and definitions apply:

- i. “Risk” the possibility of undesirable event (or situation) occurring that might prevent or impact upon the achievement of organization’s objective(s). The impact can be a threat to the delivery of the objectives or a missed opportunity. Risk is hereby measured as a product of its impact (I) to the respective objective and likelihood (L) of occurring.
- ii. “Strategic Risks” are recognized as risks that affect the ongoing work of the BUKOMBE DISTRICT COUNCIL as outlined in its Strategic Plan.
- iii. “Operational Risks” related to all other corporate risks associated with the operation of the BUKOMBE DISTRICT COUNCIL.
- iv. “Risk Identification” The process of determining what might happen, how, when and why within the council.
- v. “Likelihood” a chance of something to happen.
- vi. “Risk Analysis” is the systematic process applied to analysis on how extends the effect of the uncertainty of the risk identified on our goals and objectives are managed.
- vii. “Risk Evaluation” is the process of evaluating the significance of the risks to define the order in which they should be dealt with.
- viii. “Risk Treatment” is the process of selection and implementation of measures to modify risk.
- ix. “Risk Owner” The Senior Managers responsible for the area that the risk will impact on most or that has been assigned the responsibility for the risk by District Executive Director (through the CRSA workshop). Each risk item has a primary owner, responsible for oversight and management of that risk, and may have supporting risk owners. The risk owner will be responsible for preparing action-plans for mitigating the risk as identified in the detailed risk identification and analysis sheet.
- x. “Risk Register” A composite, prioritized, list of the identified and evaluated risks outlining their likelihood and potential impact, and includes action plan or proposed mitigating measures to manage or contain a risk to acceptable levels.



- xi. “Corporate Governance” refers to the set of systems, principles and processes by which the organization is governed. They provide the guidelines as to how the organization can be directed or controlled such that it can fulfill its goals and objectives in a manner that adds to the value of the organization and is also beneficial for all stakeholders in the long term.



SECTION ONE

1.0 INTRODUCTION

1.1 Background and Location

BUKOMBE District is one of the six districts in the region. Other districts are Geita, Chato, Mbogwe, Nya'hwale, and Goita Town Council. The District lies between 1,100 to 1,300 metres above the sea level. It lies between $2^{\circ}8$ to $3^{\circ}28$ South of the Equator and $32^{\circ}45$ to 37° East of Greenwich. The District borders are Geita District and Chato district and Biharamulo District in Kagera region in North and North West, respectively. In the Eastern part, the district border with Mbogwe District Geita region while in southern it border with Urambo District in Tabora region and in west lies Kibondo District in Kigoma region. The District covers 8,482sq Km

According to the National Population Census 2002 the district is estimated to have population of 395,298 people and estimated to have 567,777 people in 2010 by the year 2011. The annual population growth rate is 7.4 percent with an average of 125 people per square km.

The Council is composed of 22 Councilors representing 17 wards and 1 Member of Parliament. The Full Council under the elected Chairperson is the highest decision making organ in the Council.

Mission and Vision of the Bukombe District Council

1.1.1 Vision

2.0 "Bukombe District Council aspires to be a competent leading partner in the facilitation of participatory and sustainable wellbeing of her people"

1.1.2 Mission

"The mission of Bukombe District Council is to facilitate an effective provision and acquisition of sustainable quality socio-economic services to her people in collaboration with all stakeholders



through optimal utilization of available opportunities and resources by adhering to principles of equity and good governance by 2011”

1.1.3 Long term Objectives

To achieve the mission statement above, the district has earmarked the following long term objectives:-

- A. Improve services and reduce HIV/AIDS infection
- B. Enhance , sustain an effective implementation of the National Anti corruption strategy
- C. Improve quantity and quality of social services and economic infrastructure
- D. Enhance good governance and administrative services
- E. Improve social welfare , gender and community empowerment
- F. Improve emergency and disaster management
- G. Sustain natural resources and environmental management

1.1.4 Core Values and Ethics

The core values of the Bukombe District Council that will guide in fulfilling its mission are **Innovation, Partnerships, Continuous Learning, Customer Focus, Equity and Equality, Outcomes-Focused, Transparency, Accountability, Team Work, Efficiency, Integrity, Punctuality, Participation, Patriotism, Timely Feedback, Diligence to Duty, Impartiality in Service, Courtesy to All, Respect for the Law , Proper use of Official Information.** The Council will have to continue to encourage participation and partnership approach at workplace, which in itself, benched on the principles of interdependence, simultaneous interaction, institutional accountability and emphasis on practical



1.2 Need for Risk Management at Bukombe District Council

Since its establishment, BDC, strives to ensure sustainable services to its citizen and therefore contributes to the National efforts in poverty reduction and meeting Millennium Development Goals (MDGs).

The Council inter alia is implementing its Strategic Plan, 2016/17- 2018/19. To achieve its strategic objectives the Council has embarked in embedding risk management in its daily operations. The decision to embed risk management at the BDC follows a realization that the Council operates in a complex and changing environments. Limited resources, increasing demand for best possible value of its services, greater accountability and higher quality are among the factors that call for a more risk-based governance. These factors not only place more pressure on Council's resources but also expose it to new challenges which may derail it from achieving its objectives. In this case therefore, the implementation of a robust and transparent risk management program becomes increasingly important in order for the Council to adopt and meet these challenges and be able to continually align its priorities and objectives against a background of changing risks and uncertainties.

Since risk management is a combination of culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects on the objectives, the present framework is therefore focused on embedding risk management in the normal working routines and activities of the Council.

1.3 Specific Objectives for the Risk Management Framework

The purpose of this framework is to explain the BDC's underlying approach and philosophy, procedures and structure towards ensuring that risks are identified, analyzed, and managed so that they are maintained at acceptable levels. Specifically, the framework is designed to ensure that:

- i. Appropriate system are in place to identify types of risks facing and policy stands in each departments and section,
- ii. Appropriate controls and strategies are adopted to manage exposure to those risks,



- iii. Appropriate responsibilities are delegated to control identified risks effectively,
- iv. Any material changes to the Council's risk profile are disclosed,
- v. More effective strategic planning,
- vi. Better cost control and utilization of resources,
- vii. Enhancing shareholder value by minimizing losses and maximizing opportunities,
- viii. Increased knowledge and understanding of exposure to risk,
- ix. A systematic, well – informed and thorough method of decision making.

1.4 Scope of the Risk Management Framework

This framework presents the commitment and approach in managing risks that endanger the achievement of the BDC's strategic and operational objectives. It is therefore a Council-wide framework, which applies at all levels of management. In this case its scope extends to as follows:

- i. It cuts across all levels of BDC's organizational structures.
- ii. Applies to all departments, units, sections, projects/programs and activities.
- iii. All employees in all areas and activities of Council are responsible for applying risk management principles and practices in their work areas.

1.5 Standards and Legislative Context

In establishing the Risk Management Framework, a number of Standards and Laws/Regulations both within and outside the country need to be considered. These are explained below:

- i. The framework is built in line with the International Standards: "*ISO 31000:2009 - Risk Management – Principles and Guideline on Implementations*".



- ii. The adoption of risk management is a response to the current requirements of the Public Finance Act, 2001 (as amended in 2010) and the need to adapt to emerging best practices in public sector governance.
- iii. Local Government Finances Act (1982)
- iv. Local Authority Financial Memorandum (2009)
- v. The National Guidelines for Developing and Implementing Institutional Risk Management Framework in Public Sector Organizations (2012) by the Ministry of Finance).
- vi. Treasury Circular No. 12 of 2013 on Implementing Risk Management in Public Sector Organizations.

1.6 Structure of the Document

The document termed “Risk Management Framework” is divided into four main sections namely:

1. Risk Management Policy;
2. Risk Management Governance Structure;
3. Risk Management Procedure and;
4. Risk Management Templates.

While the risk management policy sets out the Council’s strategy and commitment to risk management, the other three parts of the framework (i.e. governance structure, guidelines and templates) are designed to support the policy by providing details of the risk governance architecture and processes/protocols in implementing the Council’s Risk Management Policy.



SECTION TWO

2 RISK MANAGEMENT POLICY

2.1 Purpose

The purpose of this Policy is to formalize and communicate the Council's commitment and principles towards the management of risks across the Council. Specifically, this Policy serves the following purposes:

- i. To ensure that all the current and future material risk exposures of the BDC are identified, assessed, quantified, appropriately mitigated and managed;
- ii. To establish a framework for BDC's risk management process and ensure entity-wide implementation;
- iii. To ensure systematic and uniform assessment of risks related with quality education assessment and certification;
- iv. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices; and
- v. To assure growth of the Council's operations.

2.2 Policy Statements

The Risk Management Policy specifies that the Bukombe District Council:

- i. Recognizes that risk is inherent in its mission, objectives, and activities.
- ii. Recognizes that the management of risk is a key element of sound governance and an important strategy for the achievement of its mission, vision and supporting objectives.



- iii. Is committed to embedding risk management principles and practices into its organizational culture, decision-making processes, business information systems, strategic and operational planning of programs and activities.
- iv. Will pro-actively identify, analyze and manage its risks and opportunities at all levels of the Council.
- v. Ensures that all risk identification, analysis, evaluation and treatment are to be reported and updated within its Risk Register.
- vi. Will promote continuous improvement and review of risk management through regular training, monitoring, audit and reporting processes.
- vii. Will update its Risk Management Framework after every three or five years to align with its Three or Five Years Rolling Strategic Plan cycle as the case may be. However, the Framework may be reviewed at any given time to accommodate substantive changes which may make the existing Framework, or any of its sections, redundant.
- viii. Will update its Risk Register annually to align with its planning and budgeting cycle.

2.3 Principles

This Policy, as it is with the overall Risk Management Framework, is established in accordance with the International Standards and Best Practice on Risk Management (ISO 31000 Risk Management – Principles and Guidelines on implementation). However, the following principles need to be specified:

2.3.2 General Principles

- i. The principles contained in this policy and procedures will be applied both at the Council's strategic and operational levels.
- ii. The Council's Risk Management Policy and Procedures will be applied to all operational aspects of the Council and will consider external and internal risks.



- iii. Our positive approach to risk management means that we will not only look at the risk of things going wrong, but also on the impact of not taking opportunities or not capitalizing on our institutional strengths.

2.3.3 Specific Principles

- i. All risk management activities will be aligned to the Council's mission, objectives, activities and priorities.
- ii. Risk analysis will form part of the BDC's strategic planning.
- iii. Risk management will be founded on a risk-based approach to internal control which will be embedded into day to day operations of the BDC.
- iv. Head of Departments, Heads of Units, Head of Sections and staff at all levels in assistant with departmental risk champions will have the responsibility to identify, evaluate and manage or report risks, and will be equipped to do so.
- v. For some key areas where the likelihood of a risk occurring is relatively small, but the impact is high, such risks may be covered by developing Contingency Plans, Business Continuity Plans and/ or Disaster Recovery Plans.
- vi. In determining an appropriate response, the cost of control/risk management, and the impact of risks occurring will be balanced with the benefits of reducing and/ or managing risk.
- vii. It is also recognized that some risks can be managed by transferring them to a third party, for example by contracting out, Public Private Partnership arrangements, or by insurance.
- viii. The Council will foster a culture which provides for spreading best practice, lessons learnt and expertise acquired from its risk management activities at all levels and for the benefit of the entire Council.



SECTION THREE

3 RISK MANAGEMENT STRUCTURE

3.1 Purpose

Risk management structure can be described as the risk architecture of the organization. The architecture sets out the lines of communication for reporting on risk management issues and events. It gives clear risk management responsibilities in relation to:

- i. Oversight of risk management at BDC;
- ii. Development of risk policy and procedures;
- iii. Implementation of the agreed standards and procedures; and
- iv. Auditing compliance with the policy and procedures.

3.2 Roles and Responsibilities

The roles and responsibilities of various organs and officials in risk management at BDC are detailed below.

3.2.2 The Full Council

The Full Council has the responsibility for making all decisions on Risk Management. This includes approving the Risk Management Framework (i.e. Policy, Governance Structure and Procedures) and the Risk Register. The Council will fulfill its oversight responsibilities through the Audit Committee as well as Finance and Administration Committee.

The Full Council has a significant role to play in ensuring the integrity and transparency of risk management and risk reporting. It provides direction for the Council's risk management and ensures that appropriate risk mitigation activities are functioning effectively.

To fulfill this role it:



- i. Reviews disaster management and business continuity activities,
- ii. Monitors the robustness of the risk management systems, processes and practices.
- iii. Reviews the Council's Risk Register four times per annum,
- iv. Considers the robustness of mechanisms adopted by management to mitigate key risks,
- v. Refers financial risks, as appropriate, to the Finance and Administration Committee for its consideration,
- vi. Set the tone and influence the culture of risk management within the Council including setting the standards and expectations of staff with respect to conduct and probity.
- vii. Approve major decisions affecting the Bukombe District Council's risk profile or exposure,
- viii. Monitor the management of high-level risks are being actively managed, with the appropriate controls in place and working effectively,
- ix. Annually review the BDC's approach to risk management and approve changes or improvements to key elements of its processes and procedures.

3.2.3 The Audit Committee

The Audit Committee will act as a link between the Municipal Director, Risk Management Coordinator, and the Finance, Planning and Administration Committee. The Audit Committee is responsible for:

- i. Ensuring that an adequate risk management framework and associated control environment exists within the Council,
- ii. Monitoring the arrangements in place for the identification, monitoring and management of strategic and operational risk,



- iii. Receiving and reviewing risk management action plans and reports (as compiled by the risk management coordinator);
- iv. Advising the Accounting Officer on all matters relating to risk management.
- v. Providing the Finance and Administration Committee with the necessary information and reports on risk management initiatives, including the risk management framework, the risk register and progress of risk treatments.

3.2.4 The Municipal Director¹

The Executive Director (DED), who is the Accounting Officer, is responsible for ensuring that a risk management system is established, implemented and maintained in accordance with this policy. Assignment of responsibilities in relation to risk management is the prerogative of the Accounting Officer.

3.2.5 Risk Management Coordinator²

The Risk Management Coordinator will be responsible for coordinating risk management activities within the Council and will be responsible for the following:

- i. Maintain the Council's risk register and other documents/reports related to risk management;
- ii. Receive action plans for risk treatment from all Risk Owners/ Departmental Risk Champions;
- iii. Receive and compile implementation reports from other Risk Owners;
- iv. Compile, summarize and analyze institutional-wide risk management implementation reports on quarterly basis and submit to the District Executive Director. The reports will also be presented and discussed in the Audit Committee meetings;

¹ The DED may delegate some of these responsibilities to the Risk Management Coordinator

² The Risk Management Coordinator at the council is the Planning Officer (PLO)



- v. Present the risk management quarterly implementation reports to the Council Management Team (CMT) meeting;
- vi. Liaise with the Internal Audit in getting feedback regarding evaluation of implementation of risk management activities. In that regard, the Risk Management Coordinator will disseminate audit findings to all responsible officials and ensure responses on the same;
- vii. Capture and document any emerging risk in the due course,
- viii. Conduct or arrange training or awareness workshops/ seminars in risk management to staff and any;
- ix. Initiate review of the Council's Risk Register on annual basis and the Risk Management Framework after every five years.

3.2.6 Heads of Departments, Units (Risk Owners) and Departmental Risk Champions.

The Heads of Departments, Units and Departmental Risk Champions are accountable for strategic risk management within areas under their control including the devolution of the risk management process to Head of Sections, Operational Supervisors and other staff.

Specifically they are responsible for:

- i. The formal identification of risks that impact upon the department/ unit's objectives and functions.
- ii. Allocation of priorities
- iii. The development of strategic risk management plan (including action plans to implement proposed mitigation measures contained in the Council's Risk Register)
- iv. Implementation of risk management action plans
- v. Preparations of risk management quarterly implementation reports and submit them to the Risk Management Coordinator. This will also involve annual reporting on the status of implementation of the risk register during the review process.



- vi. Giving cooperation to auditors (both internal and external) in the course of audit of risk management activities within their respective departments and units. Also, in this regard, they are responsible to respond on the audit issues raised by the auditors and/or audit committee.
- vii. Maintenance of Risk Register and other documents/ reports relating to risk management within their respective departments and units in a systematic manner.

3.2.7 Head of Internal Audit Unit

The Head of Internal shall:

- i. Be accountable to DED and the Audit Committee for providing assurance and advice on the implementation of the Risk Management Framework;
- ii. Provide professional advice to the relevant Head of Departments and Units on risk management matters pertaining to Bukombe District Council;
- iii. Prepare audit plans that are risk-based (i.e. driven by risk assessment processes and procedures);
- iv. Conduct an evaluation of the risk management process, based on internal audit plans; and prepare and submit report to the DED and the Audit Committee

3.2.8 All Council Staff

Every staff member of Council is responsible for the effective implementation of risk management including the identification of potential risks.



SECTION FOUR

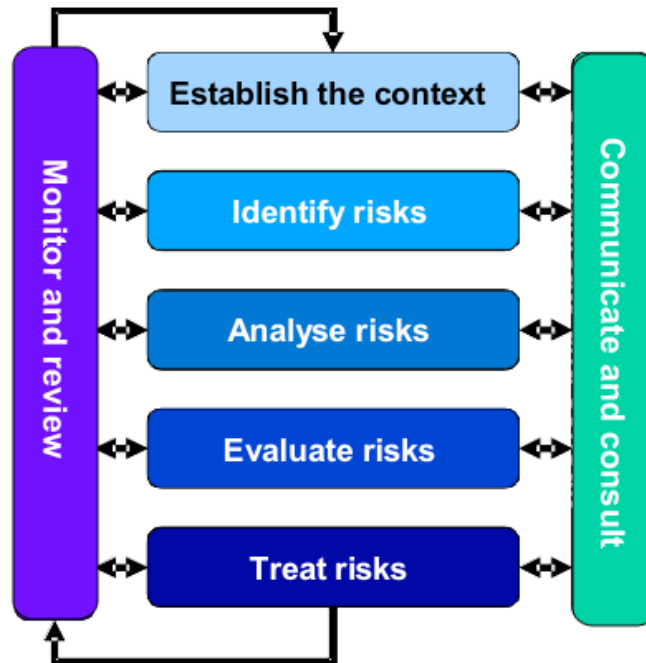
4 RISK MANAGEMENT PROCEDURES

4.1 ISO 31000:2009 Risk Management Process

Bukombe District Council adopts the International Standards Organisation (ISO) 31000:2009 Risk Management Process (see Figure 1 below).

The risk management procedures as outline in this section includes the risk assessment process that leads to the construction of the DISTRICT RISK REGISTER, treatment of the risks and communication/reporting procedures.

Figure 1: Risk Management Process



Source: Adopted from ISO 31000: 2009

During the implementation of the Risk Management Framework, BUKOMBE DISTRICT COUNCIL will be required to:



- i. **Establish the context.** This is the strategic, organizational and risk management context against which the risk management process at BDC will take place. Criteria against which risk will be evaluated should be established and the structure of the risk analysis defined. Context could be viewed in terms of external (political, legal, technological, economical, social and environmental) and internal environments to the Council (to include all departments, units, sections, programs, projects, activities in all sectors that the Council is operating). These are mostly where the sources of risks come from.
- ii. **Identify Risks.** This is the identification of what, why and how events arise as the basis for further analysis. The risk analysis will be against the Council's Strategic Objectives, targets and operations/ functions. This identification may be done through either a Control Risk Self-Assessment (CRSA) workshop, survey or when a new risk emerges. All identified risks will be captured in the Risk Identification and Analysis Sheet (see Template 1).
- iii. **Analyze and Evaluate Risks.** This is the determination of existing controls and the analysis of risks in terms of consequence and likelihood in the context of those controls. The analysis should consider the range of potential consequences and how likely those consequences are to occur. Consequences and likelihood are combined to produce an estimated level of risk. This is a comparison of estimated risk levels against pre- established criteria. This enables risks to be ranked and prioritized. This information will also be captured in the Risk Identification and Analysis Sheet (see Template 1).

Impact and likelihood will be rated using a five (5) band rating scale for both impact and likelihood (see Table 1 below).



Table 1: Risk Rating in a 5 Band Scale

Number	Impact	Likelihood
5	Very High (VH) also <i>Catastrophic</i>	Very High (VH) also <i>Almost certain</i>
4	High (H) also <i>Major</i>	High (H) also <i>Likely</i>
3	Medium (M) also <i>Moderate</i>	Medium (M) also <i>Possible</i>
2	Low (L) also <i>Minor</i>	Low (L) also <i>Unlikely</i>
1	Very Low (VL) also <i>Insignificant</i>	Very Low (VL) also <i>Rare</i>

(iv) Proposing and Planning Risk Treatment

- The overall risk status shall be obtained by multiplying the impact and likelihood (i.e. I x L), where each risk will be given a specific color to match the product of impact and likelihood (see Table 2).
- Table 2 provides different levels of risk status (i.e. product of IMPACT x LIKELIHOOD) with different meaning and proposed responses.
- For extreme priority risks, the each department that the risk is falling will be required to develop and implement specific risk management plans including funding considerations. Lower priority risks may be accepted and monitored. This information is also termed as PROPOSED CONTROLS must be reflected both in the Risk Identification and Analysis Sheet (see Template 1).



Table 2: Risk Status, Color Expression and Proposed Response

Total Risk/ Risk Status (Impact x Likelihood)	Description	Expression in Color	Meaning and Responses
15-25	Extreme or severe	Red	Very serious concern; highest priority. Take immediate action and review regularly.
10-14	High	Light brown	Serious concern; higher priority. Take immediate action and review at least three times a year
5-9	Moderate	Yellow	Moderate concern; steady improvement needed. Possibly review biannually
1-4	Low	Green	Low concern; occasional monitoring. Tolerate/ Accept. Continue with existing measures and review annually.

The classification of the Council’s risks relies on the judgment of its staff, supported by **relevant information** and **data**. In order to maximize consistency in approach across the Council, the following classification guidance will be followed:

Classification Guidance on Risk Impact

Rank	Score	Explanatory Note
Very High (Catastrophic)	5	<ul style="list-style-type: none"> Non-delivery of services/ impact that would result in failure to achieve three or more of our strategic aims, objectives or key performance targets Significant financial loss (e.g. budget reduction by 20%) Multiple loss of life and/or loss of reputation or image that may take more than five (5) years to recover or involves litigation Event that involves significant management time
High (Major)	4	<ul style="list-style-type: none"> Non-delivery of services/ impact that would result in failure to achieve one to two of our strategic aims, objectives or key performance targets High financial loss (e.g. budget reduction by 10%) Multiple loss of life and/or loss of reputation or image that may take 2-5 years to recover or involves litigation



		<ul style="list-style-type: none"> Event that involves relatively higher management time
Medium <i>(Moderate)</i>	3	<ul style="list-style-type: none"> Partial delivery of services/ restricted ability to achieve one or more of our strategic aims, objectives or key performance targets Moderate financial loss (e.g. budget reduction by 5%) Moderate loss of life and/or loss of reputation or image that may take 1 year to recover
Low <i>(Minor)</i>	2	<ul style="list-style-type: none"> Delivery of services with acceptable levels of problems/ some aspects of one or more of our strategic aims, objectives or key performance targets Minor financial loss (e.g. budget reduction below 5%) Event that involves little management time
Very Low <i>(Insignificant)</i>	1	<ul style="list-style-type: none"> No impact Insignificant financial Loss

Classification Guidance on Risk Likelihood

Rank	Score	Explanatory Note
Very High <i>(Almost Certain)</i>	5	<ul style="list-style-type: none"> The adverse event will definitely occur, probably multiple times in a year.
High <i>(Likely)</i>	4	<ul style="list-style-type: none"> The adverse event is expected to occur in most circumstances eg from 60% onwards chance of occurring in the next 12 months or 6 out of every 10 years. History of events in the institution or similar organizations.
Medium <i>(Possible)</i>	3	<ul style="list-style-type: none"> The risk event should occur at sometime e.g. between 10%-59% chance of occurring in the next 12 months or between 2- 5 out of every 10 years. i.e. (50/50 chance of occurring within the next year).
Low <i>(Unlikely)</i>	2	<ul style="list-style-type: none"> The risk event may occur only in exceptional circumstances e.g. below 10% chance of occurring in the next 12 months or once in 10 years
Very Low <i>(Rare)</i>	1	<ul style="list-style-type: none"> Highly unlikely to occur in the next 5 years. No history of adverse event in the organisation

iv. **Treat Risks.** For higher priority risks, the department is required to develop and implement specific risk management plans including funding considerations. Lower priority risks may be accepted and monitored. This information is also termed as proposed controls and need to be reflected both in the Risk Identification and Analysis Sheet (see Template 1) and the Risk Treatment Schedule and Action Plan (see Template 3).

The treatment, depending on the type could follow a specific type of response in terms of



- **Accept** (Tolerate) = monitor
- **Avoid** (Terminate) = eliminate (*get out of situation*)
- **Reduce** (Treat) = institute controls
- **Share** (Transfer) = partner with someone (*e.g. insurance*)

v. **Monitor and Review.**

- This is the oversight and review management system and any changes that might affect it.
- Monitoring and reviewing occurs concurrently throughout the risk management process.
- The main tool for monitoring will be the benchmark of the proposed action plans (in Template 3) with the actual implementation reports.
- Each Risk Owner therefore, in a quarterly basis, must report of the status of risk treatment. This will be done by complete Risk Treatment Implementation Reports as indicated in Template 4.
- The Risk Treatment Implementation Reports shall be submitted to the Risk Coordinator, who in turn will prepare an overall Council's Risk Management Report for the respective quarter or financial year (where appropriate).

- vi. **Communication and Consultation.** Appropriate communication and consultation with internal external stakeholders should occur at each stage of the risk management process as well as on the process as a whole. Specific quarterly Risk Management Reports will need to be completed for review by the responsible authorities within the Council.

4.2 Risk Registers

All identified and prioritized risks will be recorded in the BDC's Risk Register (see template 2). They will be kept at both departmental and institutional level.



The Risk Registers (departmental and institutional) shall be reviewed and updated annually as detailed in the policy statement. The summary overall council risk register can be made available on the Council website so that it can be readily accessed by those with responsibilities for managing it.

4.3 Approval

The approval of the Risk Management Framework (policy, structure and procedures) rests with the Full Council.

4.4 Implementation

The Framework will be signed by the Chairman and Secretary of the Council as a commitment to its implementation and adherence thereto. The Risk Management Framework will be communicated throughout Bukombe District Council by means of fliers, circulars and special awareness workshops.

4.5 Framework Update

The Risk Management Framework will be reviewed and updated after every three or five years to align with the Three or Five Years Rolling Strategic Plan cycle as the case may be. However, the Framework may be reviewed at any given time to accommodate substantive changes which may make the existing Framework, or any of its sections, redundant

4.6 Authentication

This document was adopted by the Full Council on. During its..... Meeting.

Signed by:

Mr. James M. Ihunyo
DISTRICT EXUTIVE DIRECTOR

Hon. Safari N. Mayala
THE COUCNIL CHAIRPERSON
BUKOMBE DISTRICT



SECTION FIVE

5 RISK MANAGEMENT TEMPLATES

The following section presents some of the key template or forms to be filled in the risk assessment process. These include the risk identification and analysis sheet, risk register, risk treatment schedule and action plan and format of the risk management quarterly implementation report.

5.1 Risk Identification and Analysis Sheet

The risk identification and analysis sheet is a major tool in risk identification process. The form becomes the basis for preparing the Risk Register. This form can be completed by conducting a formal risk identification workshop and/or on daily basis when a new risk is identified.



Template 1: Risk Identification and Analysis Sheet

Risk title: Provide a brief title of the risk	Risk ID: provide a unique identity
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Overview	
Risk	<i>Provide a brief description of the risk</i>
Principal risk owner	<i>Include title of the person managing the risk and the area where the risk falls</i>
Supporting owner(s)	<i>Provide title of other persons affected by the risk</i>
Risk Category	<i>Is it a financial, technical etc (see template 2)</i>
Objective/plan	<i>List the objective impacted by the risk</i>

Details	
Causes: <i>Provide the causes that may lead to the risk materializing</i>	Consequence(s): <i>Provide description of what will happen if the risk will materialize</i>

Inherent risk analysis (tick the appropriate ratings basing on the scenario that current controls do not exist or completely fails)						
Inherent risk	Impact:	VERY HIGH	HIGH	MODERATE	LOW	VERY LOW
	Likelihood:	VERY HIGH	HIGH	MODERATE	LOW	VERY LOW
Risk rating	Impact x likelihood	<ul style="list-style-type: none"> Multiply the ratings from impact and likelihood. Shade this area with appropriate color (see Table 7 in section 3.3.6) 				

Key risk mitigation/controls currently in place and their weaknesses: <i>-briefly describe the current controls existing to reduce the inherent risk, also point out the main weaknesses for the current controls.</i>
--

Residual risk analysis (tick the appropriate ratings basing remaining risk levels after the above existing controls)						
Residual risk	Impact:	VERY HIGH	HIGH	MODERATE	LOW	VERY LOW
	Likelihood:	VERY HIGH	HIGH	MODERATE	LOW	VERY LOW
Risk rating	I X L:	<ul style="list-style-type: none"> Multiply the ratings from impact and likelihood. Shade this area with appropriate color (see Table 7 in section 3.3.6) 				

Actions/mitigating controls to be taken: (propose feasible treatment actions to be put in place to reduce the risk at tolerable levels, including resources required for each treatment action –financial, physical assets, or human)	
Treatment: 1. 2.	Resource required 1. 2.



5.2 The BDC's Risk Register

The Risk Register is the main document that summarizes the Council's Risks on each strategic or functional objective. The register could be prepared at any decided level (i.e. strategic or departmental, project). The main source of its data is the Risk Identification and Analysis Sheet, which also become its attachments.

Template 2: Extract of Risk Register

OBJECTIVE	FUNCTIONAL OBJECTIVE/ SP-TARGET NO.	RISK TITLE	TYPE OF RISK	RISK ID	RISK ASSESSMENT AS PER CRSA ³		RISK RATING (I X L)	RISK STATUS	PRINCIPAL RISK OWNER	PAGE
					IMPACT (I)	LIKELIHOOD (L)				

³ Very High = 5; High=4; Medium = 3; Low = 2; Very Low = 1



This follows after the risk register has been prepared. The risk owners should use this form to prepare practical action for implementing the mitigating measures or controls as proposed in the risk identification and analysis sheet (Template No.1). Each risk owner shall submit the duly completed Risk Treatment Schedule and Action Plan to the Risk Management Coordinator.

Template 3: Extract of Risk Treatment Schedule and Action Plan

Department/Unit:					
Date of review: Compiled by: Date:					
Reviewed by: Date:					
Risk title & ID (From Risk Register in priority order)	Proposed Treatment/Control Options (From Risk Identification Sheet)	Results of Cost-benefit analysis (A = accept, B = reject)	Person Responsible for Implementation of Treatment Options	Time-table for Implementation (Give specific start and end dates)	How will this risk and treatment options be monitored



5.3 Quarterly Implementation Report

This form shall be used to prepare the Risk Management Quarterly Implementation Report by all risk owners. Each risk owner shall submit the Risk Management Quarterly Implementation Report to the Risk Management Coordinator within two weeks after the end of quarter.

Template 4: Format of the Risk Management Quarterly Implementation Report

Department/Unit: Risk Management Quarterly Implementation Report for the Quarter Ending..... Prepared by: Date:						
Risk title & ID <small>(From Risk Register in priority order)</small>	Proposed Treatment/Control Options <small>(From Risk Identification Sheet)</small>	Person Responsible for Implementation of Treatment Options	Time-table for Implementation <small>(Give specific start and end dates)</small>	How will this risk and treatment options be monitored	Status of Implementation	Remarks and/or Comments

How to overcome nervous tension and speak well in public

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