MURANG'A COUNTY GOVERNMENT

KENOL MUNICIPALITY

Identify

Report

Assess

RISK MANAGEMENT POLICY

Monitor

Manage

Prioritize
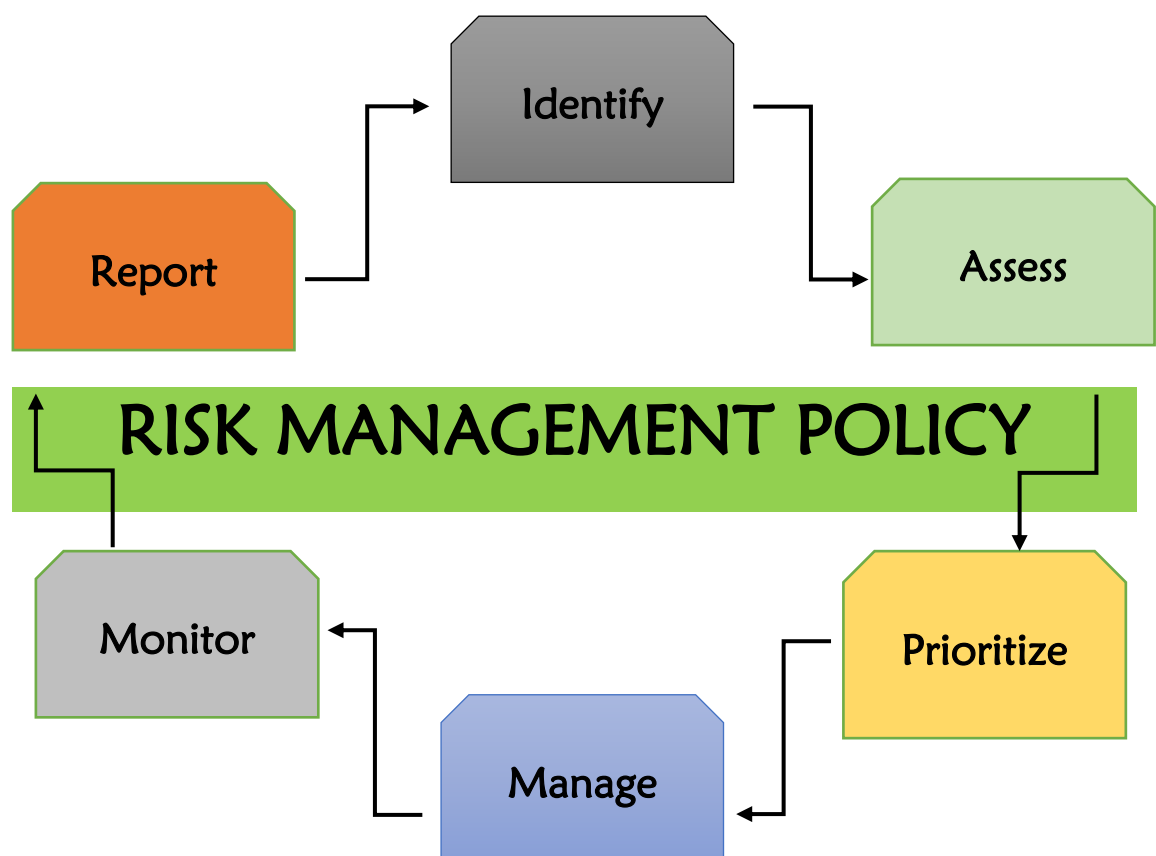
AUGUST 2023

Effective Date

This Policy comes to effect on the date it is adopted by the Kenol Municipality Board

Risk Appetite

Kenol Municipality seeks to balance growth and development with community safety and environmental sustainability, accepting moderate levels of risk in economic initiatives while prioritizing public health and safety

Review of Policy

This Policy will be reviewed and updated if necessitated by a significant event or change in the circumstances for the municipality or at the order of the Kenol Municipality Board

Prologue

Kenol Municipality is committed to ensuring the safety and well-being of all its residents through integrating risk management into all municipal operations and participatory decision making, and ensuring that decisions taken do not compromise the safety and health of future generations

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Foreword

In an era marked by rapid urbanization and increasing environmental challenges, effective risk management has become an essential component of urban governance world over. As we navigate the complexities of our dynamic communities, the need to protect our residents, especially the vulnerable ones, infrastructure, and natural resources has never been more pressing. This risk management policy outlines the commitment to protecting the municipality against adverse outcomes. It is also a confirmation of the municipality's commitment to legal and regulatory compliance, and is a critical step toward fostering resilience and ensuring sustainable development.

The Kenya Constitution (2010) enshrines the principles of governance, public participation, and the protection of rights, all of which are integral to risk management. Furthermore, the County Government Act, 2012, mandates county governments to establish frameworks for effective risk management to safeguard public assets and enhance service delivery. The policy aligns with the National Disaster Management Policy (2013), which advocates for proactive measures in disaster preparedness, response, and recovery. It also adheres to the Environmental Management and Coordination Act (EMCA), 1999, which emphasizes the need for environmental sustainability in all development initiatives.

Inculcating a risk management culture into our municipal operations will create the requisite framework to identify, assess, and mitigate potential hazards effectively. By fostering an environment of risk awareness and resilience, we can enhance the resident's capacity to respond to both natural and man-made disasters. The successful implementation of this policy will therefore, require active stakeholder engagement to facilitate building of a safer, more resilient future for all. As we embark on this critical journey, let us commit to uphold the highest standards of governance, transparency, and accountability in our pursuit of a resilient municipal environment.

Hon. James Gatuna
CECM - Lands, Physical Planning and Urban Planning,
MURANG'A COUNTY GOVERNMENT

Preface

As we confront the complexities of modern governance, the importance of robust risk management cannot be overstated. This Municipality Risk Management Policy is designed to address the diverse challenges faced by our residents including natural disasters, public health crises, and socio-economic uncertainties. As captured in the Municipality Risk Policy Objective, risk management is not merely a reactive measure; but a proactive approach that empowers all stakeholders to anticipate, prepare for, and respond to potential threats. By establishing a comprehensive framework, we aim to safeguard our citizens, protect our infrastructure, and ensure the sustainability of our environment.

This policy aligns with our national priorities, reflecting our commitment to the principles enshrined in the Constitution of Kenya (2010), particularly in promoting public participation, accountability, and transparency. It draws on best practices and lessons learnt locally, regionally and internationally but tailored to fit the unique challenges and opportunities within our municipality.

The residents of the municipality are diverse, and so are the risks they face. This policy emphasizes the importance of engaging all stakeholders—from municipality staff and board members to community members, and development partners—in the risk management process. By fostering collaboration, the Municipality envisages to build resilience at every level, ensuring that municipality is better prepared for future uncertainties.

Brian Ndeleva,
Chief Officer – Physical Planning and Urban Development
MURANG'A COUNTY GOVERNMENT

Acknowledgements

The development of the Municipality Risk Management Policy for Kenol Municipality has been a collaborative effort, and we extend our heartfelt gratitude to all who contributed to this essential document.

First and foremost, we would like to thank His Excellency the Governor, Hon. Dr. Irungu Kang'ata for his leadership, the Deputy Governor, Hon. Stephen Munania, the entire Executive. In particular, we recognize the immense contribution of the CECM for Lands, Physical Planning and Urban Development, Hon. James Gatuna, Chief Officer Brian Ndeleva, and the entire Board of Kenol Municipality. We also extend our gratitude to the Murang'a County Assembly for their unwavering support and commitment to enhancing the safety and resilience of our communities.

We wish to acknowledge the valuable input from various stakeholders, including community leaders, civil society organizations, and local residents. Your insights and perspectives have enriched this policy and ensured that it reflects the unique needs and aspirations of our diverse population. Special thanks go to the technical team and experts who have dedicated their time and expertise to research, analyze, and draft this document. Your professionalism and commitment to excellence have been crucial in shaping a comprehensive and actionable policy.

Robert K. Ndung'u
Chairperson – Kenol Municipality Board,
MURANG'A COUNTY GOVERNMENT

Abbreviation and Acronyms

M&E	Monitoring and Evaluation
RMP	Risk Management Policy
KPI	Key Performance Indicator
PPE	Personal Protective Equipment
EAP	Emergency Action Plan
DRP	Disaster Recovery Plan
DRR	Disaster Risk Reduction
DRM	Disaster Risk Management
EWS	Early warning System
NDMA	National Drought Management Authority
NDMU	National Disaster Management Unit
NEMA	National Environment Management Authority

Definition of Terms

Risk Anything that can endanger the achievement of municipality or potentially damage reputation. Risks include threats or opportunities missed

Risk Appetite High-level view of the total level of risk the municipality is willing to take to achieve its development objectives.

Risk Management Systematic process of identifying, assessing, prioritizing, managing, and developing mitigating actions so as to achieve municipality development goals

Risk Assessment A systematic process for evaluating potential risks that may be involved in a projected activity or undertaking. It typically involves identifying hazards, analyzing and evaluating the associated risks.

Risk Tolerance The specific level of risk the municipality is willing to accept regarding a particular risk. It defines the boundaries within which risk can be managed.

Mitigation Strategies and actions taken to reduce the severity or likelihood of a risk event occurring. This can include implementing controls, developing contingency plans, and employing preventive measures.

Contingency Plan A predefined set of actions to be taken in response to a specific risk event or emergency situation. It aims to ensure business continuity and minimize disruption.

Incident An occurrence that negatively impacts the municipality operations or objectives. Incidents can range from minor disruptions to significant crises.

Stakeholder Any individual, group, or organization that has an interest in or is affected by the outcomes of municipality project or policy. Stakeholders can include employees, residents, businesses, and government entities.

Residual Risk The remaining risk after mitigation measures have been implemented. This represents the level of risk that remains despite efforts to reduce it

Risk Register A comprehensive document that lists identified risks, their assessment, and the strategies for managing them. It serves as a tool for monitoring and reporting risks.

Crisis Management The process of preparing for and responding to incidents that can cause significant disruption or harm to the municipality

Business Continuity Planning (BCP) A strategic approach to ensuring that essential functions can continue during and after a significant disruption or crisis. It involves planning for potential risks and implementing response strategies.

1. INTRODUCTION

1.1. Background Overview

Risk is a fundamental and inherent part of any development activity and as such, there is a degree of risk involved in all Municipality activities. Risk Management helps institutions in achieving the desired goals and ensuring continuance in service provision. It is undertaken as a part of normal practice and not as a separate task at set times. Understanding and mitigating inherent risks in the municipality enhances the municipality's ability to make informed decisions, respond quickly, effectively and in a timely manner, and eventually exploit resulting opportunities.

1.2. Purpose of the Policy

The Municipality Risk Management Policy sets out the municipality objectives and strategy for risk management, and the arrangements it has adopted to enable it to manage its risks. The aim of the policy is to ensure that every effort is aggregated to manage risk appropriately, and in line with the municipality risk appetite.

1.3. Objectives of the Policy

Objectives of the municipality risk management are:
  i.   To align risk management with the municipality's objectives as set out in the Municipality Integrated Development Plan (IDeP)
  ii.   To appraise and manage risks and opportunities in a systematic, structured, timely manner and in accordance with the municipality's risk appetite
  iii. To ensure that there is clear accountability and responsibility for risk within the municipality and that risks are managed at the most appropriate level.
  iv.   To establish a structured and systematic approach to identifying, assessing, and mitigating risks that could impact the municipality's operations, assets, and stakeholders.
  v.   To enhance resilience, protect public resources, and promote sustainable development within the municipality.

1.4. Policy Rationale

Kenol Municipality is a vibrant region with diverse socio-economic activities. The need for a comprehensive Risk Management Policy is paramount to ensure the safety, sustainability, and resilience of the municipality against various risks. The primary objective of risk management policy is to establish a structured framework for identifying, assessing, managing, and mitigating risks that may impact the municipality's operations, resources, and communities. The rationale for the policy include:

i.   **Increasing Vulnerabilities:** With rapid urbanization and climate change, the municipality faces increased risks, including natural disasters, economic fluctuations, and public health emergencies.
ii. **Public Safety and Security:** Ensuring the safety of residents, businesses, and infrastructure is essential. A robust risk management policy will help prevent and minimize the impact of emergencies.

iii. **Economic Sustainability:** Effective risk management is crucial for protecting local businesses and attracting investments, fostering economic growth and stability.

iv. **Regulatory Compliance:** Aligning with national and regional regulations on risk management ensures accountability and enhances governance within the municipality.

v. **Community Resilience:** Empowering communities to understand and manage risks promotes resilience, ensuring that they are better prepared for unforeseen events.

1.5. Key Components of the Policy

i. **Risk Assessment Framework:** Establishing a systematic approach to identify, evaluate, and prioritize risks based on their potential impact on the municipality.

ii. **Stakeholder Engagement:** Framework for involving community members, businesses, local development organizations, and other government agencies in the risk management process to foster collaboration and enhance local knowledge.

iii. **Crisis Management Planning:** Developing clear protocols for response and recovery during emergencies, ensuring that resources are efficiently mobilized.

iv. **Training and Capacity Building:** Providing training for municipal staff and community members on risk management practices to build local capacity.

v. **Monitoring and Evaluation:** Implementing a continuous monitoring system to assess the effectiveness of risk management strategies and making necessary adjustments.

1.6. Scope

This policy applies to all municipal departments, employees, contractors, and stakeholders involved in municipal activities. It encompasses all types of risks, including financial, operational, environmental, reputational, and regulatory risks.

1.7. Expected Outcomes

i. **Enhanced Safety and Preparedness:** Reduced vulnerability to risks and improved emergency preparedness among residents and local businesses.

ii. **Improved Resource Allocation:** Strategic allocation of resources based on identified risks, ensuring more efficient use of municipal funds.

iii. **Strengthened Community Involvement:** Increased community awareness and participation in risk management, fostering a culture of resilience.

iv. **Sustainable Development:** Promoting economic growth while safeguarding the environment and social well-being of residents

1.8. Frameworks for Risk Management

1.8.1. Constitutional Framework

Constitution of Kenya (2010): The Constitution of Kenya 2010 emphasizes the protection of rights and freedoms, including the right to a clean and healthy environment, which is crucial for risk management. Particularly Articles 10, 42, and 69 outline principles of governance, public participation, and environmental rights.

1.8.2. Legislative Framework

i. **Disaster Management Act (2016):** The Disaster Management Act (2016) establishes a framework for disaster risk management, including preparedness, response,

recovery, and mitigation measures. It mandates the establishment of the National Disaster Management Authority (NDMA).

ii. **Environmental Management and Coordination Act (1999):** The Environment Management and Coordination Act (1999) provides a framework for environmental conservation and management, addressing risks related to environmental degradation and pollution. It establishes mechanisms for Environmental Impact Assessments (EIAs).

iii. **Occupational Safety and Health Act (2007):** Occupational Safety and Health Act (2007) ensures workplace safety and health standards to mitigate risks associated with occupational hazards. It establishes the National Council for Occupational Safety and Health.

iv. **Public Health Act (Cap. 242):** Public Health Act (Cap. 242) provides guidelines for public health risk management, addressing issues related to disease outbreaks and public safety.

v. **Urban Areas and Cities Act (2011):** Urban Areas and Cities Act (2011) establishes a framework for urban management, focusing on planning and development to reduce risks in urban areas.

1.8.3. Policy Frameworks

i. **National Disaster Management Policy (2018):** National Disaster Management Policy (2018) outlines strategies for disaster risk reduction, preparedness, response, and recovery at national and local levels.

ii. **National Climate Change Action Plan (2018-2022):** National Climate Change Action Plan (2018-2022) focuses on climate resilience and adaptation strategies to mitigate risks associated with climate change impacts.

iii. **National Environment Policy (2013):** National Environment Policy (2013) aims to promote sustainable environmental management, reducing risks related to environmental degradation.

iv. **National Policy on Disaster Management (2009):** The National Policy on Disaster Management (2009) provides guidelines for effective disaster risk management across sectors.

v. **National Policy on Health (2014):** National Policy on Health (2014) addresses health system strengthening, focusing on preparedness and response to health-related risks.

1.8.4. Institutional Framework

i. **National Disaster Management Authority (NDMA):** National Disaster Management Authority (NDMA) is a national level entity responsible for coordinating disaster risk management activities.

ii. **Environmental Management Authority (NEMA):** Environment Management Authority (NEMA) oversees environmental management and enforcement of environmental regulations.

2. RISK MANAGEMENT STRATEGY

2.1. Risk Management

Risk management involves identifying, assessing, and mitigating risks that institutions face. These risks range from natural disasters and economic fluctuations to public health issues and cybersecurity threats. Effective risk management helps municipalities protect their assets, ensure public safety, and maintain service delivery.

2.2. Municipality Risk Management

Municipality Risk Management involves identifying, assessing, and mitigating risks that the municipality faces. Effective risk management at the municipality is envisaged to aid the protection of assets, ensure public and staff safety, as well as maintain and sustain service delivery.

2.3. Municipality Risk Management Process

Risk Management Process is a systematic approach to identifying, assessing, and mitigating risks that could impact the municipality. It outlines the Municipality's ability to effectively identify, assess, quantify, and control or mitigate exposures which thus enable it to deliver effective infrastructure and services. Figure 1 indicates the risk management process:
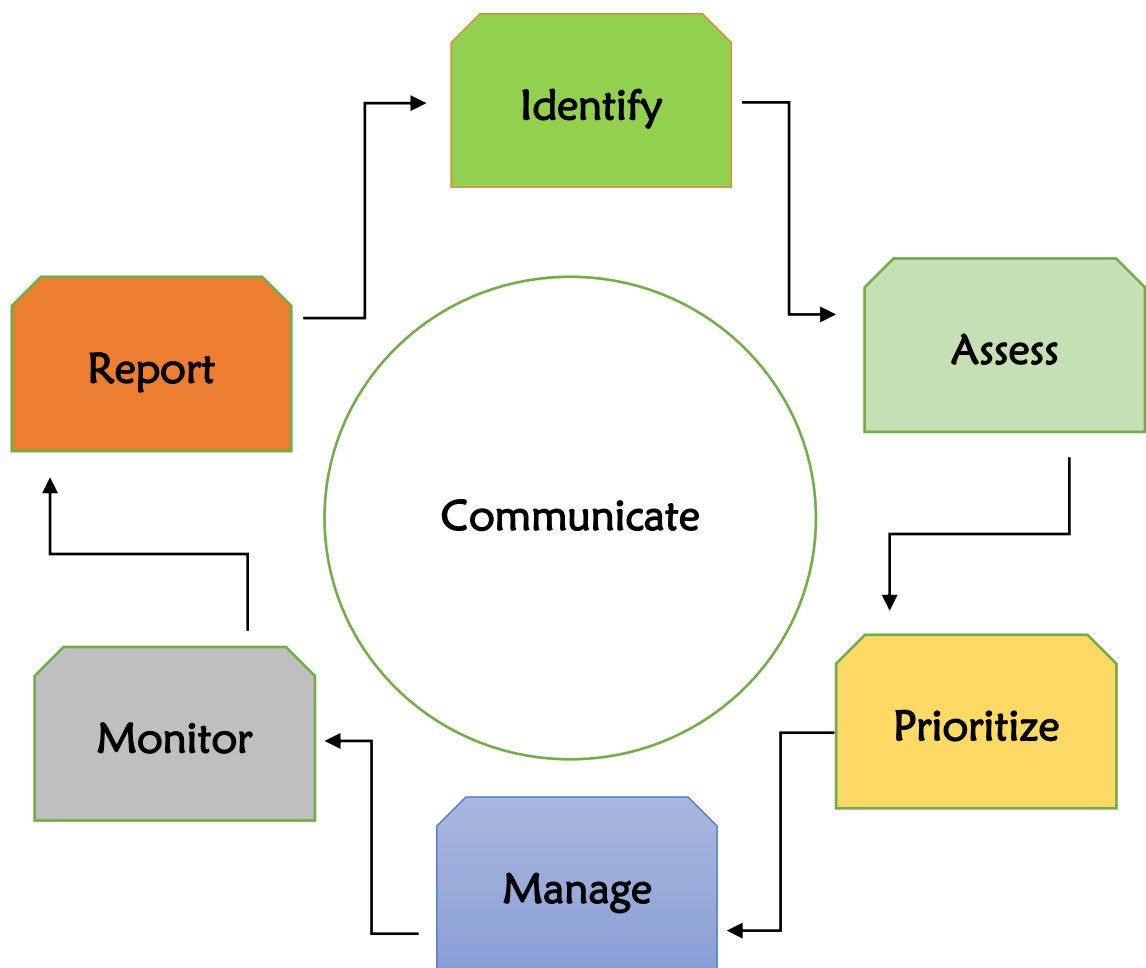

Figure 1: Risk Management Process

2.3.1. Risk Identification

The risk identification process is a critical step in risk management at the municipality. It involves systematically recognizing and documenting potential risks that if were to occur, could affect the municipality's functioning and thus, objectives. Risk identification process is performed to map what, why, and how risks can impact the functioning of the municipality. It includes reviewing relevant processes, systems, and service infrastructure provision of the municipality to enable understanding of what the municipality aims to protect. The methodology includes surveys and interviews with stakeholders through brainstorming and workshops, analysis of historical data as well as review of relevant regulations and best practices.

2.3.2. Risk Assessment

Risk assessment aims to evaluate the identified risks to understand their potential impact and likelihood. It entails qualitative risk analysis to categorize municipality risks based on impact and likelihood and quantitative analysis to determine potential impacts using statistical methods. The assessment compares the assessed risks against the municipality's risk appetite and tolerance levels to prioritize them.

2.3.3. Risk Treatment (Mitigation)

Risk mitigation at the Municipality will involve developing strategies to manage and to mitigate identified risks. Options will include change plan to eliminate the risk (avoidance), implementation of measures to reduce the likelihood of impact such as trainings and safety protocols, transfer of risk to third parties (insurance), or acceptance or the risks for typically low impact risks.

2.3.4. Implementation of Risk Management Strategies

Implementation of risk strategies will involve putting the chosen risk management strategies into action. The steps will include assigning responsibilities for implementing risk mitigation measures, developing an action plan with timelines resources needed as well as communicating the plan to all relevant stakeholders.

2.3.5. Monitoring and Review

The objective of the monitoring and review is to continuously monitor risks and the effectiveness of risk management strategies. The activities will involve regularly reviewing the risk register and updating as needed. It will also involve monitoring the external environment for emerging risks, evaluating the performance of implemented risk mitigation strategies, and conducting audits and assessments to ensure compliance with policies.

2.3.6. Communication and Reporting

The Communication and reporting aims to ensure transparency and keep stakeholders informed about risk management activities. The strategy will entail regularly reporting

on risk management activities to stakeholders and leadership, sharing findings from risk assessments and mitigation efforts, and fostering a culture of risk awareness through training and communication.

2.3.7. Continuous Improvement

The Municipality objective on continuous improvement is to refine and enhance risk management process over time. The strategy approach includes gathering feedback from stakeholders and lessons learned from incidents. It also entails adapting risk management strategies based on changes in the risk landscape, regulations, or municipality objectives. The Municipality will undertake regular training and updates to ensure staff are informed about best practices in risk management.

3. SITUATION ANALYSIS

3.1. Historical Background of Risk Management

Risk management has evolved from ancient practices to structured discipline in modern times. Early risk management can be traced back to ancient maritime trade, during which merchants used strategies like spreading cargo across multiple ships to minimize losses from shipwrecks. This evolved to the era of insurance practices in Babylon around 2000 BCE and included the provision for the protection of loans. During the middle ages, in medieval Europe, guilds formed mutual aid societies to support members in times of need, reflecting early communal risk-sharing practices.

After the world war II Era, businesses began to formalize risk management as a corporate function, influenced by complexities of global markets and regulatory environments. The 1960s and 1970s saw the introduction of quantitative models for risk assessment, including the use of derivatives and financial instruments. The late 1990s marked the rise of Enterprise Risk Management, integrating risk management into strategic planning and decision-making process.

Modern risk management increasingly incorporate data analytics, artificial intelligence, and machine learning to predict and mitigate risks. The practices not only emphasize financials risks, but also environmental, social, and governance (ESG) risks, reflecting a broader understanding of what constitutes risk in today's world. Essentially, risk management has transformed from informal practices to a comprehensive, strategic discipline essential for both individual and organizational success.

3.2. Overview of National, Regional and Global Risk Management Trends

3.2.1. Global Risk Management Trends

Global risk management trends reflect the evolving landscape of risk and opportunities. As organizations and businesses increasingly rely on digital technologies, cyber risk management is becoming a top priority. Organizations are investing in robust cybersecurity measures and frameworks to protect against data breaches and cyber-attacks. To counter the complexities of today's global environment, the trends indicate a shift towards more proactive and comprehensive approach, with focus on environmental, social, and governance (ESG) factors. Organizations are integrating strategies to address climate change, resource scarcity, and regulatory pressures.

Global regulatory landscape is constantly changing, prompting adaptation to new laws and standards related to data protection, environment practices, and financial reporting. Covid 19 pandemic highlighted the epitome of vulnerability with organizations adopting a more integrated approach across various domains including operational, financial, strategic, and reputational risks.

3.2.2. Regional Risk Management Trends

Regional risk management has been evolving buoyed by economic, political, and environmental factors. The adoption of digital tools, such as data analytics and artificial intelligence is assisting organizations to identify and mitigate risks more effectively. Again, as African economies grow, there's an increasing emphasis on regulatory frameworks, with priority on compliance with local and international regulations in the sectors of finance, health, and environmental management.

There is a growing awareness of environmental risks with organizations incorporating sustainability practices into their risk management strategies, addressing issues like climate change, resource depletion, and biodiversity loss. The rise of digital transformation has heightened focus on cyber-security with organizations investing in measures to protect against data breaches and cyber threats. Political instability and economic fluctuations continue to pose risks with strategies required to navigate uncertainties, often by diversifying operations or investing in crisis management plans.

The Covid 19 pandemic highlighted the importance of health risk management with focus shifting to business continuity and employee wellness. The trends reflect a broader recognition of importance of effective risk management with organizations investing in training and development to enhance risk management capabilities. There is also increasing trend towards partnerships between the public and private sector to address systemic risks, particularly in areas like infrastructure, healthcare, and disaster response.

3.2.3. National Risk Management Framework

In Kenya, risk management is evolving rapidly, driven by socio-economic and technological factors. Notable trends include increased use of technology such as data analytics, machine learning, and blockchain with the finance sectors experiencing stringent regulatory scrutiny. Institutions are focusing on compliance and governance to mitigate risks associated with fraud, cyber threats, and regulatory changes.

Risk management trends reflect the country's commitment to enhancing resilience and sustainability with growing emphasis on environmental risk management, increasing investments in cybersecurity, infrastructure and training to protect sensitive data and maintain customer trust. Political risks remain a concern, especially during election cycles. There is also a trend towards enhancing local expertise in risk management with institutions increasing investments in cybersecurity, infrastructure, and training. Collaboration between government and private sector is becoming more common to tackle systemic risks, particularly in infrastructure development and disaster preparedness.

3.2.4. Risk Management at the Municipality

Kenol Municipality faces a variety of risks that can impact its development, governance, and the well being of the residents. Risks such as poor governance and corruption undermine service delivery. Again, the municipality is vulnerable to environmental risks such as flooding, waste management challenges and pollution all which can hinder economic growth and quality of life. Public health crises such as outbreaks of diseases can strain local health services and impact. Moreover, increased vulnerability to climate-related events such as droughts and flooding pose risks to livelihoods and food security.

Risk management at the municipality is shaped by local governance structure, socio-economic conditions, and environmental factors. The municipality operate under national legislation including: County Government Act, 2012; Urban Areas and Cities Act, 2011; Public Finance Management Act, 2012; Environment Management and Coordination Act, 1999 among other legislations. Institutionally, risk management involves collaboration among stakeholders including: County Government; Community Groups, Businesses, and Civil Society Groups. Regular consultations aid the identification of risks and development of collective strategies.

The Municipality undertake assessments to identify potential risks, including environmental hazards, health risks, and socio-economic challenges. It also implements strategies for disaster preparedness and response, emphasizing early warning systems, community training and infrastructure resilience to mitigate the impact of natural disasters. The Municipality being partly semi-arid, is vulnerable to climate change. Consequently, there are efforts to integrate climate risk assessment into local planning with promotion of sustainable land uses and climate-resilient agriculture techniques. The municipality undertakes capacity building to enhance skills of officials and community members in risk management practices. The framework aims to enhance resilience, ensure sustainable development, and protect the well-being of residents.

3.3. SWOT Analysis

Analysis of risk management in Kenol Municipality involves evaluating its strengths, weaknesses, opportunities, and threats. The structured overview of SWOT is summarized in Table 4:

Table 1: SWOT Analysis of Risk Management in Kenol Municipality

Strengths	Weaknesses
• Active participation of local communities in risk awareness and management initiatives • Strong backing from the county government for risk management programs • Diverse geography that can be utilized for natural resource management and sustainable practices • Established cultural practices and community networks that promote resilience in times of crisis	• Lack of formal framework for risk management and response coordination • Inadequate capacity amongst staff to effectively manage risks • Insufficient financial and human resources dedicated to risk management efforts • Inadequate data collection and analysis capabilities to inform risk management decisions. • Poor infrastructure that may exacerbate risks during emergencies, such as flooding or landslides. • Low levels of awareness and understanding of risk management among certain community groups
Opportunities	**Threats**
• Potential collaborations with NGOs and international organizations for funding and expertise • Opportunities for training programs and workshops to enhance local skills in risk management • Leveraging technology for better data management and early warning systems • Aligning risk management initiatives with SDGs to attract funding and support.	• Increasing frequency and severity of climate-related disasters affecting risk levels • Fluctuating economic conditions that can limit funding for risk management initiatives • Changes in political leadership or policy directions that may disrupt ongoing risk management efforts. • Rapid urban growth leading to increased vulnerability to risks such as crime, health hazards, and environmental degradation • Municipality's geographical features and climate vulnerability due to floods, droughts

4. POLICY FRAMEWORK

4.1. Introduction

Kenol Municipality being a government agency requires a well-structured, strategic and proactive approach to managing risks. The municipality implements projects through activities that are high-risk such as those on the frontline of disasters and crises. It provides a corporate and systematic process to manage and take calculated risks, facilitate exploration of opportunities, and reduction of exposure to unwanted and unnecessary threats.

4.2. Policy Strategic Statements

4.2.1. Policy Vision

A robust risk management framework integrating participatory early detection, leveraging technology and developing effective response mechanisms

4.2.2. Policy Mission

To safeguard and sustain the municipality service infrastructure provision by effectively and timely identifying, assessing, and mitigating risks through a collaborative and transparent approach.

4.2.3. Policy Principles

Risk management at the municipality operates according to the following principles:

i.   **Continuity:** Risk management is a continuous process and embedded in day-to-day operations. All staff actively engage in risk management in their areas of responsibility as and when required. Risk is managed both informally through good day-to-day operational management and decision making and also formally through a structured assessment process.

ii. **Escalation of Risks:** The escalation of risk information is timely, accurate and insightful. Risks are assessed collectively and collaboratively and the information is used to support planning and decision making at all levels and to inform stakeholders.

iii. **Risk Assessments:** 'Top-down' and 'bottom-up' risk assessments are integrated to produce a comprehensive picture of risk across all municipality functions and project activities.

iv. **Standard Operating Procedures:** The municipality captures, considers and treats risk in an effective and efficient manner with proportionate processes and procedures. Significant risks within the projects are assessed and documented according to standard processes and consistent impact and likelihood scoring.

v.   **Grievance Redress Framework:** Reporting of grievances associated with risks follow the laid down procedures as prescribed in the Grievance Redress Framework.

4.3. Policy Objectives

4.3.1. Policy Objective 1: Risk Assessment

Objective: To establish a robust and systematic approach for identifying, analyzing and prioritizing risks to ensure informed decision-making

This policy objective aims to establish a comprehensive framework for identification, analysis, categorization, evaluation, documentation and reporting on municipality risks. It seeks to enhance the municipality ability to proactively manage risks, safeguard assets, and achieve strategic goals while maintaining stakeholder confidence and regulatory compliance. To achieve the objective, the Municipality shall:

i. Allocate sufficient financial and human resources to the risk management function

ii. Undertake regular assessments to identify potential risks across all operational areas

iii. Establish framework for regular assessments of Municipality service infrastructure including roads, and public facilities to prevent failures.

iv. Establish framework for evaluating risks associated with new infrastructure projects in collaboration with regulatory authorities including NEMA, WaRMA.

v. Employ various methodologies including surveys, interviews, brainstorming, workshops, town hall meetings among others to gather insights regarding risks from stakeholders

vi. Apply data analysis tools to assess the likelihood and impact of identified risks and potential consequences

vii. Categorize risks based on their severity and likelihood to prioritize risk management efforts

viii. Engage stakeholders in the risk assessment process to incorporate diverse perspectives and expertise

ix. Maintain a centralized risk register to document identified risks, assessment results, and management actions

x. Provide civic education on risk assessment and importance of proactive risk management

xi. Establish a mechanism for communicating risk assessment framework and its findings to all stakeholders

4.3.2. Policy Objective 2: Risk Mitigation

Objective: To establish a proactive framework for identifying and implementing strategies that minimize the impact risks

This policy objective seeks to put in place comprehensive framework for crisis management that ensures effective preparation for, response, and recovery from crises. By implementing this objective, the municipality aims to minimize the disruptions, protect its reputation, and ensure swift recovery from crises, thereby safeguarding its

long-term sustainability and stakeholder trust. To achieve the objective, the Municipality shall:

i. Allocate appropriate resources, including budget, personnel, and technology, to support effective risk management
ii. Develop and maintain a comprehensive compliance dossier that outlines applicable laws, regulations, and industry standards
iii. Designate a compliance officer/team responsible for overseeing municipality compliance
iv. Develop and distribute clear policies and procedures that outline risk compliance
v. Establish a framework for regular assessment of municipality infrastructure projects
vi. Establish a framework for evaluating risks associated with new infrastructure projects
vii. Establish framework for engaging relevant stakeholders in the development and execution of risk mitigation plans
viii. Provide training to employees and stakeholders on risk mitigation practices and establish a proactive risk management across the organization

4.3.3. Policy Objective 3: Public Safety and Emergency Crises Management

Policy Objective: To establish a comprehensive framework for crisis and disaster response to minimize risk impact to the municipality residents and inculcate resilience

The crisis and disaster response objective enable the Municipality to minimize disruptions, enhance swift recovery from crises and disasters thereby creating a culture of resilience by the municipality residents. To the attain the envisaged results, the Municipality shall:

i. Develop and implement a crisis and disaster response plan that outlines roles, responsibilities and procedures
ii. Conduct regular assessments to identify potential crises and disasters and their impacts
iii. Provide training and simulation exercises for staff to enhance readiness and response capabilities
iv. Establish a tiered framework for coordination with the county fire and disaster team based on risk/disaster severity and impact
v. Establish a post crisis recovery plan
vi. Establish a feedback framework for employees and stakeholders

4.3.4. Policy Objective 4: Compliance and Regulatory Requirements

Objective: To establish a framework that ensures adherence to all applicable laws and regulations to mitigate risks associated with environmental compliance and sustainability, and financial fraud

This objective aims to mitigate the impacts of legal risks, enhance operational integrity and build stakeholder confidence, ultimately supporting sustainable service infrastructure. To achieve the expected results, the Municipality shall:

i. Develop a comprehensive standard operation procedure for environmental and social safeguards assessment, to be carried out before inception of capital projects
ii. Designate Municipality environment officer and Municipality social safeguards officer responsible for overseeing compliance efforts
iii. Undertake mandatory environmental and social safeguards assessments before implementing capital projects
iv. Develop policies and regulations to outline compliance expectations and responsibilities for all employees regarding environment, financial operations, and social safeguards
v. Provide ongoing capacity building and civic education to enhance risk awareness amongst employees and stakeholders

4.3.5. Policy Objective 5: Capacity Building and Training

Objective: To implement a comprehensive capacity building and training programme that enhances the skills, knowledge, and competencies of employees to effectively manage risks

This objective aims to build capacity of staff and stakeholders to enhance general response to risks, strengthen resilience, and foster a proactive and adaptive organizational culture. To achieve this, the Municipality shall:

i. Conduct regular assessments to identify skills gaps and training needs
ii. Allocate sufficient financial and human resources to municipality capacity building and training
iii. Design and implement targeted training programmes in risk management
iv. Utilize diverse training methods, including workshops, e-learning, on-the-job training, and mentoring among others
v. Establish framework to evaluate training programmes and regularly review and refine the programmes based on emerging needs
vi. Develop a BCP through developing leadership training programmes to build a pipeline of leaders equipped to manage risks

4.3.6. Policy Objective 6: Governance and Oversight

Objective: To establish a robust governance and oversight framework that ensures integration of effective risk management practices into Municipality decision-making process

This policy objective aims to strengthen risk management capabilities, enhance decision-making processes, and ensure long-term sustainability and resilience. To achieve the envisaged results, the Municipality shall:

i. Allocate sufficient financial and human resources to municipality risk function
ii. Define clear roles and responsibilities for risk management
iii. Establish clear framework for regular reporting on risk management activities
iv. Develop and implement standard operation procedure manuals on risk assessment and mitigation
v. Develop Key Risk Indicators (KRIs) to provide early warnings
vi. Conduct regular internal audits of risk management processes

4.3.7. Policy Objective 7: Cybersecurity and Data Protection
Objective: To enhance cybersecurity and protection for municipality data

This policy objective aims to protect the municipality against cybercrimes and safeguard the municipality data. It seeks to ensure integrity of municipality IT systems and protection of sensitive data. It also seeks to comply with data protection laws and safeguarding citizen information. To realize the intended results, the Municipality shall:
i. Develop and implement ICT Policy
ii. Establish protocols for accessing and retrieving municipality data
iii. Put mechanisms in place to ensure all municipality software programmes are protected against viruses
iv. Train all staff on data protection and cybersecurity

4.3.8. Policy Objective 8: Risk Monitoring and Evaluation
Objective: To establish a systematic approach for risk monitoring and evaluation that enables the Municipality to proactively manage risks

This policy objective aims to enhance the ability of the Municipality to anticipate and respond to risks effectively, fostering a proactive risk culture. To attain the envisaged aim, the Municipality shall:
i. Develop a structured framework for ongoing risk monitoring
ii. Undertake periodic reviews of identified risks to assess changes in status
iii. Establish regular meetings to discuss risks issues and share findings and insights
iv. Establish reporting structures for communicating risk issues and trends
v. Embed risk monitoring and evaluation into strategic planning and operational processes of the Municipality
vi. Allocate sufficient financial and human resources to municipality risk function

5. IMPLEMENTATION STRUCTURE AND COORDINATION

5.1. Overview of Policy Structure and Coordination

Clear and elaborate implementation and coordination structure facilitate effective execution of the risk management policy. It ensures that that there is a proactive approach to risk management with tiered responsibilities and duties. This in turn, guarantees accountability and collaboration to ensure effective risk management/

5.2. Risk Management Policy Implementation Framework

Risk management process entails identification, analysis, and mitigation of potential risks within the Municipality. Robust structure is necessary to achieve the objectives of the policy and manage day to day risk response activities. Figure 3 shows the structure and coordination of the risk management function in the Municipality.

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┌─────────────────────────────────────┐
│      Municipal Board Committee        │
└─────────────────────────────────────┘
                  │
                  ▼
┌─────────────────────────────────────┐
│      Risk Management Committee         │
└─────────────────────────────────────┘
                  │
                  ▼
```

Municipal Manager	Municipal Administrator	Municipal Finance Officer	Head of Infrastructure and Public Works	Head of Environment, and Public Health	Head of Urban Planning	Head of Social Development Safeguards

```
                  │
                  ▼
┌─────────────────────────────────────┐
│      Risk Assessment Committee         │
└─────────────────────────────────────┘
                  │
                  ▼
```

GRM Officer				Municipality Auditor		
Social Safeguards Officer	Finance Officer/ Accountant	Municipal Engineer	Urban Planner	Municipality Environment Officer	Development Control Officer	Municipality Economist

```
                  │
                  ▼
┌─────────────────────────────────────┐
│          Risk Coordinators             │
└─────────────────────────────────────┘
                  │
                  ▼
┌─────────────────────────────────────┐
│        All Heads of Sections           │
└─────────────────────────────────────┘
```
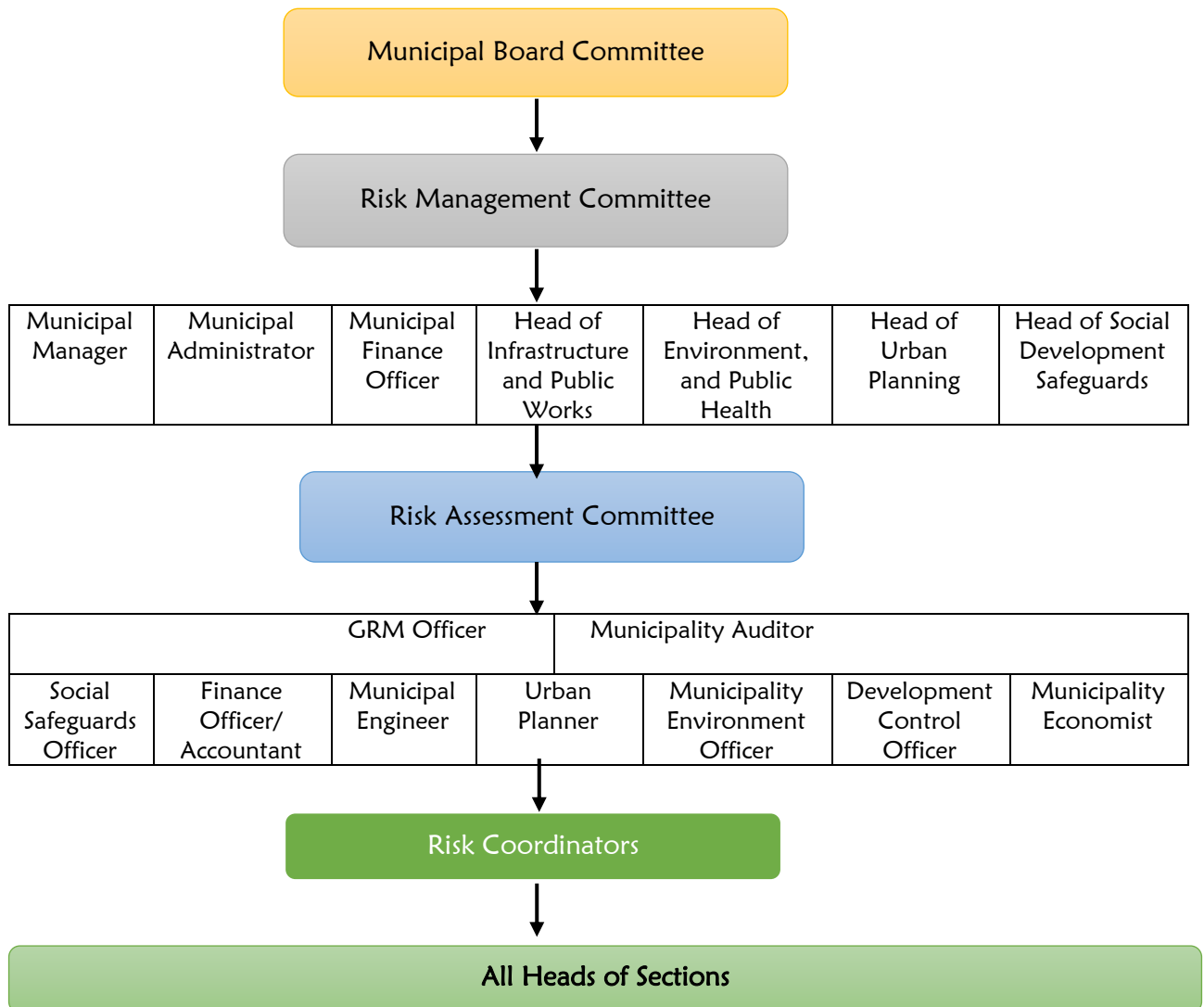
Figure 2: Risk Management Structure

5.2.1. Risk Coordinators

All the Heads of Municipality Sections will be the Risk Coordinators for their respective areas of operation/function.

Scope, Roles and Responsibilities

- Identify the financial, social, economic, technological, governance and environmental risks associated with provision of municipality services or implementation of municipality projects and report them on a monthly basis along with assessment and proposed mitigation measures in the format prescribed by GRM officer
- To ensure that the adopted and approved mitigation measures are implemented including action plan approved by the Municipality Board

5.2.2. Risk Assessment Committee

A Risk Assessment Committee shall be constituted to have detailed deliberations on all risks identified and reported by the Risk Coordinators. The Committee shall assess and prioritize the risks and after concurrence, submit the report to the Risk Management Committee. The composition of the Municipality Risk Assessment Committee is as follows:

1) Social Safeguards Officer
2) Finance Officer/ Accountant
3) Municipal Engineer
4) Urban Planner
5) Municipality Environment Officer
6) Development Control Officer
7) Municipality Economist

In case of absence of any member of the Risk Assessment Committee due to unavoidable engagement, the next senior officer within the section may attend. The Municipal Grievance Redress Mechanism (GRM) Officer shall be a member and convener of the Risks Assessment Committee. The Assessment Committee meetings shall be conducted on a quarterly basis.

Scope, Roles and Responsibilities

- To identify, evaluate and report key risks within their respective Municipality Sections
- To assess the likelihood, impact consequence and acceptability of identified risks
- To submit the mitigation plan/measures to manage the identified risks
- To periodically monitor the risks reports along with action taken reports
- Ensuring that effective risk mitigation plans are in place and the results are evaluated and acted upon

The convener of the RAC shall integrate all key risks reports along with its mitigation plan and submit to the Municipal Manager for further submission to Risk Management Committee (a Sub-Committee of the Board).

5.2.3. Risk Management Committee

A Risk Management Committee shall be constituted to have detailed deliberations on Mitigation Plans/ measures to manage identified risks reported by the Risk Assessment Committee. The Committee may further assess and prioritize the risks and after concurrence, submit the report to the Municipal Board Committee. The composition of the Municipality Risk Management Committee is as follows:
1) Municipal Manager
2) Municipal Administrator
3) Municipal Finance Officer
4) Municipal Economist
5) Head of Infrastructure and Public Works
6) Head of Environment, and Public Health
7) Head of Urban Planning
8) Head of Social Development and Social Safeguards

In case of absence of any member of the Risk Management Committee due to unavoidable engagement, the next senior officer within the division may attend. The Municipal Manager shall be a member and convener of the Risks Management Committee. The Management Committee meetings shall be conducted on a quarterly basis.

<u>Scope, Roles and Responsibilities</u>
- Setting up and reviewing Risk Management Policy
- Overseeing the implementation of mitigation measures
- Review key risks reported by Risk Assessment Committee
- Submission of reviewed risks log to the Board Committee

5.2.4. Municipal Board Committee

Management of risks shall be domiciled within the Board Committee responsible for social and legal affairs of the Municipality. The Committee shall have the responsibility to ensure adequate resources (financial and human) are allocated to the Risk Management Function.

6. MONITORING AND EVALUATION

6.1. Overview of Monitoring and Evaluation Framework

Monitoring and Evaluation (M&E) framework is a structured approach designed to assess the effectiveness, efficiency, and impact of the policy. It plays a crucial role in ensuring that risk management strategies are effective and responsive to the needs of the Municipality residents.

6.2. Municipality Policy M&E Framework

The framework seeks to systematically assess the effectiveness of the risk management policy, ensuring that risks are identified, assessed, mitigated, and communicated effectively. The different sections shall keep their risk registers up to date, and to review their registers regularly. The registers will ensure risk information is documented for future exploits and as part of a regular risk reporting process for the Municipality.

Municipality Top Strategic Risks	The Municipality Board committed to periodically review its top strategic risks to ensure the municipality is conscious of risks it faces, makes informed decisions to manage the risks and maximizes opportunities. The social aspect of the risks will be informed by the Grievance Redress Mechanism (GRM)
Quarterly Report to the Municipal Board	▪ Progress in assessment and evaluation of Municipality risks ▪ Progress in implementation of proposed mitigation strategies ▪ Further areas of interest in the management of municipality risk policy
External Reporting	The Municipality Risk Management function is responsible for establishing a regular source information for risk management within the County. The Municipality Risks Registers are generally regarded as internal documents for management of the Municipality and must not be shared with external parties (Except with express approval by the Murang'a Municipal Board The Municipality may make recommendations to the county regarding risk management and the report will include: ▪ Status of Municipality risks and status of implementation of the mitigation strategies ▪ Any other areas as may require attention or intervention of the county

Risk Indicator	• Performance Indicators:
	   ○ Number of identified risks and their status (e.g., mitigated, accepted).
	   ○ Frequency and impact of incidents and emergencies.

	○ Stakeholder engagement levels (e.g., attendance at training sessions, feedback participation). **Outcome Indicators:** ○ Reduction in the incidence of high-risk events. ○ Improvement in community awareness and preparedness levels. ○ Enhanced response times to incidents and emergencies. **Impact Indicators:** ○ Overall community safety and well-being improvements. ○ Economic impact assessments related to risk events (e.g., recovery costs).
Data Collection Methods	**Surveys and Questionnaires:** Conduct surveys with residents and stakeholders to gauge awareness and perception of risks. **Interviews and Focus Groups:** Gather qualitative data through interviews with municipal staff and community leaders. **Incident Reports and Records:** Analyze data from incident reports, emergency response logs, and risk assessments. **Performance Metrics Dashboard:** Utilize a dashboard to visualize key performance indicators in real time.
Evaluation Processes	**Regular Reviews:** Schedule quarterly and annual reviews of the risk management policy and practices. **Internal Audits:** Conduct audits to assess compliance with risk management procedures and policies. **External Evaluations:** Engage third-party evaluators for an independent assessment of risk management effectiveness.
Reporting Mechanisms	**Monthly Progress Reports:** Summarize M&E findings and trends for internal stakeholders. **Annual Evaluation Reports:** Compile comprehensive reports detailing the effectiveness of the risk management policy and recommendations for improvement. **Stakeholder Workshops:** Organize workshops to discuss M&E findings with community members and gather feedback.
Feedback Mechanism	**Feedback Loops:** Establish mechanisms for integrating M&E findings into policy adjustments and risk management practices. **Training and Capacity Building:** Use evaluation findings to identify training needs and enhance staff capacity in risk management. **Policy Review Cycle:** Set a regular schedule for reviewing and updating the risk management policy based on M&E results.

7. POLICY REVIEW

7.1. Overview

A policy review is a systematic evaluation of an existing policy to assess its effectiveness, relevance, and alignment with current needs and best practices. The process ensures that the policy remains responsive to changes in the environment, community needs, and organizational goals. The Policy Review shall entail objective definition, data collection, analysis and recommendations. The review process shall include stakeholder engagement and approval by the Municipal Board.

This Municipality Risk Management Policy will be reviewed annually to ensure it take cognizance of the emerging issues in the financial, political, economic, legal, social and ecological environments.

ANNEXES

Annex 1: Risk Assessment Sheet

Risk Assessment Sheet

Service Area: Risk Assessment Officer: Date:

S/ No.	Context (Ext/ Int/ IPC)	Issue	Risk/ Impact	LR	SR	RPN (LR X SR)	Risk Category	Actions to Address Risk			Opportunities / Remarks
								Actions	Responsibility	Action Date	

Annex 2: Risk Report

Risk Reports

S. No.	Significant Risks	Mitigation Plan		Remarks
		Action	Duration	