

COUNTY ASSEMBLY OF KISUMU

RISK MANAGEMENT POLICY

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1.0 Introduction

1.1 Overview

The constitution, article 185 gives the county assemblies legislative roles of making county laws, oversight roles over the county executive and approval of plans and policies of the counties. The carrying out of these functions requires administrative and other functions which are necessary for the running of county assembly.

The county assembly of Kisumu recognizes that legislation provision and the activities associated with oversight, employing staff, safeguarding county resources and managing finances all, by their very nature, involve a degree of risk. The management of risk is therefore a key organizational responsibility and is the responsibility of all members of county assembly (MCAs) and staff employed by the County assembly. Failure to manage risk effectively can lead to harm, loss or damage in terms of both personal injury but also in terms of loss or damage to the assembly's reputation; financial loss; potential for complaints; litigation and adverse or unwanted publicity.

This policy covers all aspects of risk assessment and management within the County assembly. The county assembly has adopted an integrated approach to the overall management of risk irrespective of whether risks are political, organizational or financial. Risk management is embedded within the county assembly's overall performance management framework and links with legislation and oversight.

The County assembly service board has overall responsibility for corporate governance, including risk management. The Board has legal and statutory obligations to ensure that there are robust and effective risk management processes and structures in place.

The County assembly uses an integrated risk management approach to record risk assessments and risk registers at all levels. The approach enable risk register report to be produced for review and audit purposes, and enable also risks to be escalated as appropriate, therefore supporting a culture of proactive risk management.

This policy is intended for use by all employees and contractors engaged on county assembly contracts in respect of any aspect of that work. Although the management of key strategic risks is monitored by the County assembly service board, operational risks are managed on a day to day basis by employees throughout the County assembly. The County Assembly's Assurance Framework and Risk Register provide a central record of the organization's principal risks.

1.2 Purpose of the risk management policy

This policy is a formal acknowledgement of the commitment of the county assembly to risk management. The aim of the policy is not to have risk eliminated completely from county assembly's activities, but rather to ensure that every effort is made by the County assembly to manage risk appropriately to maximize potential opportunities and minimize the adverse effects of risk.

1.3 Scope of the policy

Risk is an inherent aspect of legislations, oversight, administration, planning and development activities that are undertaken at the assembly and the county as a whole as members of the county assembly are representatives of the people of Kisumu. Sound risk management principles must become part of routine management activity across the County assembly.

The key objective of this policy is to ensure the county assembly has a consistent basis for measuring, controlling, monitoring and reporting risk across the county at all levels.

1.4 Policy Statement

The County assembly considers risk management to be fundamental to good management practice and a significant aspect of corporate governance. Effective management of risk will provide an essential contribution towards the achievement of the assembly's strategic and operational objectives and goals.

Risk management must be an integral part of the assembly's decision making and routine management, and must be incorporated within the strategic and operational planning processes at all levels across the county.

The county assembly is committed to appointing a risk champion to coordinate activities that will identify, assess and monitor risks across all departments of the county assembly

Risk assessments must be conducted on all activities, including projects, processes, systems and development activities to ensure that these are aligned with the county assembly's objectives and goals. Any risks or opportunities arising from these assessments will be identified, analyzed and reported to the appropriate management level. The County assembly is committed to ensuring that all County assembly members and staff, particularly Committee chairmen, leaders of majority and

minority, speaker, clerk and heads of departments and Sections heads are provided with adequate guidance and training on the principles of risk management and their responsibilities to implement risk management effectively.

The County assembly will regularly review and monitor the implementation and effectiveness of the risk management process, including the development of an appropriate risk management culture across the county.

1.5 Broad Objectives

Risk management is a governance process which supports the running of the County Assembly to cushion against threats or negative effects that may curtail the achievement of objectives.

The objectives of the policy include:

1. Ensure that strategic directions of the assembly are sound

The county assembly may be subjected to risks. These risks have the potential to disrupt achievement of the assembly's strategic objectives. The County assembly aims to use risk management policy to make better informed decisions and improve the probability of achieving its strategic objectives.

2. Communication of risks

To confirm and communicate the County assembly's commitment to risk management to assist in achieving its strategic and operational goals and objectives.

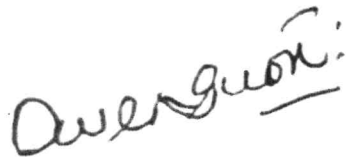
To formalize and communicate a consistent approach to managing risk for all assembly activities and to establish a reporting protocol.

3. To ensure that all significant risks to the County assembly are identified, assessed and where necessary treated and reported to the county assembly in a timely manner through the assembly's audit committee.
4. To assign accountability to all staff for the management of risks within their areas of control.
5. To provide a commitment to staff that risk management is a core management function.

1.6 Specific Objectives

- To improve the internal control in the county assembly and its operational environment
- Ensure that laws that are enacted meet the expectations of Kisumu citizens
- Minimize possibility of fraud and mismanagement of county's resources by consistently reviewing the county's operations
- Ensure proper mechanisms for safe guarding the county assets
- Safe guard the interest of members and staff and to ensure that their rights and welfare are improved
- Ensure that plans and policies are in conformity with the laws
- Minimize possibility of loss of assets of the county and to ensure that liabilities are maintained at reasonable levels.
- Ensure consensus and harmony in decision making at the county assembly.
- Avoid negative publicity by improving relationship with the communication stakeholders.

MR. OWEN ODHIAMBO OJUOK
CLERK OF THE ASSEMBLY
KISUMU COUNTY
DATED 29TH JUNE 2020



OWEN ODHIAMBO OJUOK
AUTHORISED SIGNATORY

2.0 Governance Structure of Kisumu

2.1 Governance at the County Assembly of Kisumu

The county assembly has the elected leaders and the county assembly service board who run the affairs of the County Assembly

Kisumu county Assembly has sixty elected members of the county assembly and twenty seven nominated members of county assembly giving a total of eighty seven members. The Speaker is an ex officio member of the county assembly.

The County assembly service board of Kisumu comprise; the Speaker, leader of majority, leader of minority and one resident member who is not a member of the county assembly. The clerk is the secretary to the Kisumu County assembly service board.

2.2 Roles of the governing bodies of the Kisumu county assembly

2.2.1 Members of the county assembly (MCAs)

- Make laws that are necessary or incidental to the effective performance of Kisumu county
- Oversight the county government of Kisumu and its agencies
- Approve plans and policies that Kisumu County requires for management of its resources and development of its infrastructure and institutions.
- Approve and vet nominees for appointment to the Kisumu county offices.
- Approve borrowing of the county government of Kisumu.

2.2.2 Kisumu County Assembly service board

- Prepare annual estimates of expenditures of the county assembly and submits to the county assembly for approval
- Constitutes offices of the county assembly service, appoints and supervises the assembly's office holders
- Provides services and facilities that ensure effective and efficient functioning of the county assembly
- Undertakes programmes that promote the ideals of democracy in the county assembly
- Performs functions that are necessary for the well-being of members and staff of the county assembly.

3.0 Risk.

Risk exists as a consequence of uncertainty and is present in all activities whatever the size or complexity of an organization or institution whether public or private. It is important to understand that risk is a broader concept than the traditional view of merely a threat. It also recognizes the risks of taking or not taking opportunities.

Risk includes:

Threats (damaging events) which could lead to failure to achieve objectives. Opportunities (challenges) which if exploited could offer an improved way of achieving the desired objectives but which could potentially have negative impacts.

The county assembly considers all types of risk it faces, strategic, operational, financial, reputational and regulatory and compliance risks.

3.1 The Kisumu County assembly's Risk management Approach

The County assembly's approach to risk management follows several key principles:

The Risk Management process will be as user friendly as possible and add value. For this reason considerable effort has been put into keeping the process as simple as possible.

- The County Assembly seeks to embed risk management across all departments, committees, Sections and project management but its immediate aim is to ensure that it is embedded in the assembly's management set up.
- The aim is to align top down and bottom up assessments to produce a comprehensive picture of risk across all county assembly activities.
- All assembly operational units will use a consistent and transparent approach to risk, ensuring an agreed and widely understood method and language.
- A key focus of the risk management process is the concentration on control improvements to mitigate significant risks, however there is a need to balance the cost and the effectiveness of the controls; for example where marginal improvements in control require substantial costs, the proposal may be unviable.

- Upward reporting of risk ensures that significant risks are reported and closely monitored on a regular basis at the appropriate level.

3.2 Implementation of the Policy and Procedures

The implementation of this policy and related procedures will be achieved through:

- Developing robust arrangements in all departments, sections and units for managing risk;
- Ensuring clearly defined roles and responsibilities for the management of risk are agreed and understood across the county assembly;
- Providing risk management training and support to designated individuals including senior officers and leaders to enable them to manage risk as part of normal line management responsibilities;
- Undertaking risk assessments (political; organizational; financial etc) using a common methodology to identify, control and minimize risks;
- Recording the results of risk assessments onto the relevant County assembly risk register; Maintenance of the risk register database (RAFT) containing a record of all possible risks. It is a dynamic database reflecting the nature of our risks and our management of them. Its purpose is to help managers prioritize available resources to minimize risk to best effect and provide assurances that progress is being made on actions to mitigate risks where applicable;
- Ensuring that all high level risks are escalated, if appropriate, to the County assembly service board via the risk management champion and the county assembly clerk;
- Encouraging an open and fair culture of in terms of reporting and learning from incidents from both staff and patients;
- Implementing the recommendations from the County Assembly service board, the clerk, internal audit and other alert notices and communicating resultant changes to all staff across the county assembly;
- Ensuring compliance with the Constitution of Kenya, 2010, County government Act and the Public Finance Management Act, 2012 and other relevant regulatory requirements.

3.3 Risk Responsibilities

The key responsibilities that will be involved in risk management include:

The Speaker

The Speaker of the county assembly has responsibility for the management of risks exposures that may arise from legislations at the county assembly.

Leader of majority and leader of minority

The leaders will have responsibility in management of risks related to legislations, oversight, functionality of assembly committees and the external stakeholders.

The clerk

The clerk, advised by the Risk Management champion/representative is responsible for managing county assembly institutional risks and compliance with regulatory provisions.

Heads of departments and Sections

Heads of departments and Sections are responsible for the management and monitoring of risk in line with this policy within their areas of responsibility.

Staff

Effective risk management depends on the commitment and co-operation of all staff. All staff has a significant role in the management of risk, particularly within their own areas of control. Consequently all staff are responsible for and have accountability for adherence to the principles outlined in this policy.

Project Teams

Project teams are responsible for managing project specific risk and complete a project risk report to demonstrate that this is being done.

Principal Finance officer and internal auditor

The Principal Finance officer (PFO) and internal auditor reviews the risk management process and reports this in quarterly report on risk management to the Audit Committee.

The Principal Finance officer and the internal auditor manage the risk process including the roll out of the risk management processes.

County assembly Risk representatives/champions

The County assembly risk champion is responsible for co-coordinating the risk management processes and will provide advice and guidance, including the development of standard templates and tools to assist the county assembly in managing risk.

The Risk management champion will develop and conduct training on the principles of risk management, risk assessment and on how to implement risk management effectively.

Where necessary, the risk management champion will assist members of county assembly, and staff to conduct risk assessments on new legislations and activities.

The Risk management champion will maintain the County assembly's strategic risk register.

The Risk management champion will develop a comprehensive incident reporting system and maintain information on losses or adverse events when risks occur.

The Risk management champion will manage the insurance and risk financing requirements of the county assembly.

3.4 The county Assembly's Risk Management Strategy

There processes the county assembly will use in management of risk include:

1. Identifying the risks to achieving strategic and operational objectives
2. Determining the owner of the risk
3. Determining and assessing the existing controls in place
4. Assessing the impact and likelihood of the risk after taking account of existing controls to derive the net risk
5. Determining further control improvements to mitigate the risk and indicate what their impact on net risk will be when they are fully implemented.

Risk can be assessed using brainstorming sessions, SWOT analysis or risk assessment user groups. Management groups should carry out an annual review of the linkages between strategic objectives and risks to ensure that focus is maintained on priority activities.

Each level of management should use a risk register to manage identified significant risks and report these to the next appropriate level.

3.4.1 Departmental Risk Review

A formal risk review should take place at least four times a year with a review of progress on control improvements for severe risks. During the risk review, thought should be given to each risk to ensure that the risk is still relevant and applicable and that the risk noted, recorded and reported. It is good practice for Risk management champion to note emerging risks for consideration and review during their regular meetings.

3.4.2 Reporting significant risk

The normal reporting regime will include recording of significant risks by the Risk Management representative or by any official who has noted the likelihood of risk or who has experienced the occurrence of risk that require reporting to the Clerk of the County assembly who is the authorized officer. The risk profile should show the level of likelihood and impact of the net risk and the adequacy of controls.

The county assembly's operational departments and Sections risk management will follow a similar process and where necessary, each Section nominates a member of staff to take responsibility for reporting the risks that may be detected in their departments or sections.

After defining the risks and ownership, the risk register should be populated by each risk owner as set out in this policy. The register should be reviewed at least four times a year (including consideration of new risks) by the risk owners. A quarterly report should be presented to the Risk Management champion/representative and include the risk register.

The risk register will form part of the planning process for each department, sections and operational units

Any significant risks and any risk where existing controls are assessed as inadequate should be reported to the Head of department or Section for reporting to the clerk of the county assembly. The clerk will determine whether or not the risk should appear on the significant risk register for immediate action or whether it needs improvement in procedures and processes.

The Clerk of the county assembly will make arrangements to audit the risk process for each department, section or unit as part of a regular cycle of audits and will report explicitly on the risk management processes in departments and Sections.

3.4.3 Significant risk can be defined as:

Strategic Level – Any controlled significant risk and any risks with existing controls assessed as inadequate will be reported to the clerk of the county assembly. The risks occur at the policy level involving the County Assembly service Board, the speaker, leaders of Majority and minority, the clerk

Departmental, Section and unit Level

Major and catastrophic risks and any risks with inadequate existing controls must be reported to the Risk management Representative/champion who reports the same to the internal audit.

As control improvement plans are developed the Risk Management Champion will need to take a view as to whether the actions being taken to mitigate the risk are adequate (including risk transfer for example insurance) or whether more could be done. As a result of this exercise it will decide whether the level of residual risk is acceptable or whether the risk should be terminated (for example ending the activity where the risk originates). In many instances the termination of the risk may not be possible.

Project Risk Management

Project risk management will follow a similar process to that defined for corporate risks. The Project Manager will take responsibility for risk management. The risk register in the format set up in this policy will be populated at the point at which permission is sought for a project to proceed.

The risk register will be updated and presented at each project meeting.

3.4.4 Risk Management Process – Roll Out

The risk process including the risk strategy and risk register have been planned for roll out by the county assembly during the financial year 2016/2017.

During the initial roll out there will be a review and any variation, needed for the effective running of the risk process will be made. Specifically the appropriate escalation level for departments, Section and projects will be reviewed. This will be based on the review from internal audit and will take into account any operational issues which may occur during the year.

Each year the Risk Management Strategy Group will review the departments and Section risk registers. The policy will be updated regularly to reflect any changes. Otherwise the policy will be reviewed every three years.

3.4.5 Categories of Risk

This appendix provides a prompt which can be used to aid risk discussions. These can be used as a guide, a starting point or as a checklist for existing registers

Strategic Risk – Major Threats

A source of threat that may give rise to significant strategic risk includes:

- Budgeting (relates to availability or allocation of resources)
 - Fraud or Theft
 - Unethical dealings
 - Product and or services failure (resulting in lack of support to business process) □ Public perception and reputation
 - Exploitation of workers and or suppliers (availability and retention of suitable staff)
 - Environmental (mismanagement issues relating to fuel consumption, pollution etc)
 - Occupational health and safety mismanagement and or liability
 - Failure to comply with legal and regulatory obligations and or contractual aspect (can you sue or be sued)
 - Civil Action
 - Failure of the infrastructure (including utility supplies, computer networks etc)
 - Failure to address economic factors (such as interest rates, inflation)
- 12**
- Political and market factors (for management of risk, security etc)

- Operational procedures – adequate and appropriate
- Capability to innovate (to exploit opportunities)
- Failure to control intellectual property (as a result of abuse or industrial espionage)
- Failure to take account of widespread disease or illness among the workforce
- Failure to complete to published deadlines or timescales
- Failure to take on new technology where appropriate to achieve objectives
- Failure to invest appropriately
- Failure to control IT effectively
- Failure to establish a positive culture following business change
- Vulnerability of resources (material and people)
- Failure to establish effective continuity arrangements in the event of disaster
- Inadequate insurance/contingency provision for disasters such as fire, floods and bomb incidents.

Political Risks

The risks may include:

- Failure to hold democratic ideals at the county assembly
- Slow process of passing County assembly laws due to differences
- Delay in County assembly committee reports arising from political perceptions
- Political alignments which may prevent clarity of directions

4.0 Organizational Risk Principles

Key Principles of Risk Management: How to Describe a Risk

Why does it matter?

While each step of the risk management process is essential to ensuring that the end product is actionable and valuable to management, one key element is often neglected: Describing the risk.

Successfully capturing all of the key elements of a specific risk creates visibility to the impact of the risk on the objectives of the organization and the root cause behind the risk. This information is particularly vital in successfully ranking risks and developing effective treatment plans. Risk descriptions that neglect to capture this information are of little value to the organization since they do not capture the primary issue behind the risk, and do not allow management to easily determine which risks should be prioritized based on their potential impact against objectives.

Suggested Methodology for the Assembly

Each risk item should be described using the following template:

“Something occurs (event)...caused by (root cause)...leading to (impact on objectives)”

For example, a risk description related to occurrence of fraud in a given location might read: “Local staff commit fraud, caused by a weakness in the financial systems and controls, leading to a loss of project funding needed to complete meet goals and obtain future funding.”

This type of description is far more useful and understandable than, for example, simply stating “Risk of fraud occurrence leading to loss of funds”, since it identifies the underlying cause of the risk, and immediately directs the conversation towards a risk treatment discussion.

A thorough risk description allows a more accurate ranking of risks since risks can be sorted based on the severity of their impact to the organization’s goals.

The County assembly service board has agreed the following principles with regard to its role in relation to risk:

- i) The Board will consider all aspects of risk in relation to the decisions it makes and the information it receives. This will include:
 - . The risk of inaction
 - . Reward, where applicable

- i. How risks link to the County assembly strategy, values and culture
- ii. The adequacy of risk management and controls
 - a. Structures and escalation processes
 - b. The overall risk profile and risk burden of the County assembly, and its capacity to manage that risk
- iii) The Board will assess risks both initially and on an ongoing basis, recognizing that where risks are dynamic its risk tolerance and strategies must be dynamic to reflect this.
- iv) The Board will work to ensure it has sufficient information regarding key risks by, among other things:
 - a. Seeking external advice where appropriate.
 - b. Seeking ongoing assurance from management regarding the control and management of risks.
- v) The Board will mitigate risk as far as it feels that it is sensible and appropriate to do so.
- vi) The Board will ensure that risk surveillance and triangulation are factored into its work and discussions on an ongoing basis.

5.0 Risk assessment principles

Risk assessment is the process of identifying, describing, measuring and recording risks. Judgments are made about the harm that might arise from an activity and the probability that the harm will occur.

The main purpose of risk assessment is to determine whether planned or existing control measures are adequate or need to be improved. It also promotes an improved awareness of risk and a better appreciation of the necessity for control measures.

5.1 Risk Identification.

The County assembly operates two major systems to facilitate the identification of risk:

Proactive risk identification, through identification of risks before they lead to harm. This includes interventional near miss reporting.

Reactive risk identification, through the adverse incident reporting process.

In order to identify risk, teams should conduct a detailed review of the activity or area being reviewed, including any hazards perceived, and any incidents that have occurred. Inconsequential risks and trivial risks associated with life in general should be disregarded. Once hazards and potential risks have been identified, they should be formally assessed.

5.2 Legal Requirements.

The Constitution of Kenya, 2010 has put mechanisms, checks and balances that are geared towards addressing the issue of risks while handling public resources. Chapter six of the constitution, on leadership and Integrity highlights how public officers should conduct themselves while having responsibilities of public trust. This together with independent offices that monitor the undertakings of public activities will ensure that risks are minimized.

Risks can be minimized if the people who have responsibilities work in conformity with public trust as envisioned in chapter six of the Kenya constitution, the provisions among which include;

Objectivity and impartiality in decision making;

Accountability for public decisions and actions

Discipline and commitment in service to the people

Honesty in execution of public duties;

The Public Procurement and Assets Disposal Act, 2015 and The Public Finance Management Act, 2012 also give provisions for procurement procedures and management of Public finances with a view to creating conformity to legal requirements and minimizing of risks

There are a number of other regulations which suggest a requirement for risk assessments, including the Public finance Regulation; and various County government Acts, and regulations.

5.3 Risk Assessment Documentation.

The findings of the risk assessment must be recorded using the County assembly's risk management register. All staff who document risks should receive appropriate sensitization and training.

Documenting a risk using the County assembly's risk management system requires the employee documenting the risk assessment to:

Describe the risk in full, covering the cause (situation giving rise to the risk), the event that may occur, and the effect of that event.

Assign a 'risk owner' (the manager who is responsible for the area which the risk assessment affects).

Identify the appropriate review frequency usually monthly.

Describe any action already taken and control measures already in place.

Determine the adequacy of existing control measures.

Determine the likelihood of injury or harm arising, quantify the severity of the consequences of this harm, and assign a risk rating.

Determine the target risk rating using the same principles.

Identify potential additional control measures or actions, with timescales for implementation or details of process being followed.

Identify any specific legal duty or requirement which is relevant to the risk.

Identify any reported incidents that relate to the risk.

Provide sufficient information to enable the risk owner to monitor and manage the risk appropriately.

6.0 Risk Assessment Process.

The risk assessment process can be broken down into steps as follows:

Identify potential hazards or risks - Carry out a pre-assessment walkthrough or review of the activity to identify hazards or potential risks. Be systematic, list all credible/foreseeable hazards and consider all possibilities.

Plan the assessment - Assessments should be planned and prioritized for a specific area or activity and should cover likely risk issues including:

work environment

Legislations

property and equipment

known hazards

accident and incident reports

Political environment

Oversight roles

risks to achievement of specified objectives or targets

Define the nature of the risk – Once identified, the risk should be defined. What might occur, or is occurring, and what adverse consequences might this cause.

Identify the people at risk - Identify all those who might be at risk including staff, contractors, members of the County assembly, and the public.

Analyze exposure - Identify under what conditions, when and how exposure to the risks takes place.

Detail and evaluate the existing controls in place - Evaluate how the risk is being controlled, taking into consideration statutory compliance requirements and whether the controls are effective in practice.

Quantify the risk – Determine the likelihood and consequences of the risk being realized .

Identify further controls - Identify further control measures or actions required to reduce the risk, and prioritize these.

Develop action plan - An action plan should be drawn up to implement any further control measures required. This should identify who is responsible for actions, and timescales for completion. This plan should be monitored at the identified appropriate level, dependent on the risk rating. Where actions require escalation in order to gain approval, this should be undertaken.

Quantify the target residual risk - The target residual risk is the lowest level which the department anticipates being able to reduce the risk to, following completion of the action plan. The target residual risk should be quantified, and a timescale set for achieving this reduction.

NB: In some cases, the target residual risk may be the same as the current risk rating. In these cases, no action is required, although existing control measures must be maintained.

Record the findings - The significant findings of the assessment together with any actions identified should be recorded using the County assembly's risk management register. The assessment should be approved by the risk owner, and conveyed to all staff.

Review the assessment - This is required on a regular basis (monthly) and under the following circumstances:

If new equipment is introduced

New changes in legal frameworks which require new knowledge

If new substances or premises are used

If new technology is introduced which impact on staff handling the new technology

If other processes or operational parameters change significantly

Following an accident

If there is reason to suspect that the assessment is no longer valid

If there has been a significant change in matters to which the assessment relates

Inform staff - Staff should be informed of:

Any risks to their health and safety identified by the assessment

Control measures in place

Any emergency measures identified

Planned action to be taken

6.1 Risk Matrix

Risk Matrix

		Impact				
		Insignificant (1)	Minor (2)	Moderate (3)	Severe (4)	Critical (5)
Likelihood						
Certain (5)						Unacceptable
Very Likely(4)					High	
Likely (3)				Medium		
Moderately Likely (2)						
Unlikely (1)	Very Low		Low			



Very Low Risk

Negligible impact and unlikely to occur

Risk Rating <3



Low Risk

moderate impact, some probability

Risk Rating 4-6



Medium Risk

Moderately high impact, very probably

Risk Rating 8-10



High Risk

High impact, very likely to occur

Risk Rating 12-16



Unacceptable Risk

Catastrophic impact, imminent probability

Risk Rating 20-25

10 Review and Monitoring of Risks.

The effective implementation of this policy will facilitate the delivery of a quality service, alongside employee training and support to provide an improved awareness of the measures needed to prevent, control and contain risk.

An assessment of the risk management training needs of all staff will be documented within the County assembly's Training Review which will be reviewed on an annual basis and action plans developed. This assessment will be linked to incidents, claims, complaints, risk assessments, external assurance and performance indicators.

The County assembly's training prospectus will include details of all risk management courses. Local risk management training needs identified by individual areas will be discussed with the risk management department.

The Training Department will maintain records of actual and expected completion of statutory and essential role training, including corporate induction, and will address and rectify inadequate attendance. Risk management Groups and departments will address and rectify inadequate attendance at local mandatory training courses.

The County assembly will:

- Ensure all employees and stakeholders have access to a copy of this policy .
- Provide new employees with corporate induction.
- Provide risk management awareness training to members of county assembly, Those carrying out assessments should be competent to do so and should have attended the County assembly's internal training. The assessor should have an understanding of the workplace, an ability to make sound judgments, and knowledge of the best practicable means to reduce those risks identified. Competency does not require a particular level of qualification but may be defined as a combination of knowledge, skills, experience and personal qualities, including the ability to recognize the extent and limitation of one's own competence.

The Risk management champion/representative will be available to provide support and advice to employees experiencing difficulties in assessing risk.

0 Monitoring compliance with procedural document.

Risk escalation in the County assembly has been supported by initial internal audit reviews to date and the risk management system will continue to be reviewed by the internal auditors.

What is being monitored?	Who will carry out the monitoring?	How often	How reviewed / Where reported to?
Correct completion of risk assessments.	Departmental risk representative	Monthly	Internal audit/Risk management champion
Completion of action plan with each risk assessment where further action is necessary.	Departmental risk representative	Quarterly	Internal audit/Risk management champion
Unit /Section level risk register monitored monthly by section head.	Head of section/unit	Quarterly	Internal audit/Risk management champion.
Departmental level risk register monitored monthly in appropriate forum.	Head of department and clerk of the county assembly	Quarterly	Meeting minutes / Speaker/County assembly service board
Strategic Risk Register monitored monthly by the County assembly board.	Clerk of the assembly	Annually	Meeting minutes / County assembly service board

10 Equality Impact Assessment.

Equality Impact Assessment has been conducted on this risk policy document in line with the principles of the bill of rights as enshrined in the constitution of Kenya, 2010

The purpose of the equality impact assessment is to minimize and if possible remove any disproportionate impact on employees on the grounds of race, sex, disability, age, sexual orientation or religious belief. No detriment was identified.

0. REFERENCES.

Constitution of Kenya, 2010

Procurement and Assets Disposal Act, 2015

Public Finance Management Act, 2012

County Government Act

1. APENDIX

1. Kisumu County Assembly Risk Library

	CATEGORY	RISK TITLE	<p>Example description <i>"Please consider the list of example descriptions below which you may wish to use to describe this risk in the box above. Please note that these descriptions are only examples and you may wish to amend these before using them or to use your own words to describe the particular risk. Please include as much detail as you think might be necessary to describe or explain this particular risk:"</i></p>
1	COMMUNICATIONS	Misuse of County Assembly Identity	<p>Due to insufficient management of communications, there is a risk that KCA's identity is used for unacceptable purposes leading to [reputational damage / KCA being wrongly associated with illegal, criminal, or immoral activities / KCA becoming associated with an organisation whose reputation is poor].</p> <p>Due to [insufficient management of communications / unauthorised use of KCA's identity], there is a risk that the KCA's identity is used without permission leading to [loss of recognition for legislation, representation, oversight or other initiatives / potential need to take legal action / reputational damage / damage to the organization's identity].</p>
		Inappropriate external communications with the public	<p>Due to [insufficient accountability and staffing / poorly managed or planned campaigns/poorly planned and/or executed activities], there is a risk of poorly or inappropriately conceived or communicated messages leading to [public confusion / dilution of impact / reputational damage, and financial loss].</p> <p>Due to [lack of guidance on the use of social media / lack of regula-</p>

		<p>tion of social media messages / internal and-or external parties' negative posts], there is a risk that unacceptable, malicious, or false statements about KCA being made on social media (internally or externally instigated), leading to [reputational damage / incorrect public perception of KCA and KCA's work and critical coverage in mainstream media].</p>
		<p>Due to [lack of staff capacity / poor management of communications], there is a risk that KCA will not maintain sufficient internal communications about the organisation's [key messages / policies / projects / priorities] with its staff, leading to [lack of knowledge and understanding about KCA's policies, strategy, goals and priorities across its staff / internal staff confusion and misalignment / staff discontentment].</p>
		<p>Due to [insufficient internal crisis response plans and procedures / failure to adhere to existing crisis response plans], there is a risk that there will be an inadequate media response to a crisis situation leading to [reputational damage].</p>
2	EXTERNAL (PUBLIC) CONTEXT	<p>Due to [a changing financial climate / political instability], there is a risk that external financial conditions will become adverse leading to [rapid cost increases / reduced funding for KCA operations and programmes].</p>
		<p>Due to [political instability / upcoming elections], there is a risk that a demanding or hostile government will come into power leading to [institutional insecurity / arbitrary government decisions / policy environment / service disruptions].</p>
		<p>Due to [political instability / pressure on local government], there is a risk that the current national government will implement demanding or hostile changes leading to [institutional insecurity / arbitrary government decisions / an anti-NGO environment / service disruptions].</p>

3	FINANCE	Inadequate financial capacity, change management, and controls	Due to [lack of capacity / lack of staff training or coordination / lack of talent management and succession planning / lack of resources within finance teams], there is a risk of inadequate financial controls and processes leading to [inability to cope with changing financial climate / insufficient use of funds / lack of transparency and accountability within finance teams / cash flow problems].
		Insufficient or inaccurate Financial planning resulting in reduction of funding	Due to [poor economic or financial climate / lack of contingency planning / increased costs / volatile market / reputational damage], there is a risk of unanticipated major funding reductions leading to [inability to achieve key assembly objectives / inability to fund new or ongoing projects].
		Inaccurate financial reporting	Due to [insufficient planning / poor budgeting / failure to align development goals with financial needs], there is a risk that KCA may underutilise budgets and accrue large bills leading to failure to complete planned projects. Due to [inaccurate accounting / lack of reporting processes / poor governance / failure to capture expenses accurately / late reporting] there is a risk that the organization as a whole will have an inaccurate understanding of its financial position, leading to [inappropriate allocation of resources / funding shortfalls / senior leadership using inaccurate information for decision-making].

		Financial losses due to fraud and corruption	<p>Due to [poor financial controls / lack of monitoring and due diligence / insufficient management of departments and community / insufficient monitoring of suppliers and contractors / insufficient anti-corruption training and awareness / poor staffing decisions / poor performance management], there is a risk of fraud and corruption by staff, suppliers, departments, communities or contractors leading to [waste of resources / reputational damage].</p>
		Insufficient control, monitoring and maintenance of KCA's assets [Buildings and Vehicles]	<p>Due to [lack of staff capacity / poor property management / lack of training], there is a risk of insufficient maintenance of KCA's physical assets leading to [unnecessary high property maintenance costs in future / unnecessary loss of assets / financial loss / staff injury resulting from misuse of assets].</p> <p>Due to [lack of staff capacity / poor property management], there is a risk of KCA's assets not being recorded, monitored and tracked sufficiently leading [unnecessary loss of assets / financial loss].</p>
		Lack of due diligence in screening Suppliers/Contractors/Vendors	<p>Due to [inability / failure] by the Procurement Office to screen or perform vetting of the suppliers, contractors, vendors or personnel against the requirements, there is a risk of [penalties, fines, delivery of good not ordered, goods not meeting standards].</p>
4	LEGISLATION/REPRESENTATION/OVERSIGHT	Inadequate Representation	<p>Due to [lack of expertise and knowledge/ by MCA on policies/ lack of participation and oversight] Assembly committees are not operating effectively resulting in [assembly failing to meet objectives/ lack of accountability by mca/ failure to accomplish goals of assembly]</p>
		Improper Committee Composition & Structure	<p>Due to a [lack of alignment with Assembly committee composition requirements/sub-standard member recruitment processes/ insufficient committee diversity/ lack of capacity for critical thinking, insufficient / inappropriate committees] there is a risk that the assembly will not be effective and function properly.</p>
		Ineffective Committee Processes & Meetings/Lack of Management Support	<p>Lack of clarity of issues to be discussed / decided, insufficient committee administrative support provided by Assembly management, sub-standard policy papers and pre-reads, sub-standard presentation of info to facilitate oversight and decision making, committee documents not filed or easily accessible, sub-standard committee minutes, lack of follow-up on action items, members inadequately prepared for</p>

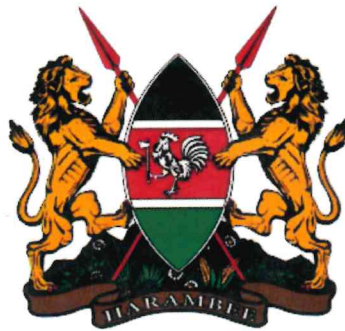
		meeting, lack of (or late) attendance of members
	Lack of Committee Chair Effectiveness	Inadequate committee leadership, ineffective / unproductive meetings, sub-standard Chair election process, insufficient member feedback on Chair Performance, ineffective Chair collaboration with Speaker, insufficient time allocated for deliberation and decision making, lack of member adherence to expectations regarding service (e.g. terms, orders), lack of committee adherence to standing orders, lack of support and lack of Speaker feedback and consultation
	Lack of MCA Development planning	Inadequately orientated members, inadequate assessments of assembly performance, inadequate member re-nomination and / or election processes, future MCA development not informed by self assessments, Peer Review.
	Lack of effective relationships between members and/or Assembly Management	Uncollaborative / unprofessional / strained relationships between members or between MCA's and management of assembly.
	Lack of knowledge by MCA's or Assembly staff.	Lack of familiarity with constitution and devolutions and other related legislation.
5	HUMAN RESOURCES	Due to [lack of staff training / high staff turnover], there is a risk of insufficient staff experience and capacity leading to [inadequate support functions / reduced service quality].
	Inadequate staff management	Due to [lack of capacity at management level / insufficient training of managers], there is a risk of inadequate staff management leading to [poor performance / staff dissatisfaction / compromised program quality and service / dissatisfaction of donors and sponsors / gaps in knowledge and skills]. Due to [lack of capacity at management level / insufficient training of managers], there is a risk of inadequate management of staff performance and / or failure to set and monitor objectives and expectations (and action any gaps) leading to [inadequate staff performance / KCA's needs not being assessed or met / gaps in knowledge and skills].

	<p>Insufficient recruitment, retention and succession of key roles</p>	<p>Due to [lack of quality candidates / poor recruitment choices / proper HR processes], there is a risk that staff recruitment fails to deliver human resource needs or that staff are unsuitable for the roles that they are recruited to leading to [inadequate program and support functions / reduced program quality / dissatisfaction of public / insufficient gender balance].</p> <p>Due to [staff discontentment / unmanageable staff workloads / HR structure being unfit for purpose], there is a risk of a poor retention rate and high turnover of staff leading to [loss of institutional knowledge / high cost re-recruitment and training / compromised program and support service].</p> <p>Due to [poor HR management / unmanageable staff turnover / HR structure being unfit for purpose] leading to [disruption of operations and projects are disrupted / loss of institutional knowledge].</p>
	<p>Lack of compliance with HR policies</p>	<p>Due to a lack of appropriate manager training on organizational policies related to HR management and recruiting, risk of violating organizational policies and local labor laws in HR practices, leading to lawsuits and negative reputational impact.</p> <p>Due to [inappropriate behavior / failure to comply with policy or protocol / lack of professionalism] there is a risk that investigations are not conducted appropriately, leading to [violation of local labour law / retaliation / subjective treatment / violation of organisational policy / exposure of confidential information] exposing the organisation to legal liability.</p>
	<p>Poor management and inappropriate use of contract employees</p>	<p>Due to [outsourcing] not being properly oriented to KCA culture and values, there is a risk of [external misrepresentation of the organization / policy violations / security breaches] leading to [negative public perception].</p>
<p>6</p>	<p>INFORMATION TECHNOLOGY</p> <p>Inadequate Information/Records Management by HANSAD</p>	<p>Due to poor or inappropriate [records management / software data protection / record storage / license management] there is a risk that institutional knowledge and vital user or organizational data is lost and/or legal liability is incurred.</p>

		<p>Insufficient Information security practices</p>	<p>Due to [poor network function / lack of software updates / inadequate data protection infrastructure / lack of appropriate data intrusion monitoring / destruction or theft of data], there is a risk of [an information security breach / significant data loss] leading to [reputational damage / loss of confidential data / legal liability].</p>
		<p>Insufficient IT procedures, maintenance, systems & Support</p>	<p>Due to [IT projects not being matched to business needs / failure to implement IT systems effectively / poor quality IT / insufficient IT budget / IT virus/poor IT staffing/lack of IT Policies or controls / lack of management oversight / lack of IT support], there is a risk of insufficient or poorly maintained IT systems leading to [increased costs / failure to fulfill wider business objectives / legal violations / data breaches / reputational damage / data loss / excessive outages].</p> <p>Due to [poor local internet coverage / lack of reliable internet service], there is a risk of internet services going down for significant periods leading to [inability to process local IT data / inefficiencies / delays].</p> <p>Due to poor vendor support, there is a risk that IT services will not meet office IT needs.</p>
<p>7</p>	<p>INTERNAL AUDIT</p>	<p>Non-compliance with audit findings</p>	<p>Risk that audit findings are not implemented, leading to continued risk exposure.</p>

8	LEGAL AND REGULATORY	Involvement in significant legal action / claim with poor results for KCA	Due to [poor handling of potential disputes before a legal action is filed / poor handling of an actual legal action / inadequate legal advice / inadequate consultation with the Legal Department], there is a risk that a significant legal claim will be raised against KCA and lost, leading to [financial loss in the form of court-awarded damages / legal expenses / reputational damage], or that KCA will not be able to prevail in a legal action against another party, leading to [legal costs / potential financial loss / reputational damage / inability to accomplish objectives].
		Non-compliance with and / or insufficient management of contractual liabilities	Due to [failure to carry out a sufficient contractual review / insufficient knowledge of the current contractual liabilities / insufficient management of the office's contracts / inadequate legal advice], there is a risk that the assembly [will fail to comply with one or more of its contractual obligations / will enter into a contract which is inadequate to protect KCA's interests], leading to [legal disputes / excessive obligations being placed on KCA / monetary judgments / reputational damage / inability to accomplish desired objectives].
		Non-compliance with external / country laws and regulations	Due to [failure to obtain legal advice / poor quality legal advice / insufficient monitoring of national laws or regulations (including changes over time) / misinterpretation of national legislative or regulatory requirement / failure to correctly document legal requirements], there is a risk that the assembly will be found to have breached such laws, leading to [fines / reputational damage / inability to operate / other sanctions]. Key areas to monitor include employment/labour (including employer tax obligations), data privacy.
		Poor quality legal advice	Due to [a lack of available legal advisors / poor selection of legal advisors / failure to provide appropriate information to KCA's legal advisors / failure to carry out a regular tender process and reviews of external legal counsel / lack of timely legal advice / little or no coordination with the KCA Legal Department], there is a risk that the legal advice received by the assembly is of poor quality leading to [breach of law / censure / reputational damage / the office paying unreasonably high costs for legal advice].
9	PROCUREMENT	Poor (inadequate) supply chain management / Procurement practices/ stores	Due to [lack of capacity / lack of expertise / insufficient systems / poor implementation of policies or controls] there is a risk of [wasting resources / fraud occurrence/ lack of visibility / lack of purchas-

		and logistics	ing ability] resulting in inability to meet goals and objectives.
		Data privacy & protection not adequately addressed	Due to lack of compliance to legal and regulatory requirements for protecting personal data, there is a risk that the organization will be exposed to [financial penalties / legal action / reputational risk / loss of donor confidence].
		Inadequate fleet management / driver training	Due to [lack of driver training / poor maintenance of vehicles / lack of usage monitoring / age of fleet] there is risk of [poor stewardship / injury / loss of life / reputational risk].
10	SECURITY	Disruptive health and safety incident or situation	Due to [insufficient health and safety procedures / dangerous environment], there is a risk of injury or loss of life to KCA staff or associates leading to [disruption to assembly activity / potential litigation / penalties / reputational damage]. Due to [public health risk / inadequate staff vaccinations or health procedures], there is a risk of KCA staff contracting a disease leading to [disruption to assembly activity / potential litigation / penalties / reputational damage].
		Disruptive security incident or situation	Due to [political instability / dangerous environment / insufficient safety procedures/ insufficient capacity], there is a risk of a security situation or incident leading to [disruption to operations / injury or loss of life to KCA staff or associate / loss of physical assets].
		Insufficient Security Standards, Protocols, Training and Capacity	Due to lack of [expertise/ funding/ systems] there is a risk of disruption of operations, loss of life, reputational risk, legal action, and ability to operate in fragile contexts.



RISK MANAGEMENT POLICY