RISK MANAGEMENT TRAINING FOR

MANAGEMENT OF UGANDA MARTYRS UNIVERSITY

A TRAINING REPORT

By: COMMUNICATIONS RESEARCH AND INNOVATIONS

16TH TO 18TH APRIL, 2018 AT JEVINE HOTEL, RUBAGA

Table of Contents

List of Acronyms

ACALISE	African Center for Agro-Ecology and Livelihood Systems
CRI	Communications Research and Innovations
UMU	Uganda Martyrs University

1.0 Introduction

This report has been to the ACALISE project for having completed training of selected UMU staff in risk management training. The report consists of the background and context, training methodology, training sessions and recommendations on risk management training.

1.1 Background and context

Uganda Martyrs University is a nationally and internationally recognized university for excellence in teaching, learning, research, advancement of knowledge and community engagement. Over the years the university has been able to transform many sectors and societies in Uganda and the region at large through providing quality higher education, training and research.

Africa in general and East Africa, in particular, is faced with problems of low production and productivity, little or no value addition to the few products but also lack of ethical values in management of a business. These overarching problems have of late been compounded by effects of climate change, all of which have made peoples' livelihoods a dilemma. These challenges informed Uganda Martyrs University to address some of the noted concerns through ACALISE project. ACALISE is hosted by Uganda Martyrs University in the Faculty of Agriculture. Uganda Martyrs University is a leader in Agro-ecological solutions related to climate change and livelihood systems and is training the best Agro-ecologists on the African continent and beyond through its top-rated programmes in Organic Agriculture and Agroecology.

The main objective of ACALISE is to streamline the production of high level, well-motivated and ethically conscious critical mass of Agro-ecology and Livelihood systems experts to collaborate quality postgraduate education as well as applied research to address key development challenges facing the East and Southern Africa and beyond. In order to achieve these objectives, the aspect of risk management is important since the nature of the ACALISE project addresses current global challenges like climate change that pose a lot of risk for Human survival.

Risk is the chance of loss or an unfavorable outcome associated with an action while Uncertainty refers to not knowing what will happen in the future therefore; the greater the uncertainty, the greater the risk.

1.2 Rationale

In order to have UMU as a centre of excellence and ACALISE project to achieve her set objective, it's important for the senior administrators and managers firstly; to see risks that are not apparent because many of the real risks facing an organization cannot be gleaned from a textbook or project proposal; secondly to facilitate ACALISE project managers easily identify risks outside their areas of expertise and experience because risk management will make them better able to discharge their duties. Thirdly to maintain UMU's reputation by protecting it against the unforeseeable risks through having basic knowledge in risk assessment and analysis so as better mitigation strategies are sought at all levels of administration.

1.3 Objectives of the training

The purpose of the training was to furnish senior managers and administrators at UMU with a better understanding of Risk, the functionality of Risk management models, and build their potential towards better risk response, avoidance, reduction or transfer so as to achieve better results as a university and ACALISE project.

Specifically the training was to;

a. Empower ACALISE project managers with Risk analysis skills so as they can ably access and mitigate it
b. Create awareness of the various Risks in the University setting and empower management and staff in mitigating such risk.
c. Furnish management with Risk governance and operation skills so as to be able to lead in Risk mitigation processes.

2.0 Methodology of the training

The training employed mainly participatory approaches namely; brain storming, mind mapping, use of lectures, plenary sessions, role plays, video shows and group discussions. In Order to facilitate better learning, adult teaching techniques were used to achieve the set objectives.

3.0 Trainings; Day One

The training took place from the 16th to 18th of April 2018 at Jevine Hotel Located in Ndeeba Rubaga division in Kamplala. This section unveils the summary of what transpired in these three days.

3.1 Registration and Introductions

This session was led by Prof. Julius Mwine, who welcomed all participants; this was followed by introductions where each participant mentioned their names, roles and institution or department they work in (see Appendix).

3.2 Expectations

Participants had the following expectations by the start of the training;

i. Acquired skills on how to develop a risk management policy
ii. How to develop a risk management strategy and plan
iii. How to draw a risk register and what to include in the risk register
iv. Who should be part of the risk management committee
v. Understand the different types of risks
vi. What contingency plans can be put in place to mitigate risks
vii. Understand financial risk as regard to donor funds and how they can be mitigated

viii. How to analyze, identify and prioritize and how to mitigate risk
ix. Risk appetite in regard to investments decision
x. Understand more on technological risk in relation to UMU
xi. Practical knowledge on what risk and risk management is
xii. Guideline to identify an efficient risk management officer
xiii. Appreciation of the risk management framework
xiv. Appreciate the role of risk in management
xv. Understand how to identify risks that can bring about positive change
xvi. Appreciate the process of risk management and get a clear distinction between risk management and risk control
xvii. Skill to identify the key risks in UMU and map out the risk management actors at UMU with their roles defined
xviii. Train others on risk management in the work place
xix. Analyze the process systems and features that are at risk in UMU
xx. Why risk takers in the day to day life emerge the most successful financially considering investments
xxi. To know what legal frameworks can be employed for guidance in avoidance of finances and human resource related risks
xxii. To know when to look out for those possible risks
xxiii. To know what technological risks can lead to a crisis in a University environment
xxiv. Guiding principles when drawing up Policy statement/ objectives and Management of the risk
xxv. Gain an understanding of looking at the department in a holistic picture and possibly attaching the value
xxvi. Have an insight on the likely risks in PRO office
xxvii. Analyzing the consequences of the particular risks for the University
xxviii. Have better time management

3.3 Welcome note from the ACALISE Leadership

Mr. Jude Sebuwufu on behalf of ACALISE welcomed participants in their different capacities. He defined risks as a non-certain event; when it occurs, it brings about positive and negative consequences that affect the organization. He mentioned that the purpose of the training was to see a way forward of handling these consequences because the decisions made can cost the organization.

He noted that the training was to enable staff know how to handle the uncertainties but however, the risks too bring about opportunities due to proper handling. He thanked everyone and wished them a fruitful training.

3.4 Key note address On Risk by Mr. Cornelius Mukiibi

Mr. Cornelius Mukiibi a seasoned Risk Practitioner began his session by thanking Communication Research and Innovation for the invite to give the keynote address. In his presentation, he provided highlights to the risk management where he noted that education is a very important aspect in nurturing a component of labour in the country. It's a service and creates value through transformation and capacity building and it is a great evolution in Uganda and East Africa.

Mr. Mukiibi noted that with financial aspects, risks have not been handled and assessed well but advised UMU not to ignore the risks identified. He also mentioned that in order to grow there is need to manage the risks very carefully and have a risk management framework.

In his communication Mr. Mukiibi defined risk management as a logical step by step process to protect and minimize risks to an organization. He noted that in some organizations risk management is a culture that has remained on the agenda of Board of trustees to eliminate surprises. He therefore advised UMU to look at their strategic objectives and prioritize risks in their agenda. He observed that people always identify risks after it has occurred which is wrong.

Responsibility in risk management

He noted that risk is a fundamental feature for organisations hence a deep-seated responsibility for the Board of trustees/governing council as well. He also noted that risk committees should be in an organization to identify the existing risks and report and give feedback to the council. He discussed the roles of Board of Trustees and highlighted them as below;

i. Understand the key risks to an organisation
ii. Ensure that a risk management strategy and policy is in place
iii. Ensure that there are attainable control processes to treat the identified risks which are monitored and reviewed.

Mr. Cornelious Mukiibi giving his presentation

Understanding Risk

In his presentation, Mr. Mukiibi defined risks as uncertainty of an outcome whether positive opportunity or negative threats and endears in all organisations. He noted that risks is a potential event that prevents one from achieving goals or desired outcome that may arise out of a changed process. Therefore the Board should understand them well.

He defined risk events as measures relative to other risks which relate to the likelihood of an event happening and risk is the probability of that event occurring and the consequence of the event. He therefore emphasized that it is important to prioritize risks when measured and understood in terms of high, medium and low. He added that it's equally important to have a risk register consisting of risks and priorities. He explained that having a risk register helps to describe the risk impact and it must have the ownership of the risk management, time frame to achieve the measures of the risk put in place. He stressed that there is need to have a timeframe for achieving measures to the risks. He advised participants to always do away with the high risks, then medium and keep monitoring the low risks. It is also important to revisit the risk profile every 6 months at worst, yearly.

As regards the roles of Trustees Mr. Mukiibi highlighted that members of the trustees need to identify the sources of the risks as the risks within the organization maybe financial or domestic related and external risks. He noted that it was important to understand the risk spectrum. It was noted that risk management is a challenging process that should not be ignored. He advised that it can be managed by reducing consequences and probability of occurrence. In addition, he noted that one can identify, evaluate, treat, communicate, review the risk management strategy periodically and monitor the risks. In evaluation, it was observed that it is important to attach a monetary value and in terms of time, probability rating must be done.

In conclusion Mr. Mukiibi advised that the Board therefore must assess the control process, procedures and monitor the system concurrently by treating the risks from highest priority to lowest priority and a due diligence should be done in order to manage the risks well.

He noted that everyone was responsible for risk management and risks must be understood well so as to achieve the organisation goals. He advised the Board to task the committee to always report and provide feedback to the Board about all the risks identified. He emphasized the need of UMU to foresee the risks and put into place the measures to mitigate them and also get risk results of internal audits.

Comments from the floor

- What is the link between risk and law? It was noted that the law helps to prevent or manage risk before they occur. Most risks are embedded in the legal framework.
- What are the key features in the risk management policy?

In response participants were made aware of the fact that risk management policies differ from organization to the other. The Following features were listed;

- Policy objectives
- Policy statements
- How to apply the policy
- Policy requirement like identification and management
- People responsible
- How management identifies risks
- Risk evaluation and assessment
- Risk prioritization
- Monitoring rate and risk audit
- Framework to measure risks
- Type of risks
- Risk management register (type, probability, impact, time framework) among other features.

3.5 Chairperson of the Risk Management Committee (UMU)

The Director Human Resource Manager commenced her remarks by welcoming everyone to the training and thanked the participants for their commitment. She thanked ACALISE team for identifying the risk management course which is very important to UMU. She affirmed that risks are existing in UMU and should be handled very well. In addition, also thanked ACALISE for the cocktail of the programs.

She mentioned that everyone was vulnerable to risks and one must accept and learn how to manage them. She noted that the student's results, finance were all at risk and urged participants to come up with the risk management policy to manage these risks.

She called for consecutive efforts to find answers to managing the risk. She emphasized that it was important to know how behaviours can be monitored and how to protect investments. She said that the training was important and it would help find precautions and interventions in case of risks. Therefore the workshop was a platform to answer the questions through learning and discussing emerging trends and sharing of lessons learnt with everyone.

3.6 Official launch by Vice Chancellor

The Vice Chancellor welcomed the trainers, trainees to the workshop and the organisers as well. He thanked ACALISE for the organisation of the training at the period when UMU is celebrating 25 years. He mentioned that UMU has survived for the last 25 years without a risk management policy but may not survive for the next 25 years so it is time to plan for a risk management policy. He noted that the workshop was timely and should not be taken for granted but however the university has been managing the risks through it has not been actualized.

He mentioned that the greatest risk was trusting the people we work with but urged for intelligence check when employing staff. He mentioned that UMU has to draft the risk management policy and there is a committee in place trying to draft a risk management policy. He concluded by saying that the training was to be resourceful to UMU and thanked the trainers for their time to share the knowledge with the university and declared the workshop officially opened.

3.7 Introduction to the concept of risk and risk management

Mr. John Robert Kakeeto commenced his presentation by saying that the training was to formalize what UMU has been doing with the risks. He noted that individual objectives should always be aligned to the objectives of the organisation.

Participants defined risks and risks management as the uncertainty of occurrence, risk is the form of uncertainty, risk management is the identification and controlling of risks, risk management means to identify, analyze and find ways to manage them.

Robert noted that what is key in risk management is the ability to identify, analyse and put measures on how to manage it. He mentioned that the training was however to empower management of UMU to actualize the risks.

Participants during a presentation on introduction to the concept of risk and risk management

He mentioned that the Concept of "Risk" and "Risk Management" was not a new innovation rather a concept that has existed and been practiced before and after Christ and is traced as far back with our fore fathers and ancestors in the African Tradition and presently in the Modern Society. The same concept was also cited in the Holy Bible. Therefore the argument that risk management concept is perceived as re-inventing the wheel is not far-fetched rather it should be appreciated, actualized and formalized as a part of management of an entity and personal businesses.

He mentioned that risk management must meet the requirement of the organisation's objectives. He noted that it is important to ensure effectiveness when developing mitigation measures of risks. In addition it is also important to ensure that the risk management policy should be cost effective.

3.7.1 Overview of Risk and Risk Management Concept

In discussing an overview of Risk and Risk Management concept, Robert noted that the concept of "Risk" and "Risk Management" had already been applied in the day today running of Private sector and Public sectors businesses as well as in Personal/ individual life management though not as structural as is in the large corporations and Institutions. He mentioned that the private sector had already actualized and formalized the concept of risk management in a more structural and methodological way. He noted that the private sector have adopted a risk based methodology where risks are proactively identified, assessed and measured regularly and appropriate resources are allocated to effectively and efficiently address the risks according to their severity and impact to the overall strategy of the institution.

He advised UMU when developing its risk management policy to adopt an integrated risk based approach for effectiveness and efficiency but also mix it with a compliance based approach where risks are pre identified and mitigations such as Processes, laws, rules and policies are set that must be complied with irrespective of the impact of both existing and emerging risks. He however noted that UMU cannot ignore the compliance based approach since it is under NCHE.

He emphasized that in designing of a risk management policy, the laws should not be ignored. Laws must be read alongside the risk management policy.

Observations from the floor

- Deputy Vice Chancellor noted that NCHE provides guidelines from which institutions draft its policy
- How is compliance with legal framework outside the country?
- At what stage should one stop identifying risks?
- If the government sectors are compliant, how come the results are not as expected?
- A participant emphasized that laws should be taken up seriously in risk management policy
- Between risk management and early planning, which should be the most focus?
- A participant noted that there is need to see for/look into the law and understand it when setting policies

Responses

- In response to at what stage should one stop identifying risks, Robert noted that risks will always emerge especially where there are funds, there will always be risks. But in order to avoid risks, there is need to have a committee which is actively involved in identifying and managing of the risks.

- In compliance with the legal framework, he mentioned that the law is important in risk management strategy and should not be ignored.
- Robert noted that communication was very important to create awareness and avoid some of the risks in the organisation
- About results not being expected from government organisations though they are compliant to the law, the Vice Chancellor said it is all about doing well since the policies of the organisations and laws are usually criticized especially with employees of the organisation.
- On compliance of laws by government institutions yet not meeting results, it was also affirmed that it depends on the inner person and the heart mainly determines this. Furthermore, it was noted that there is need to change the mindset/attitude of people.

It was noted that some of the managing criteria to avoid risks was by putting measures in place for example fire outbreaks through installing fire extinguishers. It was also important when putting up a control system to consider its efficiency, effectiveness and its economic value. In drafting the policy, recruit specialists and the policy must be customer centric and stakeholder centric to benefit both the students and employees of UMU.

He concluded by noting that risks were continuous and measures for mitigation cannot stop but it was most important to have a personal heart in whatever is done.

Lessons learnt

At the end of this session, participants provided the lessons learnt as below;

- Risk is endless and institutions should do constant evaluation and assessment.
- A risk wasn't a vocabulary but now it is part of my vocabulary and need to think and plan for eventual risks.
- The registry is a very important department of the University in risk management.
- Risk management should be the main item on the agenda of an institution.
- Need to eliminate surprises through having policies in place.
- Learnt about emerging risks in the job market.
- Efficiency, effectiveness and economy should be put in mind in a risk management policy.
- One should not avoid risks in whatever they do.
- Risk management is part of everyday life.
- Compliance is a risk management approach.
- Policies, laws are designed prior to the risks.
- Always pay attention to what takes place to mitigate risks.
- In assessment of risks, probability of occurrence and nature of the consequence of occurrence to achievement of organisations goal is important.
- Prioritization of risks based on probability of occurrence and nature of consequence.
- Decision making in an organisation is important in mitigating risks and there is need for timely intervention.

- Risks are perceived differently but there is need for collaboration of an organisation to identify risks.

4.0 Day two

Day two commenced with a recap of day one activities. The facilitators highlighted the various definitions and features of risk management policy.

4.1 The understanding of Risk to an institution and Personal risk management

In defining risk, it was noted that risk has been uniformly been defined and have the following key contents **"Probability"**, **"Loss"**, **"Event"** and **"Value"**. According to ISO, Risk is defined as the effect of uncertainty on objectives. It was noted that risks can be positive and negative and positive risks always bring about business opportunities. It was also noted that the uncertainties around the risks determine the kind of risks whether high, low or medium.

Risk was also defined as the probability of direct or indirect loss resulting from an event. These were referred to as intentional or unintentional risks where intentional loss can be caused by wrong decisions. With intentional risks, it was emphasized that it is important to have ethics and values. Risk was also referred to as the potential of gaining or losing value resulting from a given action or inaction, foreseen or unforeseen. It was noted that it was important to set threshold and have tolerance risk and tone was very important in risk management mitigation. In risk management strategy, it was emphasized that society was the first analysis and ethics cannot be changed without the culture and in addition, leadership was important as well in risk management strategy.

It was emphasized that it was important to consider the stakeholders of an institution and their value should not be limited.

Participants were taken through the following concepts to understand more about risks.

a) Risk Drivers

These were defined as factors that drive risks and they carry the probability of loss of value these included; people, processes and systems. In addition, participants identified natural hazards as risk drivers as well. It was noted that the mapping process is very important in risk management.

b) Risk and Return

Risk is the probability/ chance an investment's actual return will differ from the expected return. It was noted that the costs must not be higher than the benefits. It was also noted that the higher the risk, the higher the expected return and the lower the risk, the lower the expected return.

c) Risk and uncertainty

It was noted that a risk is not an uncertainty. It is not a cause of loss but it is a loss itself. It was also noted that uncertainty is a potential, unpredictable, and uncontrollable outcome and these include natural disasters, political unrests spill overs among others.

It was emphasized that with improved risk management even the uncertainties have become predictable though not fully controllable. Therefore the introduction of Meteorological Departments in countries have enabled certain drivers of uncertainties to be predicted but however little is or has been done to control its occurrence.

d) Risk and Hazard

A hazard was defined as an occurrence of a risk and makes the occurrence of a risk more likely or often. A risk is therefore the probability that exposure to a hazard will lead to a negative consequence. It is also the chance (high or low) that any hazard will or may actually cause somebody harm. It was noted that it is important to focus more on the cause of the risk.

During the discussion participants identified one of the risk as fire outbreak and provided mitigation measures to it such as installation of fire extinguishers, having emergency exits, having fire assembly points, training and having an alarm to signal in case of an outbreak.

It was observed that at UMU, in mitigation of fire outbreak there are no smoke detectors and also hydrants. As a way forward, participants affirmed that the following measures should be put in place;

- Need to document the procedures in case of fire outbreaks and reviews.
- Need for fire martials
- Need for a toll free system at the university
- Need to know the codes. Signals should be known to everyone.
- Need for training students and staff to create awareness.

The risk management committee should direct the documentation of the procedures, mapping of possible measures to the risk management and continuous monitoring of the risks. But however, it was noted that the role of risk management was for everyone.

4.2 The Risk Function

In discussing risk function, it was noted that the general concept of risk is severity- Impact × probability- likelihood and below were the risk functions discussed;

a) Inherent Risk

These were described as an assessed level of raw or untreated risk that is the natural level of risk inherent in a process or activity without doing anything to reduce the likelihood or mitigate the severity of a mishap or the amount of risk before the application of the risk reduction effects of controls.It was noted that the inherent risks are subjective and difficult to assess. But however, it assists in identifying controls which are key.

For more understanding, some of the inherent risks in the education sector were discussed such as Student / employee strikes/ riots due to behavior/ moral degeneration in the society-as the only way of communicating their grievance, Un paid dues by Students- adverse economic conditions- high unemployment levels, high inflation, high poverty levels

b) **Control Risk (Effectiveness)**

These are risks associated to failure of the internal control system. It was noted that the effectiveness of the controls in place is tested when the internal control system fails to prevent, detect, and corrected the risk identified.

c) **Residual Risk**

This was defined as the risk or danger of an action or an event, a method or a process that although being abreast with science, still conceives these dangers, even if all theoretically possible safety measures would be applied. In other words, the amount of risk left over after natural or inherent risks have been reduced by risk controls. The level of the residual risk will depict the strength of the control system. Participants were taken through the approaches to residual risk management and these were highlighted as below;

1. One approach to scoring residual risk is to apply subjective judgment without applying any mathematical relationship between the inherent risk and the level of control effectiveness.
2. The Second method is to apply a mathematical approach.
   Residual risk = (inherent risk) − (impact of risk controls)

It was concluded that it is important to be dynamic and proactive in risk management strategy.

4.3 Personal risk management

Participants were introduced to personal risk management and this was referred to as the process of applying risk management principles to the needs of individuals. It is the process of identifying, measuring, and treating personal risk followed by implementing the treatment plan and monitoring changes over time.

Group work

During the personal risk management presentation, participants were divided into groups of two where group one was to discuss the daily activities and the risks that affect individuals at home and their mitigation measures. Group two was to discuss health and safety risks at work places including their mitigation measures. The group presentations are attached at the **Appendix**

4.4 Risk categories

It was noted that risks are categorized into external and internal risks in an institution or organisation. They were discussed as below;

Internal risks are risks faced within its organization and arise during the normal operations of the organizations/institutions. These risks can be forecasted with some reliability, and therefore, the institution has a good chance of reducing internal business risk.

The facilitator discussed the factors of internal risk and these were human factors, technological factors and physical factors. It was noted that some of the human factors included union strikes, dishonesty by employees, ineffective management or leadership, and failure on the part of external producers or suppliers. Technological risk included unforeseen changes in delivery or distribution of an institution's products or services and the physical risk is the loss or damage to the assets of the institution.

External risks are risks that are due to economic events that arise from outside of the institution/ organization. It was noted that external events that lead to external risk cannot be controlled by any one institution and cannot be forecasted with reliability hence it is hard to reduce the associated risks.

The factors to the external risks discussed were highlighted as economic factors, natural factors and political factors. Economic factors included changes in market conditions, natural factors included natural disasters that affect normal business operations and political factors comprised of changes in the political environment. In addition, it was also noted that since the external risks cannot be foreseen with accuracy, it is difficult for the institution to reduce these risk factors.

From the discussion, it was noted that succession planning is needed for an institution to ensure proper risk management.

A participant asked for the difference between disaster preparedness policy and risk management policy. In response to this, Robert responded that Risk Management is an umbrella and disaster preparedness falls under this. He also encouraged participants to do a gap analysis and push the recommendations forward.

4.5 Types of Risks

Participants were introduced to the different types of risks namely;

Governance risk; where an institution is exposed to the risk that the governance processes such as policies, rules and regulations that do not identify and mitigate significant risks, strategic risk that impede the achievement of the institution's goals and objectives.

Human capital risk; where resource use and employment practices do not align with the institution/ organization's mission and strategic objectives.

Operational risk; which are direct or indirect losses, or of reputational damage, arising from inadequate or failed internal processes, people and systems or from external events. Other risks discussed were; fraud, bribery and corruption, physical security risk, risks related to theft/ robbery/ burglary, risks related to fire, outsourcing risk, information and security risk, information technology risk, reputation risk, financial risks, credit risks, liquidity risks, legal risks among others.

4.6 Strategic objectives and risk management objectives

During this session, it was noted that organizations need strategy to stay on course and these strategy should be based on mission and vision. In addition, risk management should be aligned to the strategic plan. Participants were taken through the difference between strategic objectives and operational objectives because this distinction plays a major role in the conversion of an overarching vision into concrete, specific tasks.

Strategic objectives were defined as long-term organizational goals that help to convert a mission statement from a broad vision into more specific plans and project and are usually developed as a part of a two- to four-year plan that identifies key strengths and weaknesses and sets out the specific expectations that will allow the organization/ institutions to achieve its more broad-based mission or vision statement.

Operational objectives were defined as daily, weekly or monthly project benchmarks that implement larger strategic objectives. These set out with strategic objectives in mind and provide a means for management and staff to break down a larger strategic goal into workable tasks.

The facilitator emphasized that the risk management objectives should be in line with the operational objectives and operational objectives are only effective when designed to serve a strategic objectives hence it is important to understand risks across the institution.

Participants during the discussion observed that it was important to develop risk management objectives when developing a strategic plan. In addition, an integrated approach system should be used in policy of risk management.

4.7 Benefits of risk management

Through brainstorming, participants enlisted the benefits of risk management as follows: to avoid losses, to cut costs, for credibility, for efficiency, to avoid firefighting and for survival. The facilitator Timothy noted the following as the benefits of risk management: creation of a more risk focused culture for the Organisation/ Institution/ Entities, standardized Risk Reporting, improved focus and perspective on risk, efficient use of resources and effective coordination of regulatory, statutory and compliance matters.

From the discussion, it was affirmed that organisations are dynamic and this makes the risk management dynamic as well.

4.8 Risk management and components of an Enterprise Risk Management Program

An overview of risk management was discussed and the facilitator Mr. John Robert defined risk management as the process of identifying, assessing and controlling threats/ risks to the institution's value in a bid to maximise opportunities. He noted that risk management strategies have become a top priority for the organisations and are aimed at alleviating the risk drivers.

It was noted that as business risks continue to increase, organizations find ways of implementing some sort of formal risk management system and an effective enterprise risk management (ERM) program can help organizations manage their risks and maximize opportunities.

An enterprise risk management captures key concepts fundamental to how institutions/ organizations manage risk, providing a basis for application across organizations, industries, and sectors. It focuses directly on achievement of objectives established by a particular entity and provides a basis for defining enterprise risk management effectiveness.

Achievement of Objectives

It was noted that the enterprise risk management framework is geared to achieving an entity's objectives set in categories of: strategic – high-level goals, aligned with and supporting its mission, operations – effective and efficient use of its resources, reporting – reliability of reporting and compliance – compliance with applicable laws and regulations. It was noted that this categorization of entity objectives allows a focus on separate aspects of enterprise risk management.

4.9 Components of Enterprise Risk Management Program

Participants discussed the different components of enterprise risk management program like internal environment, objective setting, event identification, risk assessment, risk response, control activities, information and communication and monitoring.

It was observed that communication is the most important component of risk management and ensures that the responsible offices take action.

4.10 Developing an ERM framework for an institution/organisation

In developing an ERM framework, the Board of Directors (Board) is responsible for overseeing the governance of risk management in the institutions. They also ensure that senior/executive management team maintains a sound system of risk management and internal controls to safeguard stakeholders' interests and the institution's assets and should determine the nature and extent of the significant risks through a risk Appetite and Risk Tolerance Limits which the Institution is willing to take in achieving its strategic objectives.

It was observed that when developing an ERM, it is important to keep in mind dependency and ensure that everything is tested.

Participants were taken through the elements of the risk management framework and these included; objectives, identification, measurement/assess, response/control and communication and monitoring.

Risk Management Objectives

This session aimed at introducing participants to the goals or objectives for Risk Management and why risk management should be in place. The risk management objectives were highlighted as below;

- Minimize negative effects risks can have on the financial results and capital of the institution/ university
- Establish methods and processes to manage risks and seize opportunities related to the achievement of the institution's objectives.
- Proactively identify events or circumstances relevant to the institution's objectives (risks and opportunities), assessing them in terms of likelihood and magnitude of impact, determining a response strategy, monitoring and reporting of the results.

Elements of Enterprise Risk Management Framework

Participants were introduced through the elements of an enterprise risk management framework and these were;

a. Organizational Structure which consist of Board of Directors, Board Committees, Management Committees, Risk Management and Compliance Departments and Internal Audit Department
b. Risk Appetite Statement, Risk Threshold and Tolerance Limits
c. Policies & Procedures
d. Systems and Tools

From the discussion, it was noted that the ERM Framework should be in a policy whereby stakeholders of the university HR, ICT should be involved in the drafting of the policy which should be in line with the law.

4.11 Implementation of the Institutions Risk Management framework

The facilitators noted that an institution's risk management framework is implemented through policies, procedures, rules, regulations, approved processes, transaction and authority limits, risk tolerance and management risk methods.

The trainer emphasized that it's prudent that institutions review and develop its risk management strategy continuously in line with the statutory and regulatory requirements, generally accepted risk management practices, market developments and increase in complexity of the business from time to time.

5.0 Day three

At the beginning of this day, a recap of day two highlighted the new concepts learnt and the different suggested actions to be taken by UMU management.

5.1 Fire fighting exercise

Participants were engaged in a practical firefighting exercise whereby an alarm was set at the training venue and participants responded to the alarm by assembling at the designated spot. This drill was aimed to test participants' firefighting skills and techniques. Participants observed that there is need;

- for fire audit
- Have a gap analysis
- To orient staff on risk management measures

5.2 Risk Management Strategy

The institution develops its risk management strategy continuously in line with the statutory, regulatory requirements, generally accepted risk management practices, market development and increase in complexity of the business lines.

It was noted that the approach structured involves identifying, assessing and managing risk by way of regularly updating and reviewing the assessments based on new findings or actions taken.

Participants were taken through the inputs into the Risk Management Strategy that are subject to continuous review. These were highlighted as; inputs (risk profile, risk management objectives, Board/council approved strategy etc), techniques (check lists, discussions, questionnaires, SWOT analysis etc) and output (risk profile, risk governance structure, risk appetite statement etc)

The facilitator noted that the Risk System and tools must effectively assist Management in the Risk Management Process through: risk identification, risk assessment, risk treatment, risk control and monitor and report on risks.

Participants observed that sometimes risks always emerge due to redundancy in the available resources and there is need to have control in sharing of the resources. It was noted that the risk reviews are important for monitoring risks and provide assurance that appropriate controls and procedures for managing risks are clearly understood and strictly followed. In addition, a risk register can also be used as a monitoring tool for risk management.

It was realized that communication and reporting is very important to ensure all parties are fully informed of existing risks avoiding unpleasant surprises and unauthorized actions.

Risk appetite was defined as the level and type of risk the institution is willing to assume in its exposures and business activities, given its business objectives and obligations to stakeholders. The facilitator noted that the Board communicates its risk appetite through the Risk Appetite Statement and ensures that it is in line with the Institutions strategy and achieves the desired balance between risk and reward. In addition, it was also noted that the Risk Appetite Statement should be reviewed periodically by departments approved.

5.3 Developing a risk appetite statement and tolerance levels

Participants were taken through the steps of developing a risk appetite statement which is a fundamental component of the Risk Management Framework. These included; risk identification, risk assessment, control assessment, risk mitigation, treatment and transfer, monitoring and review and communication and consultation. Furthermore, it was observed that the risk appetite can be identified and managed through:

- Identification of risk tolerance limits and indicators for each material risk. A defined monitoring mechanism to ensure risks remain manageable and within prescribed limits
- Identification of qualitative risk management measures for material risks that cannot be quantified

Risk terminologies were discussed and these included; risk capacity, risk tolerance, risk appetite and risk profile.

Risk Appetite Objectives

Participants were introduced to objectives of risk and these were:

1. Detailing the extent and the types of risk that are acceptable to the Institution
2. Upholding the highest ethical standards of conduct;
3. Communicating the institutions' strategic focus i.e. *we know what we do and don't want to do;*
4. Management develops and executes strategies and plans that are consistent with the Board mandate on risk taking;
5. Ensuring compliance with legal and regulatory obligations;
6. Maintaining a robust internal control environment and safeguarding operational continuity;

Implementation of the Risk Appetite

It was observed that all Heads of Departments were responsible for the implementation of, and compliance with, the risk appetite statement. In addition, it was observed that the following should be observed in the implementation of the risk management appetite: communication, risk assessment, reporting and monitoring, reviews

5.4 Risk culture

Risk culture was defined as a system of values and behaviours present in an organization that shapes risk decisions of management and employees. The facilitator emphasized that one element of risk culture is a common understanding of an organization and its business purpose. Therefore employees must also understand that risk and compliance rules apply to everyone as they work towards business goals.

How do start a Conversation about Risk Culture

Participants were guided on how to start a conversation about risk management and these steps included;

1. Establishing the importance of risk culture to an organization

2. Ensuring effective communication around ethics and risk. Communication should involve working to continually improve how the risk function and business lines work together to ensure consistent risk information is shared across the institution.

The facilitator mentioned that the institutions' risk culture and its development is not a stand-alone component in its efforts toward effective risk management, but is intertwined with its risk governance practices as well as its incentive programs.

Participants affirmed that risk management was everyone's business and should be seen this way across the institution. Conversations around risks facing the institution should be encouraged, as well as an environment that supports open, interactive discussion and debate of the risks.

From the discussion, it was noted that the risk culture should be put in the risk management policy.

5.5 Stress testing & contingency planning

Stress testing was defined as the process of determining the ability and capacity of a system, process, program or plan to maintain a certain level of effectiveness under unfavorable conditions. It was observed that stress testing is an important tool in risk identification and forecasting and also an indicator of the possible risk management interventions.

The facilitator mentioned that contingency plans should be tested as to the appropriateness of responses, escalation and communication channels and the impact on other parts of the Institution. He also noted that the institutions should develop a stress test program with anticipated scenarios of the unfavorable conditions and timely reviewed by the board for applicability. Frequencies of the testing should be communicated to the business / operations units however in cases of increased occurrences of warning alerts, the frequency and metrics of stress test can be increased.

5.6 Risk Assessment and Measurement Rating

Risk assessment is important to know whether the finding has risk stemming from any weaknesses in the process and internal controls that requires management's attention and action to eliminate the weaknesses. It was noted that the rating system can be aligned to the Internal Audit Department (IAD) rating for current and previous findings and other inherent risk matrixes.

It was observed that the findings can be assessed using a three factor rating mechanism as detailed below;

1) High Risk- RED - The level of risk will significantly impede the ability to achieve Institution's mission, goals, or strategic objectives. Controls may be inadequately designed or ineffective.
2) Medium Risk -GREEN The level of risk may delay or disrupt achievement of Institution's mission, goals, or strategic objectives. Controls are adequately designed and are generally effective.
3) Low Risk – AMBER- The level of risk will not substantially impede the ability to achieve Institution's mission, goals, or strategic objectives. Controls are prudently designed and effective.

Authority levels

Authority levels are laid out in the respective Board-approved policies and procedures. It was noted that a breach may occur at authority levelsand must be immediately escalated through the first line hierarchy according to the approvals set out in the delegated authority matrix so that timely appropriate management action may be taken. It was observed that all the existing or potential breaches must be communicated by the end of the day of each occurrence.

5.7 Key Risk Indicators and Key Performance Indicators

A Key risk indicator was defined as a measure used in management to indicate how risky an activity is. It was noted that key risk indicators are metrics used by organizations to provide an early signal of increasing risk exposures in various areas of the enterprise. The examples of key risk indicators discussed included; Degree of budget variances, Percentage of bad debts, Percentage of vacant senior/ top management positions, Number of legal cases against the University, Number of penalties against the University for non -compliance, Number of customer (student)exits, Staff Attrition rate among other examples

A Key Performance Indicator (KPI) was defined as a measurable value that demonstrates how effectively a company is achieving key business objectives. It was noted that organizations use KPIs to evaluate their success at reaching. The examples of key performance indicators were highlighted and these included financial metrics (profit, costs, revenue vs. target and expenses vs. budget), customer Metrics (Customer Acquisition Cost, Customer Satisfaction & Retention and Number of Customers against target), People Metrics (Employee Turnover Rate, Percentage of Response to open/ vacant Positions, Employee Satisfaction, Retirement Rate, Knowledge Achieved With Training, Internal promotions Vs. External Hires, Salary Competitiveness Ratio, Innovation Spending.

5.8 Project Risk Management

It was noted that effective risk management underpins a successful project. The following considerations were put forward for risk management;

- Risk management affects all aspects of the project. The budget, schedule, scope, communication and stakeholder engagement, success when the project output is implemented etc.
- Risks can be positive (i.e. opportunities), as well as negative (generally referred to as risks).
- Risk management is about behaviours that prove that risk management is a top priority for you and the team, such as "being constantly aware of what might happen," agreeing on strategies for all risks, and undertaking actions to prevent negative risks from becoming issues (i.e. occurred events) whilst maximising the opportunities of positive risks.
- Risk management needs to be conducted from the start of the project, constantly discussed and monitored, and involve all members of the project team.
- How you choose to handle risks depends on your most influential project stakeholders' 'appetite for risk'.
- Each identified risk needs to be assessed, a strategy for dealing with it agreed upon by all appropriate parties, and tracked until closure.

- Project risk management is not "the project manager tracking risks in a Risks Register and sharing it occasionally when or if people ask to see it" – it is much more than that.

It was observed that mitigation of risks is very important in a project especially the existing projects and for new projects need to make projections and ensure timely delivery of outputs of the project.

6.0 Case Study

Participants engaged into a group discussion where each group was provided with a case study regarding a university's issue and they were to discuss the following from the case study;

1. Discuss the key risks at the university
2. Assess the key risks identified- make a subjective assessment with assumptions and reasons
3. Make recommendation on the possible mitigations

7.0 Recommendations

After the three day exercise, participants recommended **the following issues;**

- **Need** for needs assessment to identify the risks and mitigate them.
- Need to actualize what UMU has been doing
- Risk management should be on the agenda of the trustees to eliminate surprises
- Risk management policy should be in line with the law.
- Need for documentation of the risk management policy which is efficient, effective and economic. The policy should be customer centric and stakeholder centric.
- Need for a risk committee to identify risks and prioritize them in an organisation.
- Need to develop a chart to show risks.
- For a risk of fire outbreak, it was observed that there is need to document risk management procedures, have fire marshals in place, have a call tree system, signals/codes should be known to everyone and training of people.
- Need for a risk register after prioritization of the risks.
- Improve Communication since it is very important in risk management to create awareness and avoid some of the risks.
- In risk management, need to change the mindset/attitude of people towards risk management.
- Need to recruit specialist when drafting the risk management policy
- UMU to adopt a risk based approach but used in conjunction with a compliance based approach.
- There is need to map the process to the control to be able to identify the risk mitigation measures.
- Need for a gap analysis and push for the recommendation of a risk management policy forward.
- Have an integrated risk management system for the policy of risk management at UMU
- Develop Risk objectives when developing the strategic plan.
- Review of the risk management policy as often as possible.

- Ensure Quality assurance in risk management.

8.0 Closing remarks

Closing remarks were provided by John Robert Kakeeto (trainer), Sr. Elizabeth Namazzi (trainee), Dr. Ssemakula Joseph and Vice Chancellor.

Remarks from trainer; Robert on behalf of the trainers thanked ACALISE and UMU for the opportunity to facilitate the training. He also thanked the trainees for their active participation during the training and encouraged them to put into practice what they have learnt.

Remarks from trainee; Sr. Elizabeth Namazzi on behalf of the trainees thanked the facilitators and the participants for devoting their time to the training. She mentioned that the training had brought awareness of engaging with others to mitigate risks. In addition, she also mentioned that it has enabled identification of the risks and measures to mitigate these risks. She thanked the PI, Prof. Mwine Julius for the organisation of the training and the facilitators and called upon the participants to respond positively to the training.

Remarks from ACALISE

Dr. Ssemakula Joseph on behalf of ACALISE gave remarks and thanked participants for their participation. He emphasized that there is need for a strong way forward to be able to identify and mitigate the risks.

Remarks from Vice Chancellor

The vice Chancellor, Uganda Martyrs University thanked the participants for their commitment. He noted that learning is a continuous process and said that UMU was grateful to ACALISE for the opportunities and investing in UMU. He encouraged the participants to move ahead and ensure that the risks in the institutions are tackled well. He concluded by thanking ACALISE for identifying CRI and thanked CRI for their commitment to train the management of UMU.

The training concluded with the award of certificate of participation to the participants.

Appendix 1: List of Participants

No	**RISK MANAGEMENT**	**Position**
1	Mr. Joseph Wamema	Head ICT
2	Dr. Jude Ssebuwufu	Head Project
3	Mr. Ssemakula Richard	Accountant
4	Ms. Awori Caroline Dorcas	Procurement Officer
5	Mr. Lugwe Robert	Estates Manager
6	Mr. Moses Kibrai	DVC.FA
7	Dr. Ssemakula Joseph	Head Innovation
8	Ms. Judith Nannozi	Librarian
9	Prof. Johnnie W. F. Muwanga- Zake	ACALISE
10	Rev. Sr. Namazzi Elizabeth Beatrice	Director SPGSR
11	Mrs. Apayi Suzan Makeba	Director HR
12	Prof. Michael Mawa	DVC.AA
13	Prof. Maviiri John	Vice Chancellor
14	Rev. Fr. Christopher B. Mukidi	Registrar
15	Ms. Nangooba B. Margret	PRO
16	Prof. Julius Tedson Mwine	Principal Investigator
17	Mr. Ssewalu Patrick	ED CRI
18	Ms. Adong Joan Anyuru	Rapportuer CRI
19	Ms. Nalugo Rose	Administrator
20	Bro. Murongo Flarian Marius	Farm Manager

Appendix 2: Group presentations

Group 1: Personal risks at home.

Daily activities at home;

- Cooking using gas
- Building/constructing repairs
- Rearing of certain animals.
- Gardening.
- Cleaning.
- Nurturing children.
- Driving.
- Interpersonal relationships.
- Income generation.

Risks at home

- Burns
- Cuts.
- Food poison.
- Bites/stings.
- Collapse.
- Injuries.
- Diseases.
- Peer influence.
- Violence.
- Accidents.
- Insecurity.
- Kicking of kids.

Mitigation measures of risks

- Training and creating awareness.
- First aid kits.
- Counselling/separation.
- Security control systems.
- Prayer.
- Background checks.
- Cleaning to mitigate diseases.

Group 2: Health and safety risks at the workplace

S/NO.	RISKS	MITIGATING MEASURES
1	Fire outbreak	Fire fighters, sensors, training fire marshals
2	Thunder	Thunder arrestors, keeping buildings low
3	Robberies	Fight security, hiring security firms, security cameras
4	Fraud/forgery	Ethics and integrity, audit, IFMS
5	Electricity circuits	Circuit breakers
6	Bare electrical cables	Insulation, regular maintenance
7	Snake bites	Fumigation, snake repellants
8	Bats/pests	Fumigation
9	Food poisoning	Sanitation and training
10	Kidnap of students	Vigilance
11	Falls	Warning signs in places
12	Impersonification	Proper identification, security checks
13	Noise	Silencer
14	Reckless driving	Rules and Regulations
15	Accidents (Farm, Lifting heavy items	
16	Exposure to hazardous especially in laboratories	Safety gears, gloves
17	Continuous use of computers and other equipment	Screen guards
18	Poor sitting posture/poor furniture	Right and healthy furniture
19	Asbestos	Roofing replacement
20	Personal Security at night (rapes, theft)	Moving in groups, Sensitization
21	Daily commuting due to long distance	More housing on campus
22	Gun shots	Vigilance
23	Strikes	Open dialogue
24	Delayed salary payment	Prompt payment
25	Non-payment of tuition	Monitoring
26	Labour turnover	Motivation of staff
27	Redundant employees	Staff audit
28	Litigation	Proper procedures

Case study group presentations

Group one

Top Risks identified from the case study

1. Frequent travels of the bursar.
2. Remote approval of expenses
3. Capacity/skills gap (Studying officers).
4. Loss of revenue.

5. Inappropriate reconciliation.
6. Unsupervised petty cash management.
7. Lack of independence of the internal auditor (Conflict of interest)
8. Reputation risks (Social media).
9. Governance issues (irregular council setting).
10. Litigation risk.
11. Loss of lives, business property etc (Fire outbreak).
12. FRAUD (envelopes).
13. Lack of supervision, monitoring and evaluation.
14. Risk of compromise of the system. (Vendor).
15. Process approval/procedural risks

RISK Vs MITIGATION

S/N	Risk	Mitigation
1	Governance	- A fully constituted council - Orientation of council on its duties and responsibilities - Established functional committees with regular sittings
2	FRAUD	- Strengthen internal control system (ICS) - Supervise and monitor the function of those systems by management. - Establish an independent and effective internal
3	Litigation	- Establish effective policies and procedures - Train managers to understand and comply with the procedures - Employ the services of a legal officer
4	Reputation	- Establish an effective communication system/plan/strategy (Who should communicate what, when and how?)
5	Communication	- Establish an effective communication system/plan/strategy (Who should communicate what, when and how?)

Group two

Key risks identified from the case

1. Governance structure is not functional.
2. Resistance to change.
3. Wrong priorities leading to persistent absenteeism.
4. Lack of independence of the internal audit function.
5. Likelihood of fraud due to approvals of expenses by remote.
6. Termination without fair hearing (Mitigation risk).
7. Loss of life due to bribery of Estate manager
8. Risk of industrial action
9. Lack of internal clerks given the gap in internal audit.
10. Weak internal controls.
11. Poor segregation of duties.
12. Lack of staff development policy.
13. Communication breakdown.
14. Fraudulent procurement process
15. Lack of supervision
16. Next of awareness and motivation.
17. Imposition of new policies and systems without informing staff.
18. Poor staff appraisal. KPIs not clear.

Mitigation measures

1. Constitution of fully functional governance and other committees
2. Appoint knowledgeable and committed members.
3. Clear job description and expectation (3 and 4).
4. Strengthening the internal controls by designing a solid financial policy (5, 11, 12 and 15).
5. Stakeholder engagements (14, 17, 18 and 19)