COUNTY GOVERNMENT OF KITUI

MINISTRY OF FINANCE, ECONOMIC PLANNING AND REVENUE MANAGEMENT

KITUI COUNTY RISK MANAGEMENT POLICY 2024

County Government of Kitui Risk Management Policy

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Abbreviations

COSO -	Committee of the co-sponsoring organizations of the Treadway Commission
ERM -	Enterprise Risk Management
IAGD -	Internal Auditor General Department
IIA -	The Institute of Internal Auditors
IRM -	Institute of Risk Management
IRM -	Integrated risk management
ISO -	International Standards Organization
KPI -	Key Performance Indicator
KRI -	Key Risk Indicator
PFM -	Public Financial Management
PMRA -	Public Management Reform Agenda
PSASB -	Public Sector Accounting Standards Board
RMC -	Risk Management Committee
RMO -	Risk Management Officer

Risk is fundamental to the county in keeping the objectives of the County Integrated Development Plan-3 (CIDP 3) on track, improve service delivery, assist in achieving value for money as well as reducing uninvited surprises.

This risk policy is premised on a positive risk culture that encourages openness and discusses real service delivery issues in an open manner, based on robust accountability structures. The policy is anchored on a systematic approach for comprehensive risk management.

The County Executive Committee (County Governing Body) takes full ownership and commits to a proactive Risk Management culture. Based on this commitment, the County Government will work to break down all County ministries' strategic objectives into risk management all their processes, encourage the elevation of best practice and strive for continuous improvement. This policy affirms collective responsibility for all county staff members to be involved in the identification, evaluation and treatment of risks and opportunities that could impact or influence outcomes for the County Government of Kitui.

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CECM
MINISTRY OF FINANCE, ECONOMIC PLANNING & REVENUE MANAGEMENT

Chapter One: Introduction

1.0 Understanding the Terms

Risk as defined by COSO Enterprise Risk Management-Integrating with strategy and compliance, 2017 is "the possibility that events will occur and affect the achievement of strategy and business objectives". ISO 31000: 2018, Risk Management Guidelines defines **risk** as "the effect of uncertainty on objectives". Risk can have either positive, negative effects or both and create or result in opportunities and threats.

ISO 31000: 2018, Risk Management Guidelines, defines **Risk Management** as "the coordinated set of activities to direct and control an entity with regard to risk". COSO Enterprise Risk Management - Integrating Strategy with Performance, 2017, defines **Enterprise Risk Management** as "the culture, capabilities, and practices, integrated with strategy-setting and its performance that entities rely on to manage risk in creating, preserving, and realizing value". Risk management focuses on understanding the nature of risks and helping management to evaluate and treat risks to within acceptable levels thus reducing negative consequences and improving the probability of achieving entity objectives. In these guidelines the term risk management has been used and has the same meaning as the term enterprise risk management.

ISO 31000: 2018 defines **Risk Management Framework** as, "a methodical approach to risk management by doing the following key things: identifying risks, evaluating the probability of an event tied to an identified risk occurring and determining the severity of the problems caused by the event occurring". COSO Enterprise Risk Management defines a **risk management framework** as, "a set of references and tools that decision-makers rely on to make decisions about how to manage risk, it should include a risk management policy, which is a statement of the overall intentions and direction of an organisation in relation to risk management, and a risk appetite statement, which is a statement of the level of risk that an organisation is willing to accept".

A risk management policy –The ISO 27001, defines risk management policy as "a document that outlines the guidelines for how an organization will identify and manage risks; essentially defining their risk appetite and preparing for various types and levels of risk". COSO Enterprise Risk Management defines a risk policy as, "an organization's approach to identifying, assessing, managing, and controlling risks".

The development of the risk management policy for the County Government seeks to meet the following constitutional, legal and policy imperatives:

(a) Article 201 of the *Constitution of Kenya (2010)* outlines the Principles of Public Finance that shall guide all the aspects of public finance in the Republic.

(b) Section 155 (3) (b) of the *Public Finance Management Act, 2012* states that the arrangements for the conduct of internal auditing for a County Government entity shall include: conducting risk-based, value-for-money and systems audits aimed at strengthening internal control mechanisms that could have an impact on achievement of the strategic objectives of the entity.

(c) Regulation 158 (1) of the *Public Finance Management Regulations, 2015* states that the Accounting Officer is required to ensure that:

   (i) The County Government develops Enterprise Risk Management strategies, which include fraud prevention mechanism and,

   (ii) The County Government develops a system of Enterprise Risk Management and internal control that builds robust business operations.

(d) Sections 138(4) of the Public Procurement and Assets Disposal Regulations 2020, requires a risk register to be maintained to monitor all identified contract risks.

(e) The National Treasury Circular No. 3/2009 on Institutional Risk Management Policy Framework (IRMPF), requires public sector institutions to put in place institutional Enterprise Risk Management framework.

Although risk management is enacted in law, implementation has not been systematic and structured across entities and while some entities have more mature risk management systems other entities have no formal processes in place.

The success of risk management operations in the County Government will depend on the foundations and arrangements that will embed this policy throughout the County Government's operations at all levels.

1.1 Rationale of the Risk Management Policy

The aim of this Risk Management Policy is to improve the ability to deliver on the county government's strategic goals in an efficient and effective manner by managing risks through enhanced risk awareness and entrenching a culture of risk awareness in all our processes and procedures. It entails creating an environment which minimises surprises, adds value to operational activities and communicates results and progress to our stakeholders.

The successful implementation of risk management in the County Government will yield the following benefits:

(a) Reassure the County Government stakeholders and partners about the government's capacity to meet its objectives, manage key risks and achieve its objectives.

(b) Improve Corporate Governance and Compliance Systems: Reduce legal challenges to the county government, improve corporate governance, increase stakeholder satisfaction and relationships, and enhance the County Government's corporate image and culture.

(c) Manage adverse outcomes such as fraud through proactive steps and reduce to an acceptable level the safety and security risks to County Government personnel, premises and assets.

(d) Help the County Government to cope effectively when actual risk incidents occur through mitigation plans, insurance and the systematic application of risk management processes.

(e) Ensure that the information about risks derived from the risk management process is accurately reported within the County Government and other stakeholders.

(f) Ensure that risk management information is used as a basis for decision making and accountability at all relevant levels of the County Government.

(g) Effective Operational Performance: Facilitate the exploration of innovative solutions to institutional and development challenges and higher likelihood of achievement of operational goals by managing risks that may impede their success.

(h) Improve Financial Performance: A high proportion of County Government objectives will be achieved cost effectively and the levels of internal fraud, corruption and possible misstatement of financial statements will be reduced and there will be equity in resource allocation. There will also be increased efficiency by safeguarding the accountable use of resources.

(i) Improve Human Resource Management: Increase staff performance and productivity.

(j) Increase programme effectiveness and relevance through adaptive and informed decision making.

(k) Provide greater assurance regarding the management of significant risks.

(l) Enhance the reputation of the County Government as a value-driven and risk-informed government.

(m) Safeguard people and the environment.

This risk management policy defines the practices adopted by the County Government to identify risk, in order to reduce potential negative impacts, and improve the likelihood of beneficial outcomes.

1.2 Objectives of Risk Management Policy

The objectives of risk management in the County Government shall be to:

a) Build capacity on Enterprise Risk Management.
b) Improve service delivery through planning and performance management processes.
c) Provide a systematic approach in identification and management of risks.
d) Ensure the management of operational risks is integrated to improve management and accountability processes.
e) Provide a consistent risk assessment criterion by monitoring and reviewing risk levels to remain within the acceptable risk appetite.
f) Adopt risk treatment strategies that are effective and efficient in risk mitigation.
g) Attain uninterrupted provision of Government services.
h) Enhance compliance to public service ethics, values and principles of good governance.
i) Ensure adequate resource allocation for accountable and responsible management of risk.
j) Ensure proper coordination of Enterprise Risk Management

1.3 Policy Statement

The County Government recognizes that commitment to risk management contributes to the creation of sustainable value and increases the quality-of-service delivery to the County Government residents, County public servants, stakeholders as well as assets, obligations and ability to deliver on its mandate are constantly affected by risks. However, the County Government recognizes that risk can be both positive and negative.

The County Government accepts its legal, moral and fiduciary duties in making informed decisions about how best to control and minimize the downside of risk, whilst still maximizing opportunity and benefiting from positive risks. The County Executive Committee of Kitui will ensure that the County Ministries, Departments, County Government entities and all County Government Servants and County Government Agencies understand their responsibilities to identify and manage risks.

The CEC commits the County Government to a process of risk management that is aligned to the principles of good corporate governance as supported by the International Professional Practices Framework(IPPF),The Private Sector Corporation for Governance Trust (PSCGT) Code, The Commonwealth Association for Corporation Governance (CACG)Code, the Organization for Economic Corporation and Development (OECD) Code, the Calpers Code, the Cadbury Code, the Kings Code, Chapter Six of the Constitution of Kenya (2010) and the Mwongozo Code of Governance for State Corporations, 2015.

The County Government recognizes that risk management is an integral part of responsible management and therefore adopts a comprehensive approach to the management of risk. The features of this approach are outlined in the County Government's risk management strategy. All County Government operations and processes are subject to the risk management strategy.

The County Government Departments will integrate risk management into their operations, decision-making processes and performance management reporting activities. Further, it will recognize all the environmental aspects relevant to the stakeholders. The County Government Departments and Agencies, operations and processes will work together in a consistent and integrated manner, with the overall objective of reducing risk to the acceptable risk appetite.

The Accounting Officers are responsible to their relevant Departments and Agencies in the development and implementation of risk management processes, specific to their department's operations and County Government's needs.

This Risk Management Policy confirms the County Government's commitment to systematically identify, assess and manage risks which may prevent the achievement of strategic goals and objectives.

1.4 Guiding Principles of the Policy

1. Clear guiding principles are essential for effective decision-making and risk mitigation. The key principles that underpin successful risk management include:
    a) **Integration**
    Risk management should be seamlessly integrated into an organization's overall processes and strategies. It should not be treated as a separate or isolated function but rather as an integral part of decision-making across all levels.
    b) **Structured and Comprehensive**
    A systematic approach is crucial. Organizations should establish a structured policy for identifying, assessing, and managing risks. This includes defining roles, responsibilities, and processes.
    c) **Customized**
    Recognize that each organization has unique risks based on its industry, size, and context. Tailor risk management practices to fit the specific needs and objectives of the organization.
    d) **Inclusive**
    Involve all relevant stakeholders—employees, management, external partners, and even customers—in the risk management process. Their insights and perspectives contribute to a more holistic understanding of risks.
    e) **Dynamic**
    Risk management is not static; it evolves over time. Regularly review and update risk assessments, adapt to changing circumstances, and stay agile in response to emerging risks.

f) **Uses Best Available Information**
Risk assessments should be based on accurate and up-to-date information. Rely on data, expert opinions, historical trends, and relevant research to inform risk decisions.

g) **Considers Human and Cultural Factors**
Understand that risk management is influenced by human behaviour, organizational culture, and external factors. Consider behavioural biases, communication styles, and cultural nuances when assessing risks.

h) **Practices Continual Improvement**
Treat risk management as an ongoing process. Learn from past experiences, conduct post-incident analyses, and continuously refine risk management practices.

2. These principles provide a solid foundation for the County Government to proactively manage risks, protect reputation, and achieve objectives while minimizing potential threats. It is however, important to remember that effective risk management is not just about avoiding risks—it's about making informed choices that balance opportunities and potential downsides.

1.5 Scope of the Policy

This policy applies to all the Ministries, Departments and other entities established by law within County Government.

This policy is applicable to all County Government staff and management processes, including:

a) Strategic and Technical Planning.

b) Facilities Management.

c) Financial Management.

d) Insurance.

e) Outsourcing, Collaboration and Partnership.

f) Procurement and Project Management, and

g) Any other area of management decision making.

In applying the policy across management disciplines, it is intended that all material business risks are captured including operational, environmental, sustainability, compliance, strategic, ethical conduct, reputation, or brand, technological, product or service quality, human capital, financial reporting and market-related risks.

1.6 Policy Adoption and Review

This Policy shall become effective on the date approved by the County Executive Committee or on the date the County Executive may choose to operationalise it. The County Government shall, upon approval implement this policy by monitoring the risk management activities and strategies and reporting on a quarterly basis. To achieve this, each County Ministry and her entities shall develop a risk management implementation plan that will be the basis of monitoring and reporting. The objective of risk reporting is to create awareness in the county on key risks, improve accountability for management of risks and timely completion of risk treatment plan. The County shall integrate risk management in all its processes.

The risk management policy shall be reviewed after every five years, or earlier as need arises with an aim of enhancing efficiency delivery of the policy outcomes. Review and update of this policy and the related risk management policy elements will consider the evolving needs of the County Government and the environment in which it operates as well as the direction of risk management programmes of other public sector institutions, current developments and updates to applicable standards such as COSO and IS031000:2018.

The County Government seek to continuously improve and build resilience in managing risks and its control environment is expected to evolve as it seeks to align its risk profile with its risk appetite. The overall responsibility for interpreting this policy lies with the County Committee Members.

Chapter Two: Risk Management Principles

2.0 Introduction

This chapter presents an analysis of the various approaches to managing risks. The County Government commits to implement a comprehensive risk management policy, as an open and receptive approach to solving risk management problems and ensure that risk management is integrated into all Government processes. The approach to risk management adopted is based on the best practices worldwide notably the Committee of the co-sponsoring organizations of the Treadway Commission (COSO) and International Standards Organization (ISO) Framework.

2.1 Risk Management Principles

International Standards Organization (ISO 31000: 2018), is one of the two commonly applied frameworks in Enterprise Risk Management together with Committee of the co-sponsoring organizations of the Treadway Commission (COSO). Just like COSO, the ISO 31000: 2018 is issued as a best practice in this field by a renowned standard setting body, the International Organization for Standardization which is based in Geneva, Switzerland. The Standard is organized into principles, framework and implementation process.

2.2 Risk Management Framework

The Committee of the co-sponsoring organizations of the Treadway Commission (COSO) framework is more aligned and integrated to the County Government performance and strategy. Globally, the COSO framework is widely applied particularly in the United States of America Government and by United Nations agencies such as the United Nations Educational Scientific and Cultural Organization (UNESCO) and the World Food Programme (WFP). In Kenya, most of the public sector institutions have also applied the COSO framework in their Enterprise Risk Management framework. Further, the COSO framework is easily understandable by all those charged with oversight responsibilities.

Chapter Three: Risk Management Process

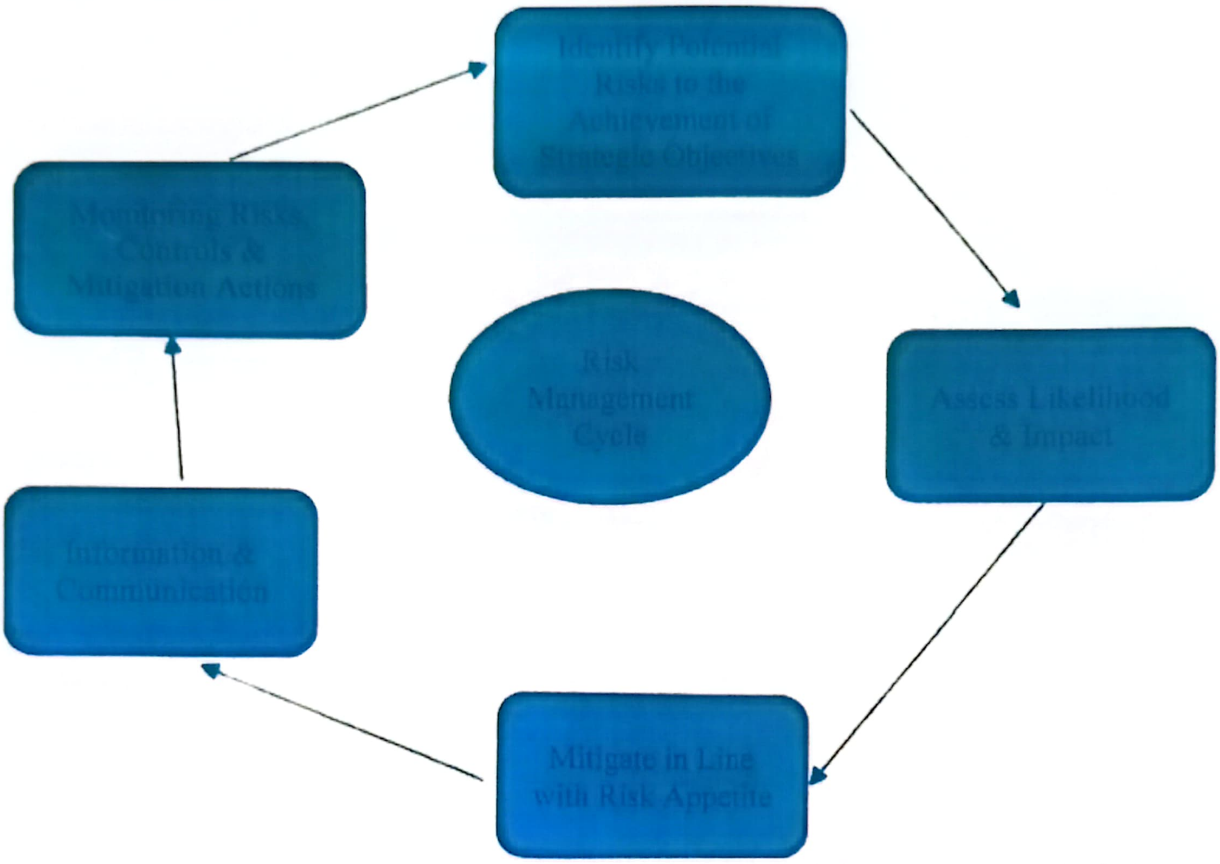
3.0 Introduction

1. Public entities should develop and implement risk management policies, procedures and practices to carry out activities to communicate, consult, establish the context and identify, analyse, evaluate, treat, monitor and review risk. Risk management process should be an integral part oof management and decision making and should be integrated into the structure, operation and processes of the county government.
2. In the process of risk identification, the County Government assesses risks, their likelihood of occurrence and their impact on the ability to achieve set objectives. Mitigating factors are consequently identified, to ensure that the County Government can still attain their objectives cost effectively even in unfavourable conditions. Risk management entails the mitigation to ensure effective and efficient running of the County Government in the attainment of the set objectives, in the occurrence of a risk.

3.1 Risk Management Process

The risk management process is a set of interactive steps that are undertaken in a coordinated manner, but not necessarily in a sequential manner as illustrated in figure 2 below. Communication and consulting, monitoring and review and recording and reporting activities and performed throughout the risk management process.

Figure 1: Risk Management Cycle



(Source: COSO-Government Accountability Office Risk Management Cycle)

3.1.1 Define Scope, Context and Criteria

The County Government shall apply the risk management processes at strategic, operational, programme, project and any other activity within the procedures and administrative activities geared towards achieving set objectives.

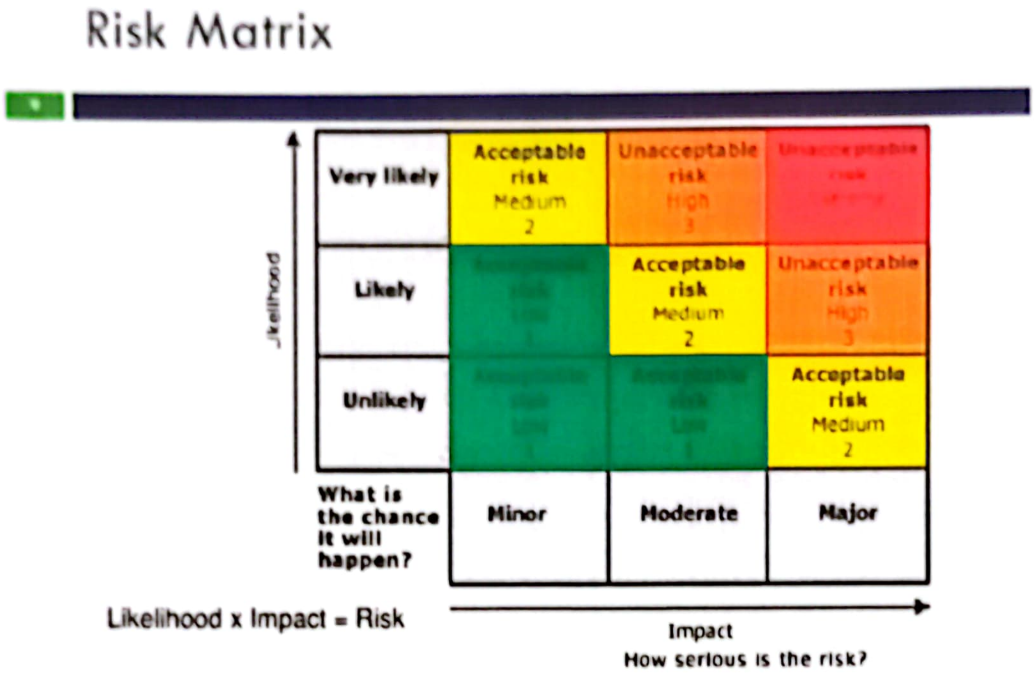
The context within which the County Government operates risk management processes is characterized by the relationship the county has with both internal and external environments. Whereas external context includes social, cultural, environmental, political, legal, financial, technological, security, contractual relationships and commitments and economic factors; the Internal context shall include vision, mission and values, strategic objectives, values, standards, available resources, business processes, organizational culture, relationships within ministries, capacities etc.

The County Government Risk Criteria shall entail the scale to be used to measure risk likelihood and impact of risk to the County operations. The County risk management policy is customized to the County Government specific objectives and purposes of the County's values, objectives and resources in conformity with policies and procedures. In this regard a risk matrix has been developed to guide the criteria of evaluating various risks within the County.

3.1.2 Risk Assessment

1. Risk assessment should be conducted systematically, iteratively and collaboratively, drawing on the knowledge and views of stakeholders. It should use the best available information, supplemented by further enquiry as necessary.
2. Risk owners shall have a key role in risk assessment process.
3. County governments should undertake and document risk assessment at every level of the county and for any proposed program, project or initiative at least once every year and when circumstances change as risks are dynamic.
4. The County Government should take into consideration both the upside (opportunities/events with favourite outcome) and downside risks (those with negative outcomes)
5. Risk assessment involves risk identification, risk analysis and risk evaluation steps described below.
6. The management, after identifying potential risks, has to consider the level of impact the occurrence of these risks will have on the achievement of objectives. It is the analysis of a risk and the severity (magnitude) of impact on the County Government operations upon its occurrence. Risk assessment looks into two dimensions; the likelihood of occurrence and the impact- positive or negative. It entails both qualitative and quantitative methods.
7. The commonly used risk tool shown in Table 3 is a two-by-two matrix that allows assigning a risk to one of four quadrants based on a qualitative assessment of its relative impact **(High, Medium, Low or extreme)** and the likelihood of its occurrence (**High, medium, Low or extreme).**

Table 3: Risk Matrix



KEY

- Low Risk - Acceptable
- Medium Risk- Acceptable
- High Risk - Unacceptable
- Extreme Risk – Unacceptable

a. **Low Impact, Low Likelihood**

Risks that have a low impact and low chances of occurrence are treated as negligible and can be overlooked. The County Government however should continuously monitor these risks to ensure that the impact and likelihood remains low, otherwise they should be reclassified.

b. **High Impact, High Likelihood**

These risks can be of great threat to the county government's attainment of objectives, with their occurrence threatening the success or resulting in termination of planned county processes and/or activities. This scenario calls for the Department to determine the level of importance of the particular processes/programmes affected by the risk to warrant their termination or continuity. Continuity is guaranteed only if the benefits of the process/programme are high, warranting taking on of the risk with necessary mitigation measures put in place. Risk management does not imply that organisations do not take risks, it means that the risks taken should be calculated risks.

c. **Low Impact, High Likelihood**

These are risks with manageable mild impacts whose likelihood of occurrence is high. The management however needs to reduce the likelihood of the events happening as the mitigation strategy.

d. **High Impact, Low Likelihood**

These are rare occurrence events that are hard to place a probability on, though the level of disruption to the operations of the entity is high once they occur. However, the management has to focus on a mitigation plan by laying in place a response strategy in the case these risks strike to reduce their impact.

3.1.3 Risk Identification

1. The purpose of risk identification is to find, recognize and describe risks that might help or prevent an entity from achieving its objectives.
2. County Government Ministries, Departments and Agencies should find, recognize and describe risks that may impact the achievement of the entity's objectives. Risk identification requires knowledge of the entity, sector in which it operates, the social political legal, economic, and climatic environment in which it does its business, its financial strengths and weaknesses, its vulnerability and capability to handle unplanned outcomes, significant changes in processes, and the

management systems. The entity should consider both tangible and intangible sources of risk.

3. County Government Ministries, Departments and Agencies are encouraged to consider other factors such as the nature and value of assets and resources, consequences and their impact on objectives, limitations of knowledge and reliability of information, time-related factors, biases, assumptions and beliefs of those involved.
4. Events and their causes and potential consequence, whether negative or positive should be considered for each strategy, activity or function, division, location, project, program or major decision within the risk assessment scope. Issues associated with not pursuing an opportunity; that is, the risk of doing nothing and missing an opportunity is also considered. Risk identification should consider new and emerging risks relevant to the entity.
5. The entity can use a range of techniques for identifying uncertainties that may affect one or more objectives. The entity is expected to utilize tools and techniques that are suited to its objectives and capabilities. Some of the techniques that could be used by the entity include interviews, questionnaires, controls self-assessments/process assessments, root cause analysis, desk review, risk workshops, SWOT analysis and recorded in a risk register. **A sample Risk Register Template 3 is attached in Appendices**
6. Identified risks should be grouped into risk categories based on causal factors, both internal and external environment for better understanding the risks and mitigating measures.
7. A risk universe listing all possible risks should be developed for risk analysis.
8. The County Government Ministries, and Agencies should identify risks, whether or not their sources are under its control. Consideration should be given that there may be more than one type of outcome, which may result in a variety of tangible or intangible consequences.
9. The entity should be consistent in risk sentence structure to reduce framing bias

3.1.4 Risk Analysis

1. The purpose of risk analysis is to comprehend the nature of risk and its characteristics including, where appropriate, the level of risk. Risk analysis involves a detailed consideration of uncertainties, risk sources, consequences, likelihood, events, scenarios, controls and their effectiveness. An event can have multiple causes and consequences and can affect multiple objectives.
2. Risk analysis should be conducted on identified risks to understand the nature of risk, its characteristics including, where appropriate, and the level of risk.
3. Each Ministry, Department or Agency may adopt a qualitative, quantitative or quasi –quantitative risk matrix to assess level or the magnitude of risk to its objectives based on likelihood and consequences criteria. A matrix with combinations of likelihood and consequences can be adopted to rank risks low, medium or high depending on their severity as demonstrated in the appendices. Where multiple consequences are possible worst-case scenario will be considered while determining the overall consequence. **A sample Risk Rating Matrix Table 3 (13)**
4. Other risk criteria as velocity, the speed of onset of risk; volatility, the predictability of risks changing over time; and interdependence, the possibility of some events triggering other events leading to domino effect.
5. Risk analysis involves consideration of the causes and sources of risk, their positive and negative consequences, and the likelihood that those consequences can occur. Factors that affect consequences and likelihood should be identified. Risk is analyzed by determining consequences and their likelihood, and other attributes of the risk. An event can have multiple consequences and can affect multiple objectives.
6. Risk analysis should be undertaken based on likelihood of events, complexity and connectivity; time related factors and volatility; effectiveness of existing controls; the consequences once it occurs; and the sensitivity and confidence levels.
7. Risk analysis is a two-step process that involves:

a) Inherent risk assessment to establish the level of exposure in the absence of controls to influence the risk; and

b) Residual risk assessment to determine the actual remaining level of risk after considering the effectiveness of controls implemented to influence the risk.

Risk analysis provides an input to risk evaluation, to decisions on whether risk needs to be treated and how, and on the most appropriate risk treatment strategy and methods.

3.1.5 Risk Evaluation

1. Risk evaluation involves comparing the results of the risk analysis with the established risk criteria to determine where additional action is required. The purpose of risk evaluation is to assist in making decisions on which risks need treatment and the priority for treatment implementation.
2. The results of the risk evaluation should be compared with the risk criteria / risk appetite to determine whether the risk and/or its magnitude is acceptable or tolerable or whether additional action is required.
3. Interdependencies between risks or possible combination of events should be identified and assessed.
4. The County Government Ministries, Departments and Agencies should use the results of the evaluation to decided either to do nothing further; consider risk treatment options, undertake further risk analysis to better understand the risk, maintain existing controls, or to reconsider objectives.
5. A decision should be made as to whether a risk is acceptable or unacceptable depending on the willingness to tolerate the risk; that is, the willingness to bear the risk after it is treated in order to achieve the desired objectives.
6. A risk may be regarded as acceptable or tolerable if the decision has been made not to treat it. A risk may be acceptable or tolerable if no treatment is available, treatment costs are prohibitive, the level of risk is low and does not warrant using resources to treat it; or the opportunities involved significantly outweigh the

threats. Significant risks that are considered acceptable or tolerable should be monitored.

7. The risk action and escalation matrix provide a basis of grouping multiple risk levels into colour codes being high, medium and low categories. Each grouping is associated with a decision rule, such as treat the risk to bring it to an acceptable level, treat the risk only under certain circumstances or accept the risk. These groupings can also provide escalation points for risk management decisions, ensuring that risks are visible to, and managed at, the appropriate level.
8. The outcome of risk evaluation should be recorded, communicated and then validated at appropriate levels of the entity. It should be regularly reviewed and revised based on the dynamic nature and level of risk faced.

3.1.6 Risk Treatment

1. Accounting Officers in the County Government Departments and Agencies will put in place an effective risk treatment / action plan when either the current controls are ineffective or require improvement, or in the unlikely event that no controls exist at all.
2. Risk treatment plans shall comprise one or more actions that remedy identified risks or control weaknesses. When recording the risk treatment in the risk register, the description will detail who is doing what and what it is they are doing.

3.1.7 Recording and Reporting

1. The Risk Management process and its outcomes should be documented in a risk register and reported through appropriate mechanisms as approved by the CEC. Recording and reporting aims to:
    a) Communicate risk management activities and outcomes across the county.
    b) Provide information for decision making.
    c) Improve risk management activities.
    d) Assist interactions with stakeholders including those with responsibility and accountability for risk management activities.

2. The CEC should specify the nature, source, format and frequency of the information that it requires. In that pursuance the it should consider;
   a) Differing stakeholder and their specific information needs and requirements.
   b) Cost, frequency and timeliness of reporting.
   c) Method of reporting and relevance of information to organizational objectives and decision-making.
3. Risk register: A risk register should be developed for each Ministry, Department and Agency assessed within the county government. The following information should be included in the risk register;
   a) The description of the risk.
   b) The cause and consequence of the risk.
   c) The assigned risk owner.
   d) Details of the existing controls in place to manage the risk.
   e) The inherent risk rating determined from the assessment of the potential consequences and likelihood for the risk.
   f) Rik tolerance/appetite.
   g) Details of any proposed additional controls, including a due date for implementation
   h) The residual risk rating after consideration of the controls in place.
4. The risk management process and its outcome should be well documented and reported to CEC and Accounting Officer periodically as per the county government's risk management policy to assist them in assessing its effectiveness and making decision.
5. The CEC and the County Government Audit Committee should review the risk profile at least once annually. The Accounting Officer and Risk Management Committee should review the risk profile on a quarterly basis while extreme and high risks will be escalated immediately to the CEC for consideration and direction.
6. Ministries, Departments and Agencies should share risk information on shared risks with other agencies, institutions, bodies etc. involved in the management of the

risk for planning and action while complying with confidentiality and privacy requirements.

7. Management, staff and stakeholders should immediately report emerging risks to the Risk Management Officer and supervisors and risk management champions in their departments/sections.
8. Risk Escalation: Risks deemed to be particularly high and significantly out of appetite are described as being out of risk tolerance and requiring escalation. Risk tolerances may be in the context of a major incident or a risk indicator breaching a certain threshold, or may be a high-risk issue highlighted by an oversight body. Formal escalation, as well as de-escalation, is important since it drives transparency to accountable managers and defines the protocols of engagement and interaction between first- and second-line actors. Jointly, this improves the quality of risk responses and decision-making.
9. Risk Reporting: Effective risk management requires a continual process of capturing and sharing risk information that flows up, down and across County Government's three lines of defense. Risk reporting is therefore required at the County Government Departments, Sub County, Ward and Village, based around risk categories and supported by relevant risk data within the policy of context specific risk appetite. Risk Champions/Leads are expected to support the reporting process in line with functional oversight responsibilities.

3.1.8 Communication and Consultation

1. The risk management strategy requires effective communication throughout the County Government structure to obtain the relevant information on risks and to fulfil the governance function of ensuring risks are properly managed and reported. The County Government has to rely on both external and internal information sources for comprehensive coverage of risks, their impact and the possible mitigation measures. This is key in making timely and effective decisions.
2. Effective communication ensures that information cascades down from the management to the junior personnel, ensuring that all the staff receive the

information and hence able to see the need to uphold risk management responsibilities. Expectations by the management is are also laid down to the rest of the personnel, in regards to their behaviour, duties and responsibilities. Thus, the clear risk management strategy is defined, and delegation of authority done for accountability.

3. Proper channels on upward communication, from the juniors to the management should also be laid in place to ensure harmony in pursuit of the same course- risk management in the County. External flow of information should also be encouraged, to ensure that the external stakeholders are incorporated in the risk management.
4. Communication about processes and procedures should align with and underpin, the desired County Government risk culture.

3.1.9 Monitoring and Review

1. Risks will be continually monitored at all levels of the County Government and their likelihood and potential impacts validated by various information sources, for example, incidents, risk indicator metrics linked to appetite, audit/evaluation findings and management/ oversight issues.
2. The process of continuous monitoring across the County Government Departments and Agencies, Sub County, Ward and Village Offices brings risk management to life and supports senior management in making more informed decisions and allocating resources.
3. It also provides an essential feedback loop to continually reassess risks in a dynamic environment and trigger escalation and mitigating action were risks drift outside of appetite. For example, the County Government Departments, through regular risk reviews, are expected to monitor the implementation of risk mitigation actions and department/context specific risk metrics against risk appetite. These risk reviews are typically conducted concurrently with performance planning and management processes.

4. Responsibilities for monitoring and review should be clearly defined and at a minimum:
    a) Each ministry develops a structured review process for all key risks within their area to be monitored in the risk treatment plans and report on progress.
    b) The Risk Management Officer and Risk Management Committee should confirm on a quarterly basis that key risks on the corporate risk register are managed and that the risk management policy, risk management process, risk or control remain appropriate and the register is updated.
    c) The Accounting Officer should continuously monitor key risk indicators (KRI) to determine if the risk is likely to materialize and ensure full compliance with the entity's policies and procedures while managing risks within the established risk appetite level.
    d) The Internal Audit function should periodically conduct an audit of the risk management systems and advise CEC and the management on areas that need improvement.
5. The results of monitoring and review should be incorporated throughout the county government's performance management, measurements, and reporting activities.

Chapter Four: Risk Profile

4.0 Introduction

The chapter provides policy actions to be undertaken on risk management in the county government.

A risk profile is a quantitative analysis of the types of threats an organization, asset, project or individual faces. The goal of a risk profile is to provide a non-subjective understanding of risk by assigning numerical values to variables representing different types of threats and the dangers they pose.

Each Ministry within the County Government has its own unique risk profile, based on the Ministry strategic objectives, assets they manage, the departmental goals it wants to achieve, its ability to handle risks and its appetite.

County Government Ministries shall develop their risk profiles aligned to their Ministry strategic objectives, departmental objectives, strategy and actions. In so doing the ministries shall take into account the relevant controls put in place by the Ministry to minimize the occurrence of the risks.

The ability of a management team to understand and measure gaps between the County's risk profile and its risk appetite is an important aspect of running a successful risk management program.

A risk profile considers the following:

a) The nature of the threats which face an organization as it operates and works toward its objectives;
b) The degree to which those threats could adversely impact the organization;
c) The likelihood that those threats will have an impact on the organization;
d) The type of disruptions that could occur if those threats impact the organization;
e) The costs associated with each type of risk; and

f) The controls that the organization has in place to manage or mitigate the identified risks that face the organization.

4.1 Risk Categories

Every Ministry in the County Government shall have its own unique mix of risk factors, but those risks generally shall fall within one of four risk categories.

1. **Strategic risks**

   These are risks arising from identifying and pursuing a strategy, which is poorly defined, it is based on flawed or inaccurate data or fails to support the delivery of communications, plans or objectives due to changing macroenvironment.

2. **Operational risks**

   These are issues that could disrupt the day-to-day running of the County Government operations; inadequate, poorly designed or ineffective internal processes leading to fraud, error, impaired customer service, non-compliance and ineffective value for money thus operational risks should be considered when developing a risk profile.

3. **Financial risks**

   These could include disruptions in cash flow, not managing finances in accordance with requirements of the PFM Act & Regulations, failure to obtain value for money from resources deployed and failure to manage assets or liabilities prudently.

4. **Compliance, legal and regulatory risks**

   These could be the passage of new rules that could impact the County Government operations, regulator findings of non-compliance that result in fines or legal actions, and lawsuits.

   Identification of risks within the County Government ministries shall compilation from the risk identification template to formulation of a risk profile which should involve all staff in every level, throughout the County Government who work together to complete the following tasks:

a) Establish the organization's risk appetite, considering the enterprise capability to deal with risk, and its risk tolerance -- the deviation from risk appetite its willing to assume to accomplish specific goals.
b) Identify all potential risks within each of the four risk categories listed above that could negatively impact their organization, the level of impact those risks could have and their probability of occurrence.
c) Rank, or prioritize, risks based on the impact they could have on the enterprise, as well as the likelihood they could happen. An organization may want to develop a risk map, which is a visual representation of this information.
d) Further rank risks by organizational units, risk types, geographies, strategic objectives and/or other relevant subcategories.
e) Determine the format that best suits the presentation of the risk profile so that the information is readily understandable to the stakeholders who will use the profile for decision-making.

The County Ministries seek to work to include the risk profile as part of their strategic objective setting and ongoing decision-making processes. They should also use it to inform the governance and controls they implement to manage and mitigate risk.

4.2 Risk Universe/ Landscape

A risk universe consists of every risk that could affect an organization, on every level. Anything that could harm your County Government's ability to function is a part of the risk universe.

Risk universe is unique to each County Ministry and is defined by the risk appetite and risk tolerance level of the County Government as set by the County Executive Committee (CEC). There is no one correct methodology used to define a risk universe; on the contrary, you can use a variety of tactics and initiatives to engage in strategic objective to set the County Strategic risk profiles.

A risk universe can seem overwhelming, but the organisations should break down its threats into smaller groups in order to organize them efficiently.

4.2 Risk Appetite Statements / Risk Criteria

1. A Risk Appetite Statement (RAS) is a written definition of the risk appetite that specifies the amount and type of risk an organisation is willing to take in meeting its strategic objectives. In the County Government Risk Appetite Statement shall be set by the County Executive Committee (CEC).
2. The RAS shall be set by the CEC, which shall strive to align it with the purpose, strategy and consider the input of key stakeholders in setting the risk appetite. In this manner the RAS serves as a central strategy document for implementation of a sound risk management systems.
3. The CEC shall explicitly discuss the County Government risk appetite and record it in a pragmatic manner. The CEC shall ensure that there is collective alignment on matters such that the County Government vision to the citizens is actualized and that it complies with relevant legislations.
4. The Risk Appetite Statements (RAS) shall overly provide a forum for mutual understanding between the CEC and the management of the acceptable approach to strategy and its delivery.

4.2.1 The Importance of Risk Appetite Statement

The Risk Appetite Statements (RAS) provides the basis for the risk management policy of the organisation. It is an essential tool for CEC of the County Government in delivering its responsibilities for risk oversight. The County defined Risk Appetite Statement shall; -

(i) Evaluates strategic risk and opportunity across the value chain of the County government.
(ii) Enables management in operationalising risk management through appropriate policies and procedures.
(iii) Supports decision making by chief officers, directors, senior management, and throughout the County government.
(iv) Informs the desired risk culture by defining acceptable language, behaviours and action.
(v) Empowers proactive monitoring of risk and opportunity throughout the County government; ultimately making risk management everyone's responsibility.

A profile of the County Ministries Strategic Risk Profile has been developed and attached to the policy document as (***Template 4-Page 51-Ministerial Strategic Risk Profiles***).

Chapter Five: Risk Governance

5.0 Introduction

Risk Governance refers to the institutions, rules conventions, processes and mechanisms by which decisions about risks are taken and implemented. Risk governance goes beyond traditional risk analysis to include the involvement and participation of various stakeholders as well as considerations of the broader legal, political, economic and social contexts in which a risk is evaluated and managed. The scope of risk governance encompasses public health and safety, the environment, old and new technologies, security, finance, and many others.

Risk governance is the architecture within which risk management operates in an organisation. It will reflect, and seek to sustain and evolve, the organisation's risk culture. Since risk management is fundamental to running any business, risk governance is a fundamental part of corporate governance.

Successful Risk Governance is therefore contingent on how electively the CEC and Management are able to work together in managing risks. Central to this is the Enterprise Risk Management (ERM) framework, which articulates and codifies how an organisation approaches and manages risk.

5.1 Structure

Risk Governance Structure is the decision-making policy for both managing within an agreed risk appetite and adapting to changing environment within which such decisions are made. Risk governance applies the principles of good governance to the identification, assessment, management and communication of risks. It refers to the formal structures used to support risk-based decision making and oversight across all operations of an organisation.

Risk governance within the County Government shall involve the CEC, Chief Officers, Risk Management Committee, risk Champions, management structures and related reporting.

Risk governance structures must be designed to fit the size, business mix and complexity of each organisation's operations. To manage risk effectively, within the County Government, the CEC must ensure it has adequate systems to measure, manage and report the material risks to which it is exposed.

The risk management system must be sufficient to: -

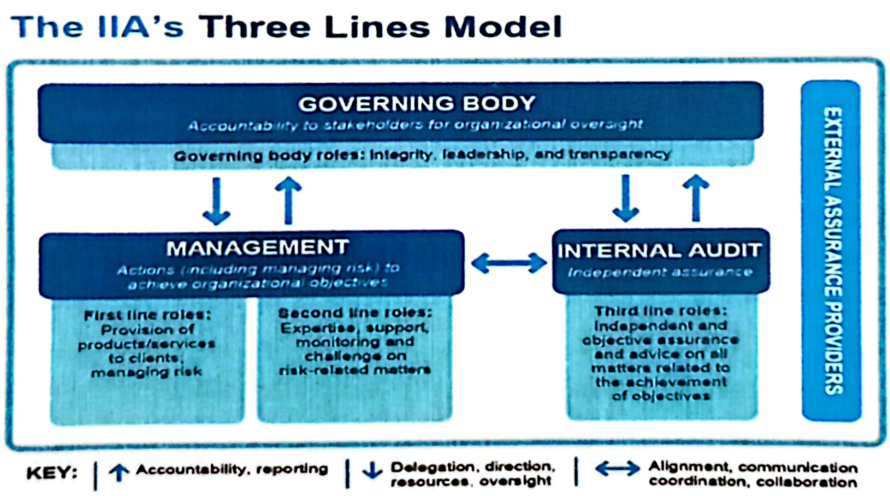
a) Provide the CEC, risk management committee, and the management with regular, accurate and timely information regarding the organisation's risk profile;

b) Measure, assess and report all material risks;
c) Provide robust (relevant, timely, complete and accurate) data;
d) Measure risk against pre-determined limits (tolerances) and promptly report and escalate when limit breaches occur;
e) Provide a sound basis for making risk-based decisions.

5.2 Roles and responsibilities

1. The CEC shall ensure the design of the risk management policy is documented well with clear assigned roles, authorities, responsibilities and accountabilities at all levels of the entity. Everyone in the County Government has some responsibility for risk management. The "Three Lines Model" developed by the Global Institute of Internal Auditors provides a simple and effective way to help delegate and coordinate risk management roles and responsibilities and set role boundaries within the entity. The delegation of the roles is as set out in the model in figure 1 below.

Figure 2: Three Lines Model (Source: The IIA, 2020)



5.2.1 The County Executive Committee (CEC)

1) The Governing bodies are not considered to be part of the three lines of defence but are primarily stakeholders served by the three lines of defence. The County Executive Committee (CEC) is the governing body the County Government and they shall exercise executive authority and they shall be responsible for the risk

management policy direction. This responsibility is shared by other entities charged with the mandate to oversight the operations and performance of the county government. These entities include:

(i) The Internal Audit Committee
(ii) Office of the Auditor General
(iii) The County Assembly of Kitui
(iv) National Treasury
(v) Office of the Controller of Budget
(vi) Ethics and Anti-Corruption Commission
(vii) Office of the Ombudsman

2) The CEC responsible for providing oversight over risk management. The CEC shall;

(i) Ensure the development of a policy on risk management, which shall take into account sustainability, ethics and compliance risks.
(ii) Set out its responsibility for risk management in the County Executive Committee strategic statement.
(iii) Approve the risk management policy.
(iv) Delegate to management the responsibility to implement the risk management plan.
(v) Monitor to ensure that risks taken are within the set tolerance and appetite levels.
(vi) Review the implementation of the risk management policy on a quarterly basis.
(vii) Appoint a committee responsible for risk management in the County Government.
(viii) Ensure that the Committee obtains relevant technical advice where necessary.
(ix) Evaluate the performance of the Committee once a year.
(x) Establish a risk management function within the County Government.
(xi) Ensure that risk assessment is carried out on a continuous basis.
(xii) Receive from the Internal Audit function, a written assessment of the effectiveness of the system of internal controls and risk management.
(xiii) Receive assurance from Management that the risk management policy is integrated in the daily activities of the county government.

In as much as the responsibility of setting the risk appetite of the County Government is vested with the CEC, it is vitally important that the standing committee and the top Management of the County Government is capable of aligning the risk appetite to the operational activities of the county.

5.2.2 Management

It is the responsibility of the management to achieve the entity's objectives and the roles comprises both first- and second-line roles as illustrate in the three lines of defense model above.

(1) **Management 1st Line roles**

First line roles are most directly aligned with the delivery of products and/or services to citizens of the County Government and include the roles of support functions. The responsibility of managing risk remains within the first line roles. These roles are played mainly by the Accounting Officer, Heads of Departments and Agencies and all County Government staff.

(i) **Accounting Officers**

Regulations 158 and 165 of the National and County Public Finance Management 2015 requires all Accounting Officers to develop risk management strategies, which include fraud prevention mechanisms in their entities. To effectively discharge this responsibility in their Departments and Agencies the Accounting Officers within the County Government will set the appropriate tone from the top for risk management by;

a) Establishing the necessary structures and reporting lines within the Departments to support risk management;
b) Influencing entity "risk aware" culture;
c) Place the key risks at the forefront of the management agenda and devote personal attention to overseeing their effective management;
d) Providing assurance to the CEC and other stakeholders that key risks are properly identified, assessed, mitigated and monitored; and

e) Hold management accountable for designing, implementing, monitoring and integrating risk management principles into their day-to-day activities

(ii) **Risk Management Committee**

The management has delegated responsibility of managing risks to ensure the County Government objectives are achieved. Regulation 18 of the County Government PFM, 2015 requires every County Government entity to establish a Public Finance Management Standing Committee whose responsibility shall include identifying risks and implementation of appropriate measures to manage such risks or anticipated changes impacting on the county government.

The Risk Management Committee made up of all the departmental heads and chaired by the Accounting Officer shall be responsible for directing and monitoring the implementation, practice and performance of risk management activities. Other responsibilities of the Committee include:

a) Review and approve quarterly risk reports from the risk management coordinating function.
b) Monitor and review risk management practices, methodologies, tools, risk appetite and related disclosures
c) Preparing and recommending changes to the risk management strategy.
d) Identifying and assessing risks for all levels of the entity;
e) Recommending action to address risks;
f) Monitor and evaluate the extent and effectiveness of integration of risk management within the entity;
g) Monitor and evaluate the effectiveness of the mitigating strategies implemented to address the material risks of the entity;
h) Review the material findings and recommendations by assurance providers on the system of risk management and monitor the implementation of such recommendations;

i) Select cost-effective controls and seek input from operational staff on their appropriateness and assign managers to oversee implementation of the controls and to monitor the risks over time;
j) Initiate a risk management review when key indicators show entity stress or there have been significant changes/events within the entity; and
k) Evaluate effectiveness of the entity Business Continuity Management System.

(iii) **Heads of Departments and Agencies**

Heads of Departments and agencies have ownership, responsibility and accountability for assessing, controlling and mitigating risks together with maintaining effective internal controls. This level is closest to the activities of the entity and is also primarily responsible for the operation of business activities. As "risk owners" they play a more hands-on-role in executing particular, day-to-day, risk and control procedures and are responsible for maintaining effective internal controls on a day-to-day basis.

The specific responsibilities for heads of departments and agencies in relationship to risk management include:

a) Implementing the risk management policy;
b) Own operational risks and controls in their respective departments/divisions thus ultimately accountable for the management of risk;
c) Ensure that all corrective actions against any areas of weakness are effectively and are expeditiously;
d) Ensure required risk information is reported and that it meets all established standards for timelines and integrity;
e) Ensuring that the risk management processes are followed on a continual and timely basis;
f) Ensuring that the entity complies with all external and internal rules, regulations, standards, policies and controls;

g) Fostering a risk management culture in their respective departments/agencies;

h) Taking appropriate measures to manage risks consistently and proactively; and

i) Preparing reports on risk management activities in their respective Departments and presents them to the Accounting Officer on a monthly basis with copies of the reports to the Head of risk management function.

(iv) **All County Staff**

All County staff have responsibility for risk management and should; -

a) Diligently identify risks and report them to their supervisor, especially during periods of change to processes or operational practice; re-organization, entity policies, procedures and code of ethics.

b) Contributing to and being responsible for risk management and internal control processes in their respective areas.

c) Supporting the development and updating of the documentation of risks.

d) Identifying and assessing risks in their areas, and contributing to risk mitigation.

e) Effective management of risk including the identification of potential risks.

f) Reporting risks and risk incidents from their respective areas and when they come across them in any other place within the entity.

g) Embrace and adopt a culture of risk management in execution of their duties

(2) **Management 2nd Line Roles**

The second line roles provide assistance with managing risk. The roles of the 1st line and the 2nd line roles may be separated for efficient risk management.

(i) Risk Management Function

The risk management function coordinates risk management activities across the county government. The function should be assigned to a senior member of staff with appropriate knowledge, experience, skills and professional qualifications in risk management.

The risk management function facilitates the county government's management and coordinates the risk management processes by:

a) Providing secretariate service to the Risk Management Committee
b) Building the entity's risk capability and defining the entity's risk management practices;
c) Developing and implementing the risk management plan;
d) Providing guidance and training on risk management processes;
e) Supporting management in identifying trends and emerging risks and assessment;
f) Assisting management in developing processes and risk treatment action plans;
g) Monitoring the adequacy and effectiveness of risk treatment plans, and accuracy and completeness of reporting;
h) Escalating identified or emerging risks exposures to the Accounting Officer;
i) Monitoring compliance with the risk management policy;
j) Collating risk reports and maintaining risk registers; and
k) Preparing periodic reports to the Accounting Officer

(ii) Risk Management Champions

The Accounting Officer should appoint risk management champions to coordinate the departmental efforts and support the risk management function. Risk Management Champions shall be responsible for the following:

a) Managing the risk, they have accountability for;
b) Reviewing the risk on a regular basis;

c) Identifying where current control deficiencies may exist;
d) Updating risk information pertaining to the risk;
e) Escalating the risk where the risk is increasing in likelihood or consequence;
f) Provide information about the risk when it is requested.
g) Identify and document emerging risk

5.2.3 Internal Audit

Regulations 153 and 157 of the PFM Regulation, 2015 for County governments requires internal auditors to give reasonable assurance through the audit committee on the state of risk management, control and governance within the organization.

The Public Sector Accounting Standards Board (PSASB) through Gazette notice no. 5440 dated 8th August 2014 prescribed the International Standards for the Professional Practice of Internal Auditors issued by the Global Institute of Internal Auditors for use in the public sector.

The role of internal audit in risk management must be guided by the Global Internal Audit Standards. The internal audit function shall undertake the core roles which entail assurance activities. The consulting and other non-assurance roles should be undertaken with safeguards. The Internal audit function shall not undertake managerial roles on risk management. In discharging these duties, the internal audit should;

a) Carryout internal audit work through a risk-based approach provide independent and objective assurance on the effectiveness of the County's risk management arrangements including reviewing risk management processes, the management and reporting of key risks and giving assurance that risks are correctly evaluated.
b) Undertake tasks to assist the risk management function in establishing or improving risk management processes. Such facilitation may include developing the risk management policies and processes, training, identification and evaluation of risks and their reporting.
c) Take steps to safeguard their independence and refrain from assuming any management responsibility by actually managing risks and or being overall responsible for coordinating risk management activities.
d) **Not** set the risk appetite, impose risk management processes, take decisions on risk responses nor implement risk responses on behalf of management.

5.2.4 External Assurance Providers

These bodies sit outside the County Government structure, and also have a role in the overall governance and control structure of the county. External auditors and / or regulators can be considered as additional line of defense, providing assurance to the county's stakeholders, CEC and senior management.

(1) **Office of the Auditor General**

Section 7(1)(a) of the Public Audit Act, 2015 requires the Auditor General to give assurance on the effectiveness of internal controls, risk management and overall governance at the national and county government.

(2) **Other government entities and regulatory bodies**

The County Government are required to comply with risk management requirements provided by the relevant other government entities and regulatory bodies.

Signature________________________________

HON. PETER MWIKYA KILONZO
CECM-MINISTRY OF FINANCE, ECONOMIC PLANNING AND REVENUE MANAGEMENT
KITUI COUNTY

Glossary of Terms

In these guidelines, unless the context indicates otherwise, the following terms mean: -

Audit Universe	The entire auditable functions of the County Government and County Government Entities.
Assurance	A general term for confidence that can be derived from objective information over the successful conduct of activities, the efficient and effective design and operation of internal control, compliance with internal and external requirements and the produce of credible information to support decision making.
Business Objectives	Specific and measurable results entities want to achieve their strategy. They can be defined at different levels.
Cause	An element which alone or in combination has potential to give rise to a risk
Communication and consultation	A continual and iterative processes that an entity conducts to provide, share or obtain information, and to engage in dialogue with stakeholders regarding the management of risk prior to making a decision. The information can relate to the existence, nature, form, likelihood, significance, evaluation, acceptability and treatment of the management of risk.
Consequence	The outcome of an event affecting objectives should the risk occur. (A consequence can be certain or uncertain and can have positive or negative direct or indirect effects on objectives. Consequences can be expressed quantitatively or qualitatively. A consequence can escalate through cascading and cumulative effects.)
Control	A measure that maintains and / modifies risk. Controls include, but are not limited to, any process, policy, device, practice, or other conditions and /or actions which maintain and /or modify risk. Controls may not always exert the intended or assumed modifying effects.
Core values	The entity's beliefs and ideals about what is good or bad, acceptable or unacceptable which influence the behaviour of the entity.
County Executive Committee (CEC)	The Kitui County Executive Committee established in accordance with Article 176 of the 2010 Constitution.
County Officers	Employees of County Government.
County Government	The County Government of Kitui
Data	Raw facts that can be collected together to be analysed, used, or

	referenced.
Entity objectives	The measurable steps that an entity takes to achieve its strategy.
Entity specific risks	Risks that can be managed entirely within a single entity's operations and can generally be well understood and effectively managed through straight forward entity risk management processes.
Establishing the context	Defining the external and internal parameters to be taken into account when managing risk, and setting the scope and risk criteria for the risk management policy
Event	An occurrence or change of a particular set of circumstances and can be something that is expected which does not happen, or something that is not expected which does happen. Events can have multiple causes and consequences and can affect multiple objectives.
Enterprise risk management	See risk management
External context	External environment in which the entity seeks to achieve its objectives. External context can include the cultural, social, political, legal, regulatory, financial, technological, economic, natural and competitive environment, whether international, national, regional or local and trends that having impact on the objectives of the entity.
Exposure	Extent to which an entity and/or stakeholder is subject to an event.
Frequency	The number of events or outcomes per defined unit of time. It can be applied to past events or to potential future events, where it can be used as a measure of likelihood/probability.
Governing Body	Refers to CEC, Risk Management Committee or any other designated body of the entity who are accountable to stakeholders for the success of the entity and to whom the Accounting Officer functionally reports to.
Governance	The combination of processes and structures implemented by the CEC to inform, direct, manage, and monitor the activities of the entity toward the achievement of its objectives.
Information	Processed, organized, and structured data concerning a particular fact or circumstances.

Inherent risk	The level of risk associated with the entity as a whole, or the individual system being examined before considering the effectiveness of controls.
Integrated risk management	Is a set of practices and processes supported by a risk-aware culture and enabling technologies, that improves decision making and performance through an integrated view of how well an organization manages its unique set of risks
Internal context	Internal environment in which the entity seeks to achieve its objectives. Internal context can include governance, organizational structure, roles and accountabilities; policies, objectives, and the strategies that are in place to achieve them.
Internal control	It is a process effected by an entity's Governing Body, management and other personnel designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance.
Level of risk	The magnitude of a risk or combination of risks expressed in terms of the combination of consequences and their likelihood.
Likelihood	Chances of something happening. Likelihood can be defined, measured or determined objectively or subjectively, qualitatively or quantitatively, and described using general terms or mathematically.
Key risk	A Key risk is a risk or combination of risks that can seriously affect the performance, future prospects or reputation of the entity. These should include those risks that would threaten its business model, future performance, solvency or liquidity. The term can be used interchangeably principal risk.
Mission	The entity's core purpose, which establishes what it wants to accomplish and why it exists.
Monitoring	Continuous checking, supervising, critically observing or determining the status in order to identify change from the performance level required or expected. Monitoring can be applied to a risk management policy, risk management process, risk or control.
National Critical risks	Strategically significant risks due to their unforeseen pathways resulting in adverse impacts of national significance.
Opportunity	An action or potential action that creates or alters goals or approaches for creating, preserving, and realizing value.
Probability	The measure of the chance of occurrence expressed as a number between 0 and 1, where 0 is impossibility and 1 is absolute certainty.

Resilience	It is the adaptive capacity of an entity in a complex and changing environment.
Residual risk	The level of risk associated with the entity as a whole, or the individual system being examined after considering the effectiveness of controls.
Risk	The effect of uncertainty on objectives. An effect is a deviation from the expected. It can be positive, negative or both, and create or result in opportunities and threats. Objectives can have different aspects and categories, and can be applied at different levels. Risk is usually described in terms of risk sources, potential events, their consequences and their likelihood.
Risk acceptance	It is an informed decision to take a particular risk. Accepted risks are subject to monitoring and review.
Risk aggregation	The combination of a number of risks into one risk to develop a more complete understanding of the overall risk.
Risk analysis	The process to comprehend the nature of risk and to determine the level of risk based on the assessment of the likelihood of the risk occurring and the consequences
	should it occur. The velocity, proximity, and frequency of risk should also be considered if they are relevant to assessing the risk.
Risk assessment	The overall process of risk identification, risk analysis and risk evaluation.
Risk appetite	The amount of risk, on a broad level, an entity is willing to accept in pursuit of value. See risk criteria.
Risk attitude	An entity's approach to assess and eventually pursue, retain, take or turn away from risk. This term can be used interchangeably with the term risk philosophy.
Risk avoidance	Informed decision not to be involved in, or to withdraw from, an activity in order not to be exposed to a particular risk.
Risk aversion	It is the attitude to turn away from risk.
Risk capacity	The maximum amount of risk that an entity is able to absorb in the pursuit of strategy and business objectives.
Risk criteria	A set of terms of reference against which the significance of risk is evaluated. It can be derived from standards, laws, policies and other requirements. Risk appetite and risk tolerance are terms also used to describe risk criteria.

Risk culture	The attitudes, behaviours and understanding about risk, both positive and negative that influence the decisions of management and personnel and reflect the mission, vision and core values of the entity.
Risk champion	A person who by virtue of his/her expertise or authority champions a particular aspect of risk management process but is not the risk owner.
Risk description	A structured statement of risk usually containing four elements: sources, events, causes and consequences.
Risk drivers	A factor that has a major influence on risk.
Risk evaluation	The process of comparing the results of risk analysis with risk criteria to determine whether the risk and/or its magnitude is acceptable or tolerable.
Risk governance	The participation in the risk management process throughout the entire organization by personnel that are knowledgeable, skilled and competent in risk management.
Risk identification	The process of finding, recognizing and describing risks. It involves the identification of risk sources, events, their causes and their potential consequences.
Risk inventory	Stock-take on all the risks that can impact an entity. This term can be used interchangeably with risk universe.
Risk management	Coordinated activities to direct and control an entity with regard to risk. The term enterprise risk management can be used interchangeably. This term can be used interchangeably with enterprise risk management.
Risk management audit	It is the systematic, independent and documented process for obtaining evidence and evaluating it objectively in order to determine the extent to which the risk management policy, or any selected part of it, is adequate and effective.
Risk Management Committee	A committee appointed by the accounting officer to manage the entity support of risk management.
Risk management framework	A set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the entity. Foundations include policy, objectives, mandate and commitment to manage risk. Organizational arrangements include plans, relationships, accountabilities, resources, processes and activities. The risk management framework is embedded within the entity's overall strategic and operational policies and practices.

Risk Management Officer	An officer or unit responsible for coordinating and supporting the overall risk management process but who does not assume the responsibilities of management for identifying, assessing and managing risk.
Risk management plan	A scheme within the risk management policy specifying the approach, the management components and resources to be applied to the management of risk. Management components typically include procedures, practices, assignment of responsibilities, sequence and timing of activities. The risk management plan can be applied to a particular product, service, process and project, and part or whole of the entity.
Risk management policy	A statement of the overall intentions and direction of an entity related to risk management
Risk management process	The systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating and reviewing risk.
Risk matrix	The tool for ranking and displaying risks by defining ranges for consequence and likelihood.
Risk owner	The person accountable for managing a particular risk within an entity.
Risk oversight	The supervision of the risk management policy and process.
Risk perception	It reflects the stakeholder's needs, issues, knowledge, belief and values.
Risk portfolio	Risk requiring an evaluation of risk treatment options.
Risk profile	The description of any set of risk. It can relate to the whole entity or a part of an entity or as otherwise defined.
Risk register	A record of information about identified risks related to a specific entity activity.
Risk reporting	The form of communication intended to inform particular internal or external stakeholders by providing information regarding the current state of risk and its management.
Risk sharing	It is a form of risk treatment involving the agreed distribution of risk with other parties. Risk sharing can be carried out through insurance or other forms of contract.
Risk source	An element which alone or in combination has the potential to give rise to risk.
Risk strategy	The specific management activities that are aimed at dealing with various risks associated with the business. It includes decision on risk tolerance levels and acceptance, avoidance or transfer of risks faced.

Risk tolerance	Means the boundaries of acceptable variation in performance related to objectives.
Risk treatment	The process to modify risk.
Risk universe	All the possible risks that an entity is exposed to.
Severity	Measurement consideration such as likelihood and impact of events or the time it takes to recover from events.
Shared risk	A risk with no single owner, where more than one entity is exposed to or can significantly influence the risk. Also referred to as inter-agency risk.
Stakeholder	A person or entity that can affect, be affected by, or perceive themselves to be affected by a decision or activity.
Strategy	The entity plans to achieve its mission and vision and apply its core values.
Three Lines of Defense	A model fronted by the Institute of Internal Auditors (IIA) on the roles of various functions with regards to risk management. The 'Three Lines of Defense' support more effective risk management by introducing structured governance and oversight that clarifies and segregates roles and responsibilities based on the following
	1st Line of Defense: Functions that own and manage risks; **2nd** Line of Defense: Functions that oversee and/or specialize in risk management and compliance; **3rd** Line of Defense: functions that provide independent assurance.
Threat	Potential source of dangers, harm or undesirable outcome. A threat is a negative situation in which loss is likely to occur and over which one has relatively little control. A threat to one party may pose an opportunity to another.
Uncertainty	It is the state, even partial, of deficiency of information related to, understanding or knowledge of, an event, its consequence, or likelihood.
Vulnerability	The intrinsic properties of something resulting in susceptibility to a risk source that can lead to an event with a consequence.

Appendices

TEMPLATE 1: RISK MANAGEMENT IMPLEMENTATION PLAN

The County Government Risk Management implementation plan sets out all Risk Management Activities planned for the 20XX/20XX financial year to guide the implementation of the Risk Management Policy and Strategy.

Planned Action	Detailed Actions	Outputs	Due date and responsible person	Progress to date	Resources
Scope, Context, Criteria					
Develop a Risk Management Policy	County Executive Committee (CEC) to review the policy and recommend for approval.	Approved risk management policy guideline	County Executive Committee		
Develop/ review risk management strategy	Develop ERM Implementation policy - Develop guidelines on roles and responsibilities for risk management	Approved risk management strategy	County Executive Committee		
	Audit Committee to review the strategy and recommend to the Governing body for approval				
Structures and responsibilities	Develop/review the risk management unit structure and recommend for approval by the Governing body	Additional structure created and approved as required. Appointment into approved positions and structure	Accounting Officer		

Planned Action	Detailed Actions	Outputs	Due date and responsible person	Progress to date	Resources
		Formal delegation of responsibilities to existing personnel (via appointment letters and performance agreements) and structures (via charters)			
Terms of reference for the Risk Management Committees	Develop/Review Terms of Reference for: • Audit committee	Approved Risk Management Committee charter	Accounting officer		
	Management Committee and align to the RM strategy.				
Publication of Risk Management Policy	Publicize and communicate the approved policy	Communicated risk management policy to all officials in the entity	Head of Risk Management Function		
Raising awareness and risk management training	Develop and formalise detailed training programme/ plan for all officials and any cost implications.	Completed orientation for all officials, RMC and Audit Committee members.	Head of Risk Management Function		
	Develop risk orientation programme for new employees.	All new employees orientated on risk management.			
		Make presentations on risk management at management forums.			

Planned Action	Detailed Actions	Outputs	Due date and responsible person	Progress to date	Resources
Develop/ review risk management methodologies and tools s	Development of a risk assessment tool which includes risk quantification and risk ranking. Conduct research and benchmark with latest developments in RM (best practice).	Approved risk assessment methodologies and processes	Head of Risk Management Function dd/mm/yy		
Risk assessment					
Facilitate enterprise-wide risk assessments.	Risk identification Risk analysis Risk evaluation	Risk profile	Head of Risk Management Function dd/mm/yy		
Risk treatment					
Development of risk treatment strategies	Drafting action plans for risks considered unacceptable to the entity (key risks)	Approved risk register Approved risk treatment plan	Risk Owners dd/mm/yy		
Risk monitoring					
Develop key risk indicators	Drafting of individual key risk indicators for key risks	Identified key risk indicators	Risk Owner dd/mm/yy		
Incident recording and management	Define and implement an incident recording analysis mechanism	Incident report Incident register	Risk Owner dd/mm/yy		

TEMPLATE 2: RISK IDENTIFICATION MATRIX

	COUNTY GOVERNMENT OF KITUI MINISTRY OF XXXX RISK IDENTIFICATION TEMPLATE As at __/__/20__			
No.	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Risk Mitigation Measures for identified risk**	**Responsibility for risk Mitigation**
	The CIDP and Performance contracts will provide each Ministry and Department Strategic Objectives	Capture the potential risks that may undermine the achievement of the strategic objectives of the Ministry	Capture all controls put in place to mitigate identified risks reflecting the actual controls in place	The staff that will be responsible for mitigation of the identified risk
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

TEMPLATE 3: RISK REGISTER TEMPLATE

Risk reference	**Combined Risk Register Template/Department**
Objective	
Risk Description	
Date Reported	
Risk Category	
Possible Causes	
Possible Consequences	
Inherent Consequence Rating	
Inherent Likelihood Rating	
Inherent risk rating	
Residual Consequence Rating	
Residual Likelihood Rating	
Residual risk rating	
Risk Treatment option	
Additional Controls/Actions	
Due Date/Timeline	
Last Update Date	
Risk owner	

TEMPLATE 4: MINISTERIAL STRATEGIC RISK PROFILES

4.1 Office of the Governor

Office of the Governor								
Risk Profile								
No.	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact**	**Magnitude of impact**	**Likelihood of Occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
1.	Transforming public service for efficient and effective service delivery	Weak public service culture	- Ineffective service delivery - Lack of citizen trust - Corruption and bribery	High	Very Likely	- Develop and implement uniform norms and standards of public service - Develop a code of ethics and conduct for public officers & Sensitize staff on its provision for compliance	Ministerial Budget	CECM, CPSB & CO
		Lack of an approved organizational structure and staff establishment	- Risk of duplication and overlaps of functions - staff gaps/excesses cannot be established	High	Likely	- Prioritize approval of organizational structure and staff establishment - Formulation of a HR Planning and Succession Management Strategy - Design implementation strategies to fill any existing staff gaps	Ministerial Budget	

Office of the Governor								
Risk Profile								
No.	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact**	**Magnitude of impact**	**Likelihood of Occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
						and deal with excesses		
		Inadequate workplace policies	- Inconsistent and non-uniform decisions - Exposure to litigations due to Flouting of legal and regulatory provisions	High	Likely	Development and implementation of all requisite workplace policies	Ministerial Budget	
2.	Enhancing county image and customer service	Undesired social media publicity	Negative publicity and reputational damage	High	Likely	- Formulation of a Communication Policy - Publication and dissemination of information	Ministerial Budget	CECM & CO
		Ineffective feedback mechanisms	Missed opportunities for improvement and appreciation of customer needs	Low	Likely	- Development and implementation of a customer feedback mechanism - Create staff awareness on the application of the customer feedback mechanism	Ministerial Budget	
		Ineffective communication with the publics, stakeholders and staff	Misunderstandings, mistrust and reputational damage	High	Likely	Formulation of a Communication Policy	Ministerial Budget	

Office of the Governor								
Risk Profile								
No.	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact**	**Magnitude of impact**	**Likelihood of Occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
3.	Improving coordination of county programmes and events	Lack of coordination policy/guidelines/framework	Poor coordination	Medium	Likely	Development and implementation of a coordination policy/guidelines/frame work	Ministerial Budget	CECM & CO
		Lack of full operationalization of formal devolution grassroot structures	Ineffective service delivery			Put in place village councils		
4.	Enhancing County representation during litigation.	• Engagement of inexperienced lawyers by instructed external lawyers • Limited Internal capacity • Inadequate information/documentation from concerned departments	Imposition of legal costs occasioned by lost legal cases	Medium	Likely	• Recruitment of additional experienced lawyers • Build capacity of the existing lawyers • Sensitize departments on the importance of providing case relevant information and documentation	Ministerial Budget	CECM, CO & Office of County Attorney

Office of the Governor								
Risk Profile								
No.	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact**	**Magnitude of impact**	**Likelihood of Occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
5.	Enhancing coordination of County Ministries' operations and management of CEC affairs.	- Inaction/delays in implementing directives/advisories - Late submission of cabinet memorandums	- Delayed decision making - Late circulation of CEC agenda	Medium	Likely	- Issuance of circular outlining specific timelines within which an officer is required to act on correspondences and sanctioning of those who ignore the set timelines - Memoranda to CEC to be submitted to the office of the County Secretary within seven (7) days before the meeting at which it is to be considered	Ministerial Budget	CECM, CS & CO
6.	Promoting socio-economic development through policy formulation and implementation	- Lack of political goodwill - Lack of leadership support especially after a transition	- Negative influence on the citizens leading to rejection of well - intentioned bills & policies - Shifts in policy & stalling of projects	High	Likely	- Political buy-in - Enactment of a legislation to shield ongoing projects from abandonment following political transitions	Ministerial Budget	CECM, CS & CO

4.2 Office of the Deputy Governor

Office of the Deputy Governor								
Risk Profile								
No.	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact of the Risk**	**Magnitude of Impact**	**Likelihood of Occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
1	Institutionalizing Performance Contracting for effective and efficient service delivery	Budgetary constraints	Delayed and inadequate execution of set targets in performance contracting	Medium	Likely	External resource mobilization, e.g. Development of donor proposals Early planning and fast-tracking of payments for prompt execution of activities.	Ministerial Budget	CECM & CO
2	Entrenching a culture of accountability and transparency in Kitui County Public Service	Resistance to change	- Inefficiency in service delivery - Mismanagement of resource	Low	Unlikely	Enforce a culture of accountability & transparency through signing of Performance Contracts & staff performance appraisals.	Ministerial Budget	CECM & CO
		Inadequate human resource capacity	Mismanagement of resources	Low	Unlikely	Carry out needs assessment, Training & Capacity building of Officers	Ministerial Budget Partners	CECM & CO

Office of the Deputy Governor								
Risk Profile								
No.	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact of the Risk**	**Magnitude of Impact**	**Likelihood of Occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
3	Ensuring effective and coordinated disaster preparedness, response, recovery and rehabilitation that provides protection, both physically and in terms of human dignity	High disaster prevalence	↓ Loss of lives & livelihoods, ↓ Destruction of property and environmental degradation.	High	Likely	Policy on Disaster Management & Emergency Response	Ministerial Budget & Development Partners	CECM & CO
4	Enhancing County emergency preparedness and ensuring prompt response to emergencies	Unprecedented calamities e.g., large fires, epidemics etc.	Loss of lives, property & livelihoods.	High	Likely	Establishment of Emergency Response Centre.	Ministerial Budget Partners	CECM & CO
5	Spearheading the operationalization of county game reserves and promotion of	Political interference in the conservation of protected areas.	↓ Delayed development ↓ Operationalization of the Tourism Products.	High	Likely	Enhanced intergovernmental relations.	Partners	CECM & CO

Office of the Deputy Governor								
Risk Profile								
No.	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact of the Risk**	**Magnitude of Impact**	**Likelihood of Occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
	eco-tourism and wildlife-based tourism in the county	Human-Wildlife Conflict	Loss of lives and livelihood	High	Likely	Awareness creation on Human-Wildlife Coexistence	Ministerial Budget Partners	CECM & CO
6	Enhancing sustainable tourism management linkages with external stakeholders and investors.	Inadequate legal & policy framework on engagement of investors.	Inadequate information of the county tourism products.	Medium	Likely	Development of a County Tourism Investment Policy	Ministerial Budget	CECM & CO
7	Promoting conference tourism within the County.	Substandard services offered by hospitality service providers	Low economic growth.	High	Likely	- Annual symposia for hoteliers & hospitality service providers. - Marketing of hotels through participation in exhibitions and engaging the national agency for rating.	Ministerial Budget & development partners	CECM &CO

Office of the Deputy Governor								
Risk Profile								
No.	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact of the Risk**	**Magnitude of Impact**	**Likelihood of Occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
8	Developing Kitui County Tourism Circuit	Poor tourism auxiliary infrastructure	Low revenue the county generated	Medium	Likely	Development of support infrastructure services.	Ministerial Budget Partners	CECM & CO
		Lack of consistent tourism stakeholder collaboration.	Low tourism visitations	Medium	Likely	Multisectoral approach in the development of tourism attraction sites and products	Ministerial Budget & development Partners	
		Policy gaps to guide tourism investment/ development initiatives in the county.	Low tourism visitations	Medium	Likely	- Formulation of policy guidelines for the development of tourism in the county. - Enhance intercounty relations for tourism growth through SEKEB	Ministerial budget & development partners	CECM & CO

4.3 Ministry of Water and Irrigation

Ministry of Water and Irrigation							
Risk Profile							
No.	**Ministerial Strategic Objective**	**Risk associated with the Objective.**	**Risk Mitigation Measures for Identified Risk**	**Magnitude of Impact**	**Likelihood of Occurrence**	**Source of Resources**	**Responsibility for Risk Mitigation.**
1.	Optimizing water sources and viable irrigation sites.	Dry or low yielding boreholes	Undertake thorough hydrogeological surveys	High	Unlikely	Ministerial Budget	CECM & CO
		Poor water quality	Technological solutions like reverse osmosis and chemical treatment to improve water quality	Medium	Likely	Ministerial Budget & Development Partners	
		High cost of water production	Adoption of green energy technologies especially solar to reduce power costs	Medium	Likely	Ministerial Budget	
2.	Developing sustainable water and irrigation infrastructure.	Breaching of earth dams and sand dams (due to floods).	Well-designed infrastructure including quality spill ways, anchorage of sand dams and good workmanship.	High	Unlikely	Ministerial Budget	CECM & CO
		Vandalism of water and irrigation infrastructure.	Community sensitization for ownership and employment of security staff.	High	Unlikely	Ministerial Budget & Development Partners	
		Non-responsiveness of bidders and/tenders	Develop viable project designs and BoQs based on standards such as the Quantity Surveyor's manual.	Low	Unlikely	Ministerial Budget	
		Inability of contractors to complete projects on time.	Due diligence during procurement process to get right contractors	High	Unlikely	Ministerial Budget	
		Inability of technical officers to develop	Enhance capacity through recruitment and training for	Medium	Likely	Ministerial Budget	

Ministry of Water and Irrigation							
Risk Profile							
No.	**Ministerial Strategic Objective**	**Risk associated with the Objective.**	**Risk Mitigation Measures for Identified Risk**	**Magnitude of Impact**	**Likelihood of Occurrence**	**Source of Resources**	**Responsibility for Risk Mitigation.**
		designs and BoQs on time.	continuous professional development.				
		Failure to construct mega dams captured in the Kitui Promise	Strengthen collaboration with the National Government and other development partners to leverage on external resources to support implementation	Medium	Very likely	Ministerial Budget & Development Partners	Governor, CECM & CO
3.	Effective management of water and irrigation schemes.	Mismanagement of water and irrigation schemes.	- Professionalization of water schemes. - Integrate extension services, cooperatives and trade officers in the irrigation projects. - Capacity building of community members for better water and irrigation management.	High	Likely	Ministerial Budget & Development Partners	CECM & CO
		Community resistance to professional management of rural water supply schemes	Organise community sensitization meetings on the need for professional management	Medium	Very likely	Ministerial Budget & Development Partners	
4.	Forging strategic partnerships on water and irrigation.	Failure of development partners to honour their commitments on development projects.	Regular review and/or amendment of partnerships agreements and memoranda of understanding (MoUs)	Low	Unlikely	Ministerial Budget & Development Partners	Governor, CECMs & CO

Ministry of Water and Irrigation							
Risk Profile							
No.	**Ministerial Strategic Objective**	**Risk associated with the Objective.**	**Risk Mitigation Measures for Identified Risk**	**Magnitude of Impact**	**Likelihood of Occurrence**	**Source of Resources**	**Responsibility for Risk Mitigation.**
		Duplication of water projects	Creation of a coordination mechanisms for partners within the water sector in the county	Medium	Likely	Ministerial Budget & Development Partners	
5.	Sustainable water and irrigation systems.	Climate variability (extreme weather conditions)	Integrate conservation in project design such as tree growing in water catchment areas.	High	Unlikely	Ministerial Budget	CECM, CO & MDs of WSPs
		- High non-revenue water (NRW) for the water service providers (WSPs) - Dependence of WSPs on the county government for subsidies	- Installation of smart meters to reduce commercial losses - Improve water infrastructure for the WSPs to minimise physical losses - Improvement of governance systems to increase efficiency	High	Very Likely	Ministerial Budget & Development Partners	
		Proliferation of private water vendors	Enforcement of WASREB regulations in collaboration with WSPs	High	Very Likely	Ministerial Budget & WSPs	
6.	Developing & strengthening Policy, legal and regulatory framework.	Absence of legal and policy framework	Finalisation of county water policy and bill	Low	Unlikely	Ministerial Budget & Development Partners	CECM & CO

4.4 Ministry of Education, Training & Skills Development

Ministry of Education, Training and Skills Development Risk Profile								
No.	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact**	**Magnitude of Impact**	**Likelihood of Occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
1.	Promoting ECDE access.	Inadequate modern ECDE classrooms	Unconducive learning environment	Medium	Likely	Phased construction of modern ECDE classrooms	Ministerial Budget	CECM & CO
		Destruction of infrastructure by natural disasters	Unconducive learning environment	Medium	Likely	- Adopt resilient building practices. - Regular inspection of ECDE classrooms		
		Inadequate teaching and learning resources	Low quality of education	High	Likely	Phased distribution of teaching and learning materials.		
		Inadequate trained ECDE teachers	Low quality of education	High	Likely	- Phase out feeder schools and deploy the teachers to ECDE centers within primary schools - Allocate resources for phased employment of ECDE teachers		

Ministry of Education, Training and Skills Development								
Risk Profile								
No.	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact**	**Magnitude of Impact**	**Likelihood of Occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
2.	Implementing County policy and legislation on ECDE and childcare facilities	Unplanned establishment of standalone ECDE centers (feeder schools with low enrolments) contrary to CBC requirements for seamless transition to Grade One.	Low transition rate	Medium	Likely	- Phase out feeder schools by merging them with nearby ESCDE centers within primary schools - Sensitize parents not to enroll their children in feeder schools from January, 2025	Ministerial Budget Ministerial Budget	CECM & CO CECM & CO
		Lack of child care facilities in major urban centers	Curtailed early childhood development	Medium	Likely	Budgetary allocation for establishment of more child care facilities.	Ministerial Budge	CECM & CO
			Interrupted socio-economic activities of mothers in the urban centers	Medium	Likely			
3.	Enhancing retention and transition	Unstable family units	Interruption of learning	High	Likely	Sensitization of parents on handling of social matters/family values	Ministerial Budget	CECM & CO

Ministry of Education, Training and Skills Development								
Risk Profile								
No.	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact**	**Magnitude of Impact**	**Likelihood of Occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
		Low Nutrition standards	Poor learning outcomes	Medium	Likely	Collaboration with the Ministry of Health and Sanitation to improve nutrition standards among ECDE learners.	Ministerial Budget	CECM & CO
		Social / political conflicts	Poor learning outcomes	Medium	Likely	Awareness creation on peaceful coexistence	Ministerial Budget	CECM & CO
4.	Promoting access to relevant and quality vocational training in VTCs and Home Craft Centre	Shortage of workshops and classrooms	Low access to vocational education	High	Very Likely	Phased construction of workshops and classrooms	Ministerial Budget	CECM & CO
		Destruction of buildings by natural disasters	Low access to vocational education	Low	Unlikely	Adopt resilient building practices	Ministerial Budget	CECM, C.O and C.O Public Works
		Negative attitude towards vocational training /education	Low access to vocational education	High	Very Likely	Sensitization/ awareness campaigns on the importance of vocational training	Ministerial Budget	CECM, CO & BoM's
		Prohibitive training fees	Low access to vocational training	High	Very Likely	Increase bursary allocation to trainees under pro poor fee support programme	Ministerial Budget & Development partners	CECM & CO

Ministry of Education, Training and Skills Development								
Risk Profile								
No.	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact**	**Magnitude of Impact**	**Likelihood of Occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
		Unprogrammed closures of VTCs and reduced training hours	Semi skilled graduates	Medium	Likely	Increase conduct hours to make up the lost time	Ministerial Budget	CECM & CO
		Lack of management capacity	Poor management	High	Very likely	- Capacity building of VTC managers and staff. - Allocate budget for employment of qualified managers, instructors and staff.	Ministerial Budget	CECM & CO
		Dynamism in labour market demands and curriculum change	Imparting outdated skills	High	Very likely	Retooling of instructors, equipping of VTCs with modern technology and introduction of short courses to match the labour market demands	Ministerial Budget & Development Partners	CECM & CO
5	Promoting good governance in vocational training and home craft centres	Unqualified VTC managers /staff	Poor management	High	Likely	Capacity building of VTC managers and staff	Ministerial Budget	CECM & CO
		Delay in appointment of BoGs	Poor management	High	Very likely	Timely appointment of BoGs		

Ministry of Education, Training and Skills Development								
Risk Profile								
No.	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact**	**Magnitude of Impact**	**Likelihood of Occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**

4.5 Ministry of Roads, Public Works and Transport

Ministry of Roads, Public Works and Transport								
Risk Profile								
No.	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact**	**Magnitude of Impact**	**Likelihood of Occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for Risk Mitigation**
1.	Increasing road coverage for improved connectivity.	Budgetary constraints	Failure to attain development targets	Extreme	Likely	Seek strategic partnerships with other development players	Ministerial Budget	CECM & CO
		Political interference	Misallocation of resources	High	Likely	- Data and evidence-based planning - Engagement with the political class	Ministerial Budget	Governor, CECM & CO
		Policy shifts	Projects abandonment and discontinuity	High	Likely	Develop and adopt sectorial plan	Ministerial Budget	CECM & CO
		Adverse weather conditions	Delay in projects completion, damaged infrastructure and increased ccontract costs	Extreme	Likely	Contingency planning	Ministerial Budget	CECM & CO
						Incorporate resilient design standards	Ministerial Budget	CECM & CO
						Incorporation of Contractors All Risk Insurance cover as part of Contract provisions	Ministerial Budget	CECM & CO

		Community resistance and encroachment to roads' reserves	Poorly planned and substandard road networks	High	Very Likely	Community sensitization and civic engagement	Ministerial Budget	CECM, CO & Director Public Participation
						Marking road reserve boundaries	Ministerial Budget	CECM & CO
2.	Enhancing quality control and assurance in County infrastructural development.	Insufficient quality control measures	Poor workmanship and waste of public resources in projects	Medium	Very likely	Enhance the capacity of the materials testing laboratory for enhanced materials investigations, tests and controls.	Ministerial Budget	CEC & CO
		Under-performing equipment and motor vehicles workshops	- Delay in implementation of projects - Operations cost overruns	Extreme	Very Likely	Provision of necessary equipment and tools for efficient equipment/ motor vehicle workshops.	Ministerial Budget	CECM & CO
3.	Promoting effective and efficient use of County equipment and motor vehicles.	Lack of routine maintenance	- Frequent breakdowns, - Accidents - Increased repair costs	Extreme	Very Likely	Regular maintenance and inspections	Ministerial Budget	CECM & CO
		Unauthorized use	Waste of public resources	Medium	Likely	Strict enforcement of rules and regulations on equipment use	Ministerial Budget	CECM & CO
		Fuel waste and theft	- Increased costs, and - Environmental pollution	Extreme	Very Likely	Implement fuel management systems:	Ministerial Budget	CECM & CO

		Accidents and injuries	Fatalities, and lawsuits	High	Likely	Implement a comprehensive Insurance cover	Ministerial Budget	CECM & CO

4.6 Ministry of Health and Sanitation

Ministry of Health and Sanitation								
Risk Profile								
No	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact**	**Magnitude of impact**	**Likelihood of occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
1.	Improving health service delivery	Industrial Action	Loss of lives	High	Likely	- Collective bargaining agreements - Adherence to schemes of service	Ministerial Budget & Development partners	CECM, CO
		Inadequate Infrastructure	Increased mortality	High	Likely	Increased budgetary allocation to health systems.	Ministerial Budget & Development partners	CECM & CO
		Lack of an integrated Health Management systems within the County	Limited access to health services	High	Likely	Integration and digitization of the County health systems	Ministerial Budget & Development partners	CECM & CO
		Cyber security risks	- Loss of sensitive patient information, - Financial loss; and - Reputational damage.	High	Unlikely	- Installation of intrusion detection systems - Sensitization on data protection	Ministerial Budget & Development partners	CECM & CO

Ministry of Health and Sanitation								
Risk Profile								
No	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact**	**Magnitude of impact**	**Likelihood of occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
		Miscommunication risk	Poor health behaviors and reputational damage	High	Likely	Developing a health communication policy	Ministerial Budget & Development partners	CECM & CO
2.	Providing quality and timely curative, rehabilitative, and palliative health care services	Inefficient referral systems	Delayed patient care resulting to loss of lives	Medium	Likely	Development and implementation of a health referral policy.	Ministerial Budget & Development partners	CECM & CO
		Antimicrobial resistance	- Increased healthcare costs - Increased mortality.	High	Likely	- Promote prudent antibiotic use; and - Invest in anti-microbial research	Ministerial Budget & Development partners	CECM & CO
		Lack of medical ethics	- Delayed and missed diagnosis - Legal action and reputational damage	High	Unlikely	- Sensitize medical staff on ethical standards & practices - Establishment of robust grievances handling mechanisms.	Ministerial Budget & Development partners	CECM & CO
3.	Advancing promotive and preventive	Social determinants like food insecurity, poor hygiene	- High-cost of health care - Loss of lives	High	Very likely	Increased budgetary allocation on promotive and	Ministerial Budget & Development partners	CECM & CO

Ministry of Health and Sanitation								
Risk Profile								
No	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact**	**Magnitude of Impact**	**Likelihood of occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
	healthcare services					preventive health care		
		Pandemics and epidemics	Increased mortality rate Strained health resources	High	Likely	Develop and implement Emergency Preparedness Plan.	Ministerial Budget & Development partners	CECM & CO
		Vaccine hesitancy	Increase of outbreaks of preventable diseases	High	Likely	Public health awareness drives	Ministerial Budget & Development partners	CECM & CO
		Food contamination	Unsafe foods resulting to deaths	High	Likely	Implementation of food safety regulations	Ministerial Budget & Development partners	CECM & CO
		Poor nutrition	Malnutrition immunity/ stunned growth	High	Very Likely	- Carry out health nutrition programs - Develop & implement an indigenous food programme especially at the ECDE schools	Ministerial Budget & Development partners	CECM & CO

Ministry of Health and Sanitation								
Risk Profile								
No	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact**	**Magnitude of impact**	**Likelihood of occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
		Substance abuse and mental health illnesses	- Increased insecurity - Broken families	High	Very Likely	Develop and implement a Substance Abuse and Mental Health Policy.	Ministerial Budget & Development partners	CECM & CO
		Poor water quality, sanitation and hygiene	Water-borne diseases	High	Very Likely	- Invest in water treatment - Promote hygiene practices	Ministerial Budget	CECM, CO & CO -Water
		Poor Healthcare waste management	Health hazards & environmental contamination	High	Likely	Invest in & implement a robust health waste management system	Ministerial Budget & Development partners	CECM & CO
4.	Ensuring availability of essential health products and technologies, vaccines, and medical supplies	Supply chain disruptions	Halting provision of critical health services	High	Likely	- Diversify supply sources, establish contingency plans; - Strengthen supply chain logistics.	Ministerial Budget & Development partners	CECM & CO

Ministry of Health and Sanitation								
Risk Profile								
No	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact**	**Magnitude of impact**	**Likelihood of occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
		Lack of digital Health Products and technologies (HPT) Accountability systems	Inaccurate consumption data, stock-outs, overstocking, and pilferages/theft of drugs	High	Likely	Implement an efficient Health Management information System	Ministerial Budget & Development partners	CECM & CO

4.7 Ministry of Trade, Industry, MSMES, Innovation and Cooperatives

Ministry of Trade, Industry, MSMES, Innovation and Cooperatives								
Risk Profile								
No.	**Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective level**	**Impact**	**Magnitude of Impact**	**Likelihood of occurrence**	**Risk Mitigation measures for identified risk**	**Resources**	**Responsibility for Risk mitigation**
1.	Establishment of Kitui County Aggregation and Industrial Park (KCAIP)	Inadequate funding of KCAIP Activities	Slowdown in industrialisation	High	Likely	External resource mobilization	Ministerial Budget & Development Partners	CECM & CO
		Land related Litigations	- Delayed project completion - Financial loss	Medium	Likely	Constant engagement with Cooperative society	Ministerial Budget	CECM & CO
		Bureaucracy in approvals	Delayed project completion	Medium	Very Likely	Stakeholder corroboration	Ministerial Budget & GoK Budget	CECM & CO
2.	Development of market support infrastructure	Inadequate financial resources	Financial/ economic loss	High	Likely	Proper planning	Ministerial budget	CECM & CO
		Underutilised market sheds	Financial loss	Low	Likely	Develop and implement Market development policy	Ministerial Budget	CECM & CO
		Lack of auxiliary infrastructure e.g.; Toilets	Disease outbreaks	Low	Unlikely			
		Political Interferences	- Delayed project completion - Financial loss	Medium	Likely	Stakeholder corroboration	Ministerial Budget	CECM & CO
		Weak market governance	Disorder within the markets	Medium	Likely	Enforce democratic	Ministerial Budget	CECM & CO

Ministry of Trade, Industry, MSMES, Innovation and Cooperatives								
Risk Profile								
No.	**Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective level**	**Impact**	**Magnitude of Impact**	**Likelihood of occurrence**	**Risk Mitigation measures for identified risk**	**Resources**	**Responsibility for Risk mitigation**
						market elections		
3.	Fair trade practices (client-based verification of weights and measure equipment and machines	Collusion	Financial loss	High	Very likely	Development & implementation of weights and measures policy	Ministerial Budget	CECM & CO
		Consumer disaffection	Consumer outcry	Medium	Likely	Enforce finance act	Ministerial Budget	CECM & CO
		Litigation	- Financial loss - Reputational damage	Medium	Likely	Implement the weights & measures policy	Ministerial Budget	CECM & CO
4.	Operationalization and turnaround of county investments (KICOTEC, Kitui	Loss of financial resources	Financial loss	High	Very Likely	Development & implementation of an investment policy	County Budgets	CECM & CO
5.	Strengthening the cooperative movement	Weak governance structures	Slow economic growth	Medium	Likely	Enhanced legal framework	Ministerial Budget & Development partners	CECM & CO
		Climate change	Low income accruing to members of producer cooperative	High	Likely	Diversification of economic activities		

Ministry of Trade, Industry, MSMES, Innovation and Cooperatives								
Risk Profile								
No.	**Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective level**	**Impact**	**Magnitude of Impact**	**Likelihood of occurrence**	**Risk Mitigation measures for identified risk**	**Resources**	**Responsibility for Risk mitigation**
6.	Financial deepening and Inclusion (Empowerment fund)	Credit default	Insolvency	High	Very Likely	Development of a group empowerment Policy.	Ministerial Budget & Development partners	CECM - Finance Fund administrator CECM -Trade
		Weak governance structures	Inefficient management	Medium	Likely	Implementation of the group empowerment policy		CECM & CO Fund administrator
		Political interference	Financial Loss	Medium	Likely	Implementation of group empowerment Policy		Fund Administrator

4.8 Ministry of Energy, Environment, Forestry and Natural Resources

Ministry of Energy, Environment, Forestry and Natural Resources								
Risk Profile								
Sn	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the strategic objective**	**Impact**	**Magnitude**	**Likelihood of occurrence**	**Mitigation Measures**	**Resources**	**Responsibility**
1.	Enhancing use of renewable energy	Vandalism of solar lighting infrastructure	Increase in insecurity, limited working hours	High	Very Likely	Adoption of integrated/ inbuilt solar designs	Ministerial budget	CECM & CO
		Substandard solar materials	Financial Loss	High	Very Likely	Acquisition of quality testing tools	Ministerial budget	CECM & CO
2.	Mineral resource mapping and inventory management	Inadequate minerals testing capacity	Untapped mineral potential	High	Very Likely	Acquisition of mineral testing equipment and tools	Ministerial budget	CECM & CO
3.	Spurring mineral investment within the county	Mineral smuggling	Loss of royalties	High	Very Likely	Development of County Mineral Policy & Act	Ministerial budget	CECM & CO
4.	Environmental Conservation and Safety	Uncontrolled waste disposal	Environmental degradation	Medium	Very Likely	Community Sensitization on best waste disposal practices	Ministerial budget	CECM & CO
5.	Increased Tree and Forest cover	Climate change risk	Landscape degradation	High	Very Likely	Adopt climate smart afforestation	Ministerial budget & Development partners	CECM & CO

Ministry of Energy, Environment, Forestry and Natural Resources								
Risk Profile								
Sn	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the strategic objective**	**Impact**	**Magnitude**	**Likelihood of occurrence**	**Mitigation Measures**	**Resources**	**Responsibility**
6.	Climate change mitigation and adaptation	Inadequate legal policy and regulatory framework	Loss of livelihood	High	Very Likely	Develop & implement the Climate Change Act	Ministerial budget & Development partners	CECM & CO

4.9 Ministry of Culture, Gender, Youth, ICT, Sports and Social Services

Ministry of Culture, Gender, Youth, ICT, Sports and Social Services								
Risk Profile								
No.	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact**	**Magnitude of Impact**	**Likelihood of Occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
1.	Developing sports infrastructure and promoting local sports talent.	Delay in project completion	Cost overruns and delayed service delivery	High	Very Likely	Regular monitoring with strict timelines	Ministerial Budget & Development partners	CECM & CO
		Land disputes	Delayed project implementation	High	Likely	Pursue land adjudication and property rights		
		Security and vandalism	Financial loss	High	Likely	Court redress		
2.	Promote, preserve culture, heritage and cultural products and social advancements	Extinction of cultural practices	Loss of cultural identity	High	Most Likely	Develop & operationalize the cultural heritage centers	Ministerial Budget & Development partners	CECM & CO
3.	Promoting gender mainstreaming in the County Public Service.	Cultural Indoctrination	Gender insensitive policies	High	Very Likely	Conduct awareness and training programs to promote gender equality.	Ministerial Budget & Development partners	CECM & CO
		Legal and policy gaps	Gender insensitive policy decisions	Medium	Likely	Develop and implement work place gender mainstreaming policy		
4.	Promoting programs that support Children, Youth, Women, PWDs, and the Elderly	Potential conflicts among different beneficiary groups.	Disaffected segments of the society	Medium	Likely	Facilitate regular stakeholder meetings and conflict resolution processes.	Ministerial budget	CECM Chief Officers
		Non-compliance with regulations	Inability to attract donor support	Medium	Unlikely	Regular training on compliance		

		governing charitable organizations.				requirements and regular internal reviews.		
5.	Providing ICT services and promote e-Government for a knowledge-based economy and governance.	Cybersecurity Risks	Loss of data, cyber bullying	High	Very Likely	Install intrusion detection systems	Ministerial budget	CECM Chief Officers
		Obsolesces	Compromised realization of desired technological benefits	High	Likely	Investment in state of heart systems		
		Insufficient technical expertise.	Technical incapacity	High	Very Likely	Regular training of the ICT personnel		
		Resistance to change	Slow uptake of E-government services	High	Likely	Create awareness and provide user acceptance training.		
		Data Risks (privacy, accuracy, and management)	Compromised information management	High	Likely	Data protection Trainings		
		Insecurity and vandalism of ICT Infrastructure	- Financial loss - Slow uptake of ICT services	High	Very Likely	Develop and implement an ICT Policy.		
6.	Empowering and mentoring Youth	Drug and substance abuse	Unwilled Youth	High	Very Likely	Conduct sensitization against drug and substance abuse	Ministerial Budget	CECM & CO

5.0 County Public Service Board

County Public Service Board								
Risk Profile								
No.	**Ministry strategic objective**	**Potential risks undermining the achievement of the strategic objective**	**Impact**	**Magnitude of the impact**	**Likelihood of occurrence**	**Risk mitigation measures for identified risk**	**Resources**	**Responsibility for risk mitigation**
1.	Promoting National values and principles of governance & Public Service	Poor ethics and weak public service culture	- Corruption and bribery - Ineffectual service delivery - Reputational damage	High	Very Likely	- Develop and implement a code of ethics for public servants - Regular dissemination of values & principles of governance	Ministerial Budget	CPSB -Chair
2.	Improving County Public Service image and customer service	Conflict of interest	Tainted corporate image	High	Likely	Sensitize staff on public officers Ethic Act	Ministerial budget	CPSB -Chair & CPSB -CO
3.	Strengthening HR systems and procedures	- Undeveloped policies and poor organizational structures	- Ineffective delivery of service Financial loss	High	likely	- Review of organizational structures - Carry out staff audits	Ministerial budget	CPSB -Chair & CPSB -Secretary

5.1 Ministry of Finance, Economic Planning and Revenue Management

Ministry of Finance, Economic Planning and Revenue Management								
Risk Profile								
Sn	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the strategic objective**	**Impact**	**Magnitude**	**Likelihood of occurrence**	**Mitigation Measures**	**Resources**	**Responsibility**
1.	Promoting prudent financial management and strong internal controls	Fire Outbreaks	- Destruction of records - Destruction of ICT systems - Destruction of office equipment	Extreme	Likely	- Data back-ups, fire management training - Well labelled exit and assembly points.	Ministerial Budget	CECM & CO
		System (ICT) failure/ hacking and cybercrime	- Loss of data, cyber - Extortion - Cyberbullying	Extreme	Likely	Intrusion detection & prevention systems.	Ministerial Budget	CECM & CO
		Delay in exchequer releases	- Creation of pending bills, - Litigations - Delay in service deliver	Medium	Very Likely	- Prudent cashflow management, - Enhanced Own Source Revenue collection - Securing of a credit line with commercial banks	Ministerial Budget	CECM & CO
		Controller of Budget (CoB) approval delays	- Delay in service delivery, - Reputational damage	Medium	Very Likely	- Stakeholder collaboration - Adherence to PFM requirements	Ministerial Budget	CECM & CO

Ministry of Finance, Economic Planning and Revenue Management								
Risk Profile								
Sn	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the strategic objective**	**Impact**	**Magnitude**	**Likelihood of occurrence**	**Mitigation Measures**	**Resources**	**Responsibility**
2.	Implementing effective and efficient resource mobilization strategy	Lack of a Revenue Administration Act (RAA	Inadequately financed budget for service delivery	High	Likely	Formulation and approval of the Revenue Administration Bill	Ministerial budget	CECM & CO
		Unintegrated revenue collection system	Poor revenue reporting and forecasting	High	Very Likely	Integrate and automate all revenue collection streams	Ministerial budget	CECM & CO
		Unskilled human capital	Low revenue collection	High	Very Likely	Training and retooling of revenue staff	Ministerial Budget	CECM & CO
3.	Promoting effective & efficient acquisition and disposal of goods, works and services.	Procurement impropriety /Fraud	- Compromised standards of works, products & goods - Financial loss	High	Very Likely	- Disseminate values of good governance - Sensitize staff on procurement requirements	Ministerial Budget	CECM & CO
4.	Ensuring effective Economic Planning Monitoring, Evaluation and production of county statistics	Delayed approval of precursor National documents on Budgeting and Planning., MTP, County Allocation of Revenue Act (CARA)	- Late production of county plans and budgets - Budgets and plans irregularly anchored on expiring plans	Medium	Likely	Close collaborations/ engagements with the National Government	Ministerial budget	CECM & CO

Ministry of Finance, Economic Planning and Revenue Management								
Risk Profile								
Sn	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the strategic objective**	**Impact**	**Magnitude**	**Likelihood of occurrence**	**Mitigation Measures**	**Resources**	**Responsibility**
		County Assembly interference in Ministries Budget ceilings against Regulation 37 of the Public Finance Management (Counties), 2015.	Non-delivery of planned service delivery	Medium	Very Likely	Close collaboration and engagements with the County assembly.	Ministerial budget	CECM & CO
5.	Promoting oversight on governance, risk management and internal controls.	Non-appointment of an audit committee	- Weak internal controls; and - Poor governance structures	High	Very Likely	Appoint an audit committee as per Regulations 167 of Public Finance Management Regulations, County governments.	Ministerial budget	The Governor & CPSB
		Limitation of scope	Compromised assurance on governance and internal controls	High	Very Likely	Compliance with PFM Act and Regulations	Ministerial budget	CECM & CO

5.2 Ministry of Agriculture and Livestock

Ministry of Agriculture and Livestock								
Risk Profile								
No.	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact of the Risk**	**Magnitude of Impact**	**Likelihood of Occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
1.	Formulating, & implementing the monitoring of agricultural policies, legislations and regulations	Limited technical capacity on policy formulation	Ineffective policy frameworks	High	Likely	Capacity building of staff and technical assistance from relevant stakeholders on policy formulation	Ministerial budget and development Partners	CECM & CO
2.	Promotion of agriculture transformation through extension and advisory services;	Low staff-farmer ratio	Low crop and livestock productivity	High	Very Likely	Adopt farmer to farmer extension model	Ministerial budget	CECM & CO
		Low adoption of emerging agricultural technologies	Low farm productivity, reduced incomes and food Nutrition insecurity	High	Likely	Adopt Climate Smart Agriculture (CSA)	Ministerial Budget & development Partners	CECM & CO
		Fire outbreaks	Loss of property Financial loss	Low	Likely	Installation of fire management systems, Capacity building on fire safety	Ministerial budget	CECM & CO

Ministry of Agriculture and Livestock								
Risk Profile								
No.	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact of the Risk**	**Magnitude of Impact**	**Likelihood of Occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
		Theft and burglary of equipment and machinery	- Loss of property - High costs of replacement of assets/equipment	Low	Likely	Enhance security, assets insurance, surveillance, monitoring and supervision	Ministerial Budget	CECM & CO
3.	Promotion of sustainable land use management practices for conservation of natural resource base for agriculture.	Drought	Low farm productivity, food & nutrition insecurity, reduced incomes	High	Likely	Enhance capacity building on CSA technologies,	Ministerial Budget	CECM & CO
		Biodiversity loss	Loss of beneficial fauna and flora (Medicinal plants & microorganisms, reduced crop productivity, loss of potential plant breeding materials)	High	Likely	Promote establishment of indigenous tree species, agroforestry, conservation of natural habitats and reduced pollution activities	Ministerial Budget & Development Partners	CECM & CO

Ministry of Agriculture and Livestock								
Risk Profile								
No.	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact of the Risk**	**Magnitude of Impact**	**Likelihood of Occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
		Soil erosion and degradation l	Low crop and livestock productivity, food &nutrition insecurity and reduced incomes	High	Likely	Soil and water conservation, soil fertility improvement, adoption of good animal and crop husbandry, sensitization on stocking rates.	Ministerial Budget & Development Partners	CECM & CO
	Promotion of access to agricultural markets and value addition;	Changing market needs and consumer preferences	Produce wastage and reduced incomes	Medium	Likely	Conducting research on market needs and Provision of timely market information	Ministerial Budget and development Partners	CECM & CO
		Inadequate knowledge in value addition and high cost of equipment	Low-value commodities and reduced household incomes	High	Vey likely	Building capacity on value addition and support in value addition equipment	Ministerial Budget and development Partners	CECM & CO
		Crop and livestock Pests & diseases infestation and infection	High costs of treatment, low productivity and loss of incomes.	High	Very likely	Enhance pest & disease surveillance, awareness creation, scheduled vaccinations,	Ministerial Budget and development Partners	CECM & CO

Ministry of Agriculture and Livestock								
Risk Profile								
No.	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact of the Risk**	**Magnitude of Impact**	**Likelihood of Occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
						intergraded pests' management and good husbandry practices		
		Livestock inbreeding	Reduced productivity and incomes	High	Most likely	Capacity building on breed selection, Artificial Insemination (AI)	Ministerial Budget and development Partners	CECM & CO
		High costs of farm inputs and equipment.	Low farm productivity, reduced incomes and food & nutrition insecurity	High	Most likely	Enhancing farm input support, Increasing subsidy programs and promotion of seed bulking	Ministerial Budget and development Partners	CECM & CO
		Low youth involvement in agriculture	Low farm productivity, reduced incomes and food & nutrition insecurity	Medium	Most likely	Promotion of youth-friendly enterprises and mechanization	Ministerial Budget and development Partners	CECM & CO
		Resistance to pesticides and drugs	Reduced productivity and incomes	High	Likely	Capacity building on pest & disease management and promotion of	Ministerial Budget and development Partners	CECM & CO

Ministry of Agriculture and Livestock								
Risk Profile								
No.	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact of the Risk**	**Magnitude of Impact**	**Likelihood of Occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
						integrated pest management		
		Human-livestock-wildlife conflict	Loss of assets, injury to human &livestock, potential deaths	Low	Likely	Enhance collaboration with KWS	Ministerial Budget and development Partners	CECM & CO
		Insecurity hampering disease surveillance in insecure-prone areas	Disease outbreaks, high costs of treatment, low productivity and loss of incomes	Low	Likely	Collaboration with National government on national security issues and enhancing Inter County peace committees	Ministerial Budget and development Partners	CECM & CO
5.	Enhancing food safety	Aflatoxicosis and food poisoning	High costs of treatment, potential loss of life	High	Likely	Capacity building on post harvest management, input support, monitoring and timely reporting	Ministerial Budget and development Partners	CECM & CO

Ministry of Agriculture and Livestock								
Risk Profile								
No.	**Ministry Strategic Objective**	**Potential Risks undermining the achievement of the Strategic Objective**	**Impact of the Risk**	**Magnitude of Impact**	**Likelihood of Occurrence**	**Risk Mitigation Measures for identified risk**	**Resources**	**Responsibility for risk Mitigation**
		Food-borne diseases	High costs of treatment, potential loss of life	High	Likely	Capacity building on veterinary public health, training of meat inspectors, enhance linkages with law enforcing and licensing agencies.	Ministerial Budget and development Partners	CECM & CO
		Anti-microbial resistance	High costs of treatment, potential loss of life	High	Likely	Create awareness on safe use of chemicals, promoting organic farming	Ministerial Budget and development Partners	CECM & CO

5.3 Ministry of Lands, Housing and Urban Development

Ministry of Lands, Housing and Urban Development								
Risk Profile								
No	**Ministry strategic Objective**	**Potential risks undermining the achievement of the strategic objective**	**Impact**	**Magnitude of impact**	**Likelihood of occurrence**	**Risk mitigation Measures for identified risk**	**Resources**	**Responsibility for risk mitigation**
1.	Formulating & monitoring the implementation of land policies and legislations	Limited technical capacity on policy formulation	Ineffective policy frameworks	High	Likely	Capacity building of staff and technical assistance from relevant stakeholders on policy formulation	Ministerial Budget	CECM & CO
2.	Ensuring land titling and adjudication	Corruption in land transfers	Dispossession of land ownership	High	Most Likely	Constitution of a County Land Formalization and Regularization committee.	Ministerial Budget	CECM & CO
3.	Maintaining real time data, plans and resolving land related disputes promptly	Lack of equipped GIS Lab	Lack of GIS based plans	Medium	Likely	Equipping of the GIS Lab	Ministerial Budget	CECM & CO
		Lack of Land Information Management System	Revenue leakages	Medium	Likely	Procure & embed LIMS in the revenue systems	Ministerial Budget	CECM & CO
		Out dated or lack of physical and land use plans	Multiple allocation of plots	Medium	Likely	- Procuring of the LIMs - Revision and preparation of new local	Ministerial Budget	CECM & CO

Ministry of Lands, Housing and Urban Development								
Risk Profile								
No	**Ministry strategic Objective**	**Potential risks undermining the achievement of the strategic objective**	**Impact**	**Magnitude of impact**	**Likelihood of occurrence**	**Risk mitigation Measures for identified risk**	**Resources**	**Responsibility for risk mitigation**
						physical and land use plans		
4.	Promotion of clean, safe and healthy environment in urban areas	Insufficient dump sites	Increased environmental pollution	High	Very Likely	Urban Land banking	Ministerial Budget & development partners	CECM & CO
		Vandalism lighting infrastructure	- Increased insecurity - Economic loss	High	Very Likely	Installation of integrated solar energy lights	Ministerial Budget	CECM & CO
		Inadequate garbage collection machinery and equipment	Increased environmental pollution	High	Very Likely	Purchase of dump truck, skip loaders and garbage tractors	Ministerial Budget	CECM & Municipal Manager
5..	Improving urban mobility	Encroachment of road reserves	Unplanned development	High	Very Likely	- Resurveying - Clearing road reserves and open spaces	Ministerial Budget	CECM, CO & Municipal Manager
		Poor drainage infrastructure	- Flooded streets - Destruction of property	Medium	Likely	- Desilting - Construction of storm water drainage channels	Ministerial Budget	Municipal /Board Managers

Ministry of Lands, Housing and Urban Development								
Risk Profile								
No	**Ministry strategic Objective**	**Potential risks undermining the achievement of the strategic objective**	**Impact**	**Magnitude of impact**	**Likelihood of occurrence**	**Risk mitigation Measures for identified risk**	**Resources**	**Responsibility for risk mitigation**
6.	Updating the property valuation roll	Fluctuating property values	Decreased own source revenue	High	Very Likely	Preparation of annual supplementary valuation roll	Ministerial Budget & Development partners	CECM & CO
		Delayed land registration	Low collection of Revenue	Medium	Likely	Collaborate with National Government Land agencies to fast track the land	Ministerial Budget	CECM & CO

TEMPLATE 5: RISK TREATMENT ACTION PLAN

To make the risk management policy operational the following implementation plan shall be applied in the County Government of Kitui. The incorporated key activities, milestones and resources are essential to the actualization of a process, procedures and activities guided action within the operations and administration of the County.

Activity	Responsibility	Date
Approval of the Risk Management Policy	CEC	Threatens viability of County operations
Communicate Policy	CECM -Finance	After approval
Allocate and communicate roles and responsibilities	CECM -Finance	After approval
Train risk owners on risk management system and tools	Accounting Officer	After approval
Review status and progress report	Risk Champion	In one year
Perform follow up assessment of implementation issues, implement remedial actions	Risk Champion	After one year
Conduct risk surveys	Risk Champion/Risk owners	Quarterly
Develop and implement supporting policies e.g. whistleblowing Program	Audit Committee	As guided from time to time
Incorporate risk assessment into strategic and operational planning.	Departmental Heads	Annual
Review risk management policy	CECM	Within first 5 years

TEMPLATE 6: QUARTERLY RISK REPORTING

Report Type	Users	Frequency	Purpose & Content
Risk Management Report	1. External and Internal stakeholders 2. Governing Body 3. Board risk assurance committee 4. Risk Management committee 5. Head Internal Audit Unit	Annual /as per the entity risk policy	Annual reports should document risk management activities of the entity and highlight key risks facing the entity and how these are being managed. In addition, the following may be considered: 1. Risk register 2. Significant risks: information provided on these risks include risk owner, risk treatment, additional treatments and timeframes and any other information 3. Risk trends: trend analysis can only occur where there is frequent and regular assessment of risks. Trend reports can cover movements in risks, identifying those which are getting worse or better; show the effect of treatments on risk; identify risks that need further treatment. 4. New or emerging risks: by conducting regular assessments, reports on new or emerging risks should be able to be compiled 5. Risks with ineffective controls: the provision of this information will allow the CEC and the Accounting Officer to identify potential points of business failure requiring urgent response or action 6. Risk categories: generic risk categories are strategic, operational, compliance and reporting (both financial and management) etc The report to be prepared by the risk management unit.

Risk Management Assurance Report	1. Governing Body 2. Audit committee 3. Risk assurance committee 4. Risk Management committee	Periodic as per audit plan	1. Provide independent and objective assurance on the effectiveness of the entity's risk management arrangements including reviewing risk management processes, the management and reporting of key risks and giving assurance that risks are correctly evaluated. 2. Provide assurance on the effectiveness of the system of internal control and risk assessment. 3. Providing assurance to the Governing Body and other stakeholders that key risks are properly identified, assessed, and treated.

TEMPLATE 7: SAMPLE RISK APPETITE/ TOLERANCE MATRIX

Category	Item	Green (Appetite)	Amber (Tolerance)	Red (Limit)	Internal Monitoring & Reporting	External Monitoring & Reporting
Strategic	Strategic impact on Department/Unit measured against set key performance Iindicators (KPI)	No appetite- KPI targets are met	Minor KPI target(s) are not met	Key strategic objective(s) shall not be met as per legislation	Relevant committee: Minor KPI target not met. Governing Body: Will not meet a strategic objective	If deemed appropriate by Governing Body
Financial	Monetary value of Financial impact of Identified risks, after mitigation	2.5% of budget or ≤ KShs. ----	Between 2.5 and 5% budget or between xxx and xxx KShs	>5% of the budget or xxx Khs	Relevant committee: > KShs xxx or 4% of Budget Governing Body: >KShs or 10% of budget	If deemed appropriate by Governing Body
Operational	Lack of quality in response to stakeholder requirement	0 complaints from individual stakeholders	< 2 complaints from Individual stakeholder	> 2 complaints from Individual stakeholder	Relevant committee: if >2 working days or >2 complaints from individual stakeholder Governing Body: if deemed appropriate by committee	If deemed appropriate by Governing Body
	Unavailability and / or system(s) failure	1 working day	< 2 working days	>2 working days		
	Unable to provide core services	1 working day	< 2 working days	>2 working days		

Reputational	Adverse media Coverage and/or public attitude	No Adverse media coverage	Critical articles in press and / or public criticism from regulatory body	Ministerial concern or Comparable political repercussions	Relevant committee: Critical article in press or criticism from regulatory body or < 2 concurrent complaints from individual stakeholder Governing Body: Anything involving political repercussion or >2 concurrent complaints	if deemed appropriate by Governing Body
	Loss of stakeholder confidence	0 complaints from Individual stakeholders	< 2 complaints from individual stakeholder	> 2 complaints From individual stakeholder		
Compliance	Confirmed and qualified breaches of Compliance and/or Regulatory requirements	Compliance with all Standards internal and external	Minor noncompliance with internal standards or protocols	Noncompliance with Regulatory and/or other compliance requirements	Governing Body: if deemed material by committee	if deemed appropriate by Governing Body