



REPUBLIC OF RWANDA SOUTHERN PROVINCE

NYAMAGABE DISTRICT

Risk Management Policy & Framework

March, 2025

Table of Contents

RISK MANAGEMENT STATEMENT	5
1. Acronyms and Glossary of Terms	7
1.1 Acronyms	7
1.2 Glossary of Terms	8
2. PREAMBLE	12
2.1. BACKGROUND, MANDATE AND GOVERNANCE	12
3. Objectives, Scope and References of the Risk Management Policy	15
3.1 Objectives of the Policy	15
3.2 Scope of the Risk Management Policy	15
3.3 References for the Risk Management Policy	16
4. Principles of Risk Management	17
5. Risk Management Framework	19
5.1 Risk and Risk Management as it applies to NYAMAGABE District	19
5.1.1 Risk	19
5.1.2 Risk Management	19
5.2 NYAMAGABE District Risk Management Framework	19
5.2.1 Leadership and Commitment	20
5.2.2 Integration	21
5.2.3 Design	21
5.2.4 Implementation	22
5.2.5 Evaluation	22
5.2.6 Improvement	22
5.3 NYAMAGABE District Risk Management Process	23



5.3.1 Communication and consultation	24
5.3.2 Scope, Context, Criteria	25
5.3.3 Risk assessment	26
5.3.4 Risk Treatment.....	27
5.3.5 Monitoring and Reviewing.....	28
5.4 Recording and Reporting	29
6. Risk Criteria.....	29
6.1 Factors to be considered in setting risk criteria.....	30
6.2 Steps for setting risk criteria.....	31
6.3 Risk Criteria Zones	34
7. Risk Categorization.....	36
8. NYAMAGABE District Risk Management Policy Framework.....	42
9. Risk Management Methodology.....	44
9.1 Risk Management Operationalization Tools.....	46
9.1.1 Risk and Control Self-Assessment (RCSA).....	46
9.1.2 Key Risk Indicators.....	46
9.1.3 Incident Management.....	46
9.1.4 Action Tracking.....	47
9.1.5 Compliance Management.....	47
9.1.6 Risk-based Internal Audit (RBIA).....	48
10. Risk Management Governance, Roles & Responsibilities	49
10.1 Risk Management Governance Structure.....	49
10.2 Risk Management Roles & Responsibilities.....	52
10.2.1 District Council.....	52
10.2.2 The District Audit & Risk Committee.....	53



10.2.3	District Executive Committee	54
10.2.4	Chief Budget Manager/District Executive Secretary	55
10.2.5	District Risk Management Committee (RMC).....	56
10.2.6	District Risk Management Coordinator	57
10.2.7	Senior Management.....	58
10.2.8	Sector Council.....	59
10.2.9	Health Centre Health Committee	59
10.2.10	Internal Audit	60
10.2.11	Risk Champions (RCs).....	60
10.2.12	All Staff Members.....	61
11.	Risk Management Performance Review	61
12.	Interpretation of the Policy.....	62
13.	Applicability and Adoption.....	62
14.	Policy Approval	62
Appendix 1:	ERM Templates.....	63
Appendix 2:	Risk maturity assessment.....	65



RISK MANAGEMENT STATEMENT

NYAMAGABE District is a decentralized unit in Southern Province and a public entity bound by Public Finance Management laws and regulations is committed to implementing a comprehensive risk management framework that can identify potential risks, assess their impact, and develop strategies to mitigate or minimize them in pursuit of its objectives. This policy outlines our commitment to managing risks and fostering a culture of proactive risk management within the NYAMAGABE District.

The District Council will oversee the implementation of the risk management framework while the Executive Committee shall take responsibility of ensuring its implementation, monitoring risk-related activities, providing guidance, and ensuring compliance with the policy.

Our risk management framework will follow international best practices, our laws and regulations as well as guidelines issued by MINECOFIN.

We recognize and commit to establish systems to manage all the risk categories documented in this policy. The District will apply best practice on each of the recognized risk categories and the most suited function within the District that will take leadership by integrating in their management approach.

NYAMAGABE District shall use the Risk Management tools to actualize a practical application of Risk Management. The Risk & Controls Self-Assessment tool shall be the basis of identifying, analyzing, evaluating and treating risks. The risk monitoring tools to be used are Key Risk Indicators, Compliance Management, Incident Management and Action Tracking. The review and improvement of risk management shall apply the Risk-Based Internal Audit tool to provide independent assurance on effectiveness of Risk Management.

The various risk owners shall be providing their risk reports based on these tools. The risk reporting shall be against the approved Risk Criteria and shall form basis of escalation and actions being taken.

By adopting this Risk Management Policy, NYAMAGABE District reaffirms its dedication to effectively managing risks and safeguarding our operations and the policy will serve as a guiding framework for all risk-related activities within NYAMAGABE District.



UWAMAHORO Clotilde

Chairperson of the District Council



1. Acronyms and Glossary of Terms

1.1 Acronyms

ALARP	As Low As Reasonably Practicable
ERM	Enterprise Risk Management
HoD	Head of Department
IRL	Inherent Risk Level
ISO	International Standards Organisation
KRI	Key Risk Indicator
PFM	Public Finance Management
RAG	Red, Amber and Green
RBIA	Risk-based internal audit
RC	Risk Champion
RCSA	Risk and Control Self-Assessment
RM	Risk management
RMC	Risk management committee
RRL	Residual Risk Level
SP	Strategic Plan

1.2 Glossary of Terms

Assessed unit

Refers to a division, DASSO, unit, Sectors inclusive of Cells, Schools under sector education, health centers including health posts, medicalized health centers, process, program me or project of The District being what risk assessment is based on.

Control

Any measure or action that modifies or maintains risk, which may include; any policy, procedure, practice, process, technology, technique, method, or device. Risk treatments become controls, or modify existing controls, once they are implemented.

Control effectiveness

The extent to which a control is fit for purpose, well designed, consistent, complete, reliable and timely operated in risk mitigation.

Critical success factor

The resources, inputs and capabilities that must be present in order to achieve an objective.

Event

An occurrence or incident, from external or internal sources, that affects the achievement of The District's objectives. Events can have negative consequences, positive consequences, or both. Events with negative consequences represent threats. Events with positive consequences represent opportunities.

Inherent (gross) risk

The exposure arising from a specific risk before any action or control has been put in to manage it.

District Senior Management

Refers to the Mayor, Vice Mayors, Executive Secretary, Division Manager, Directors of Unit in District and Sector Executive Secretaries.

Near miss

An incident that didn't evolve into a consequence.

Process

Refers to a set of interrelated or interacting activities which transform inputs into outputs in order to achieve desired results.

Residual (net) risk

The exposure arising from a specific risk after an action or control has been put in place to manage it and making the assumption that the action or control is effective.

Risk

Risk is the effect of uncertainty of objectives.

Risk and control self-assessment (RCSA)

A process used by management to identify, measure and evaluate risks and controls.

Risk bow tie analysis

A graphical presentation of the risk event, the sources and consequences.

Risk champion

An officer who supports and defends risk management cause. Therefore, a champion of risk management will promote its benefits, educate the assessed unit's management and staff in the actions they need to take to implement it and will encourage them and support them in taking those actions.

Risk impact

The outcome of an event affecting objectives.

Risk likelihood

The chance of a risk event happening

Risk matrix

A tool for ranking and displaying risks by defining ranges for consequences and likelihood.

Root cause analysis

Refers to the identification of underlying causes of identified risk events or incidents, so that the most effective control measures can be identified and implemented.

Risk criteria

Are the terms of reference against which the significance of risk is evaluated. The criteria can be derived from standards, laws, policies and other requirements.

Risk assessment

The overall process of analysis and evaluation of a risk with regard to its consequence and the likelihood of being realized, and the selection of an appropriate risk response by The District.

Risk culture

The set of shared attitudes, values and practices that characterize how The District considers risks in its day-to-day activities

Risk drivers

These are the sources of risk events

Risk indicator

These are measurements or parameters used by management to show how risky an event or activity is. They warn of the most obvious areas where problems may arise, thus the term Key Risk Indicators.

Risk profile/register

A documented and prioritized assessment of the range of specific risks faced by the District.

Risk management framework

The totality of the structures, methodologies, procedures and definitions that the District has chosen to use to implement its risk management processes

Risk owner

Is the individual, mostly at senior leadership level, who is ultimately accountable and authority for ensuring risk is managed appropriately. There may be multiple personnel who have direct responsibility for, or oversight of, activities to manage each identified risk, and who collaborate with the accountable risk owner in his/her risk management efforts. The Risk Owners in the District are Mayor & Vice Mayors, Executive Secretary, Division Manager, Directors of Unit, Executive Secretary of Sector and Health Centre Managers.

Risk treatment

The set of actions that may be taken in response to a risk.

Stakeholders

The person(s) or organization(s) that can affect, be affected or perceive themselves to be affected by a decision or activity of the District.

Subsidiary entity

Is an entity without legal personality and financial and administrative autonomy, supervised by and funded through the District.

2. PREAMBLE

2.1. BACKGROUND, MANDATE AND GOVERNANCE

NYAMAGABE District is located in the southern province of Rwanda, West of city of Kigali, it's also one of the eight districts comprising the Southern Province. It is subdivided into twelve (17) sectors, ninety-two (92) cells and three hundred thirty-one (536) villages (Imidugudu). Nyamagabe District i has a surface area of 1,090 square kilometers and a population of 371,501 (as of the 2022 census), resulting in a population density of 341 people per square kilometer and, it is neighbouring the Districts of Karongi in the North, Ruhango, Nyanza and Huye Districts in the East, Nyaruguru in the South and in Rusizi and Nyamasheke Districts in the West.

2.2. Mandate of NYAMAGABE District

According to article 8 of Law N° 065/2021 of 09/10/2021 governing the District, the District is responsible for the following:

- 1 ° to implement Government policies;
- 2 ° to provide services that are not delivered by other administrative entities of a District;
- 3 ° to monitor the administration of Sectors;
- 4 ° to prepare the development plan of a District and ensure its implementation;
- 5 ° to coordinate and implement development programs;
- 6 ° to maintain infrastructure and handle technical and financial matters;
- 7 ° to mobilise resources and put in place strategies for collection of taxes and fees in accordance with relevant laws;

- 8 ° to monitor activities and functioning of other State organs operating at the District level;
- 9 ° to promote partnership and cooperation with other Districts, Cities and other organs at national or international levels;
- 10 ° to maintain the safety of people and property in a District;
- 11 ° to coordinate planning activities of Sectors;
- 12 ° to put in place and promote programs designed to promote the social welfare and economic development.

Vision of the entity

The District of NYAMAGABE as a recognized satellite city, the direction of the district is to become a Green Secondary City with an Essential focus in Mining, Quarry and Commercial Businesses.

Mission of the entity

The mission of the district is to implement the government policy, to give services and help sectors to deliver quality services, to establish, coordinate and implement development programs and to promote solidarity and cooperation with Districts.

2.3. Organizational structure

NYAMAGABE district is organized into three (3) administrative organs namely: District Council, the District Executive Committee, and the Executive Secretariat. The Security Committee and the Coordination Committee technically assist these organs.

The Council has the powers to establish instructions and resolutions applied in the territorial limits of the District.

The District Executive Committee is composed of;

1. The Mayor
2. The Vice Mayor in charge of Economic Development, and;

3. The Vice Mayor in charge of Social Affairs.

The Executive Committee has the powers of establishing safety instructions, supervising the implementation of activities, appointment, suspension and permanent dismissal of staff.

The Executive Secretariat is headed by an Executive Secretary assisted by the Corporate Services Division Manager. It is subdivided into ten (10) units namely:

- a. Infrastructure One Stop Centre;
- b. Business Development and Employment Unit;
- c. Agriculture and Natural Resources Unit;
- d. Good Governance Unit;
- e. Social Development Unit;
- f. Health Unit;
- g. Education Unit;
- h. Finance Unit;
- i. Human Resource and Administration Unit
- j. Planning, Monitoring and Evaluation Unit.

Methodology of Preparing the Policy

This policy was developed through reviewing procedures, benchmarking to Risk Management best industry practices, and consultative engagement with the District Management and the office of the Internal General Auditor under the Ministry of Finance and Economic Planning.

3. Objectives, Scope and References of the Risk Management Policy

3.1 Objectives of the Policy

The specific objectives of this policy are:

- i. To establish and integrate effective risk management practices in all aspects of NYAMAGABE District activities.
- ii. To establish a framework of early identification and alignment of risks to the respective NYAMAGABE District's objectives they are affecting.
- iii. To establish objective tools of assessing, measuring and monitoring of all NYAMAGABE District's risks.
- iv. To establish a risk criteria and tolerance levels against which NYAMAGABE District risks will be evaluated.
- v. To establish adoption of risk treatment strategies that are cost effective and efficient in reducing NYAMAGABE District's risks to acceptable levels.
- vi. To establish provision of accurate risk information through timely reporting for effective decision making.
- vii. To establish an appropriate risk governance and management structure for supporting the risk function in NYAMAGABE District.

3.2 Scope of the Risk Management Policy

This policy shall cover:

- i. All divisions, units, processes, functions and programs/projects within NYAMAGABE District operations.

- ii. Subsidiary entities Schools and Sectors (Inc. Cells), health centers and health posts. Where there is District hospitals, they will be required to establish own policy and framework.
- iii. Planning, monitoring and evaluation processes.
- iv. Reporting processes.
- v. Decision making processes and hierarchies.

3.3 References for the Risk Management Policy

The policy has been framed in line with the following risk management and governance standards, directives and guidelines:

- i. Most current Laws on Public Finance Management;
- ii. Most current Ministry of Finance and Economic Planning Risk Management Guidelines: provides risk management guidelines for the public sector in Rwanda;
- iii. Most current ISO 31000, *Risk management – Principles and guidelines*: provides principles, framework, and a process for managing risk.

4. Principles of Risk Management

The Risk Management practices at NYAMAGABE District are based on the following principles as adopted from ISO 31000 Risk Management Standard.

i. Integration

NYAMAGABE District adopts a risk-based management approach that will cut across and integrate all its activities including but not limited to District divisions & units, processes, projects, programmes, decision making, reporting, planning and all operations of Subsidiary Entities.

ii. Structured

NYAMAGABE District shall adopt a systematic approach to risk management that contributes to consistent and comparable results.

iii. Comprehensive

NYAMAGABE District shall adopt a complete and exhaustive approach to risk management that shall be applied in all areas under the scope.

iv. Customized

NYAMAGABE District shall customize risk management framework and processes to fit the organization — in particular, its risk profile, design, culture and risk criteria taking into consideration its external and internal context related to its objectives.

v. Inclusive

NYAMAGABE District shall adopt a decentralized approach to risk management that advances appropriate and timely engagement of all stakeholders and partners by enabling their knowledge, views, and perceptions to be considered. The District recognizes that risk management is the responsibility of everyone in the district.

vi. Dynamic

NYAMAGABE District recognizes that risks can emerge, change, or disappear as an organization's external and internal context changes. As such, the District shall develop a risk management framework that expects, detects, acknowledges and responds to those changes and events in an appropriate and timely manner.

vii. Best available information

The inputs to NYAMAGABE District risk management approach are based on the best available historical and current information, as well as on future expectations. NYAMAGABE District's Risk Management Framework shall clearly take into account any limits and uncertainties associated with such information and expectations and ensure information is timely, clear, and available to relevant stakeholders.

viii. Human and cultural factors

NYAMAGABE District recognizes human behaviour as an essential aspect of organizational culture that significantly influences risk management at all levels and stages, hence it shall consider the effects of such aspects in NYAMAGABE District risk management processes.

ix. Continual improvement

NYAMAGABE District commits to a continuous learning, review and improvement of its risk management framework and process, so as to maintain a strong, relevant and best practice risk management framework.

5. Risk Management Framework

The purpose of the risk management framework is to assist NYAMAGABE District to integrate risk management into its activities and functions. The effectiveness of risk management depends on its integration into the governance of NYAMAGABE District including decision-making which requires support from stakeholders.

5.1 Risk and Risk Management as it applies to NYAMAGABE District

5.1.1 Risk

Risk is the effect of uncertainty on NYAMAGABE District objectives.

An **effect** is a deviation from the expected. It can be positive, negative or both and can address, create or result in opportunities and threats.

Uncertainty is the state, even partial, of deficiency of information related to understanding or knowledge of an event, its consequence or likelihood.

Objectives can have different aspects (such as financial, safety or environmental goals) and can apply at different levels (such as strategic, project, process, etc.).

5.1.2 Risk Management

Risk Management is *coordinated activities to manage the effect* of uncertainty on NYAMAGABE District objectives.

5.2 NYAMAGABE District Risk Management Framework

NYAMAGABE District risk management framework is anchored on Leadership and Commitment based on ISO 31000: 2018 Risk Management Standard. This is to ensure its integration into the governance of NYAMAGABE District including the decision-making process. The components of NYAMAGABE District framework shall encompass integrating, designing, implementing, evaluating and improving risk management across the organisation as depicted in *figure 1* below.



Figure 1. NYAMAGABE *District Risk Management Framework*

5.2.1 Leadership and Commitment

NYAMAGABE District Council shall ensure that risk management is integrated into all its activities and shall be accountable for overseeing risk management and shall demonstrate leadership and commitment as the responsibilities assigned to them in this policy.

NYAMAGABE District Senior Management is accountable for managing risks and shall demonstrate leadership and commitment by:

- i. Customising and implementing all the components of this framework;
- ii. Ensuring that systems to manage such risks are implemented and operating effectively;
- iii. Ensuring such risks are appropriate in the context of NYAMAGABE District's objectives; and
- iv. Ensuring that information about such risks and their management is properly communicated.

5.2.2 Integration

Integrating risk management into NYAMAGABE District should be a dynamic, adaptive, and customized process that aligns with the district's specific needs and culture. It must be embedded within, rather than separate from, the core elements of NYAMAGABE District, including its purpose, governance, leadership commitment, and strategy. Risk management should also be integrated into NYAMAGABE District's objectives, District divisions & units, processes, projects, programmes, decision making, reporting, planning and all operations of Subsidiary Entities.

Additionally, risk management should be embedded within the districts' organizational structure, becoming an integral part of accountability and oversight roles within the governance processes.

5.2.3 Design

NYAMAGABE District risk management framework shall be designed by thorough examination and understanding of its external and internal context such as contractual relationships, interdependencies, organisational structure, information flow among others.

The NYAMAGABE District Council shall ensure the design of the risk management framework is documented in the risk management policy with clear assigned roles, authorities, responsibilities and accountabilities at all levels of management. Individuals who have accountability and authority to manage risks must be identified.

NYAMAGABE District Council and Senior Management shall ensure allocation of appropriate resources for risk management every year through budgetary allocation to cover:

- i. Development of people, skills, experience and competence in risk management;

- ii. Tools, Information and knowledge management system to support risk management;
- iii. Professional development and training of the core team.

NYAMAGABE District Senior Management shall develop and adopt a Risk Communication and Consultation plan to ensure timely and relevant risk information collection, collating, synthesizing and sharing as appropriate and that feedback is provided and improvements made.

5.2.4 Implementation

NYAMAGABE District Senior Management shall implement the risk management framework by:

- i. Developing an appropriate plan including time and resources;
- ii. Identifying where, when and how different types of decisions are made across NYAMAGABE District, and by whom;
- iii. Modifying the applicable decision-making processes where necessary;
- iv. Ensuring that arrangements for managing risk are clearly understood and practised within NYAMAGABE District.

5.2.5 Evaluation

NYAMAGABE District Council and Senior Management shall evaluate the effectiveness of the risk management framework by:

- i. Periodically measuring risk management framework performance against its purpose, implementation plans, indicators and expected behavior;
- ii. Determining whether the Risk Management framework remains suitable to support achieving its objectives.

5.2.6 Improvement

NYAMAGABE District Senior Management is committed to

maintaining robust, relevant and good practice risk management
principles adapting



to internal and external changes. As such, it is committed to continually improving the suitability, adequacy and effectiveness of the Risk Management Framework and the way risk management processes are integrated.

Through a Plan-Do-Check-Act model of continual improvement, NYAMAGABE District Senior Management shall be undertaking, gap analysis, benchmarking exercises, routine reviews and comparative analysis to enhance efficiency and effectiveness of risk management in the District.

5.3 NYAMAGABE District Risk Management Process

NYAMAGABE District risk management process as illustrated in figure 2 below, shall involve systematic application of policies, procedures and practices to the activities of communicating and consulting, establishing the context, risk assessment, risk treatment, monitoring and review, and recording and reporting. The risk management process shall be an integral part of management and decision-making and shall be integrated into the structure, all operations and all processes of the district either at strategic, operational, programme or project levels.



Figure 2. NYAMAGABE District Risk management process

5.3.1 Communication and consultation

Communication and consultation with external and internal stakeholders should take place during all stages of the risk management process. Therefore, plans for communication and consultation should be developed at an early stage. These should address issues relating to the risk itself, its sources, its consequences (if known), and the measures being taken to treat it.

The risk management process of communication and consultation have to establish the context appropriately and ensure to bring different areas of expertise together for analyzing risks for each step of the risk management process by considering the different views when defining risk criteria and when evaluating risks.

Communication and consultation with stakeholders are important as they make judgements about risk based on their perceptions of risk.

These perceptions can vary due to differences in values, needs, assumptions, concepts, and concerns of stakeholders. As their views can have a significant impact on the decisions made, the stakeholders' perceptions should be identified, recorded, and considered in the decision-making process. Communication and consultation should facilitate truthful, relevant, accurate and understandable exchanges of information, considering confidential and personal integrity aspects.

5.3.2 Scope, Context, Criteria

The first step of risk management is to understand the objectives, scope, context of its operations customized and structured in all activities by considering different levels of application such as strategic, operational, program me, project or other levels and clearly define relevant objectives at the various levels while ensuring their alignment with district's objectives.

The risk management process shall specify the amount and type of risk that NYAMAGABE District may or may not take relative to its objectives and shall define the criteria to evaluate the significance of risk to support decision making process. This shall be defined in the NYAMAGABE District's Risk Criteria. The risk criteria shall be customized with the district's threat and opportunities and shall reflect its values, objectives and resources taking into consideration its obligations and views of stakeholders.

There are two elements that are important to consider when establishing the context for a risk assessment within the District:

➤ **The external context:**

- the social, cultural, political, legal, regulatory, financial, technological, economic and environmental factors, whether international, national, regional or local;



- key drivers and trends affecting the objectives of the district;
- external stakeholders' relationships, perceptions, values, needs and expectations;
- contractual relationships and commitments;
- the complexity of networks and dependencies.

➤ **The internal context:**

- vision, mission and values;
- governance, organizational structure, roles and accountabilities;
- strategy, objectives and policies;
- the organization's culture;
- standards, guidelines and models adopted by the district;
- capabilities, understood in terms of resources and knowledge (e.g. time, people, intellectual property, processes, systems and technologies);
- data, information systems and information flows;
- relationships with internal stakeholders, taking into account their perceptions and values;
- contractual relationships and commitments;
- outsourced solutions and supply chain systems;
- interdependencies and interconnections.

5.3.3 Risk assessment

Risk assessment is the overall process of risk identification, risk analysis and risk evaluation.

i. **Risk identification:**

The NYAMAGABE District shall identify the risks within the unit, function, project, activity, operation, etc..., by identifying where, when, why, and how events could prevent, degrade, delay, or enhance the achievement of the intended objectives. Risk identification covers all risks whether their sources are under the district control or not.

ii. Risk analysis:

The NYAMAGABE District will analyze risks identified to comprehend their nature, characteristic and level of risk. Risk analysis involves detailed consideration of uncertainties, risk sources, consequences, likelihood, events, scenarios, controls and their effectiveness.

iii. Risk evaluation:

The risk owners shall evaluate risks in order to support decisions by comparing the results of the risk analysis with the established risk criteria to determine whether the risk is acceptable or unacceptable and if additional action is required.

The decisions available to the risk owners are:

- Do nothing further: Mean not to undertake or proceed with the event, activity, project or initiative;
- Consider risk treatment options: Mean actively treat the risk by prioritizing the actions needed, if the risk is complex and treatment is required with quick actions;
- Accepting the risk: a risk is acceptable or unacceptable relates to a willingness to tolerate the risk; that is, the willingness to bear the risk after it is treated in order to achieve the desired objectives. The risk criteria is likely to vary over time, across the District, program, department or activity and for individual process.
- Maintain existing controls,
- Reconsider objectives.

5.3.4 Risk Treatment

Risk treatment involves identifying and implementing actions to manage risks or reduce their impacts. In treating risk, Risk Owners shall apply the following options:

- Avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk;
- Taking or increasing the risk in order to pursue an opportunity;
- Removing the risk source;
- Changing the likelihood;
- Changing the consequences;
- Sharing the risk (e.g. through contracts or insurance);
- Retaining the risk by informed decision.

NYAMAGABE District Senior Management shall ensure adequate monitoring and review of treatment implementation to give assurance that the different forms of treatment become and remain effective and shall monitor any new risks that may arise from treatment. This shall be achieved by preparing and implementing a Risk Treatment Plan. The latter shall specify how the chosen treatment options will be implemented and shall be integrated into the management plans and processes.

5.3.5 Monitoring and Reviewing

NYAMAGABE District Senior Management, to ensure structured and regular monitoring and review, each division or unit monitors and reviews risks and their treatment strategies as part of effective risk management and ongoing quality improvement.

The purpose of monitoring and review is to ensure and improve the quality and effectiveness of the risk management process design, implementation and outcomes.

Risk monitoring and review entails measuring how well the district has performed against a set of predefined objectives or targets.

The senior management must implement a monitoring and review process including planning, gathering and analyzing information,

recording results and providing feedback throughout all the stages of the risk management process.

The results of monitoring and review shall be incorporated throughout the District's performance management, measurement, and reporting activities.

5.4 Recording and Reporting

The NYAMAGABE District shall implement an appropriate management information system of recording and reporting risk management process and outcomes. The system shall:

- Communicate risk management activities and outcomes across the organization;
- Provide timely information for decision-making;
- Improve risk management activities;
- Assist interaction with stakeholders, including those with responsibility and accountability for risk management activities.

6. Risk Criteria

NYAMAGABE District Council shall specify the amount and type of risk that it may or may not take, relative to the objectives and define criteria to evaluate the significance of risk and to support decision making process. The risk criteria shall reflect NYAMAGABE District's values, objectives and resources and be consistent with policies and statements on risk management.

The risk criteria will be determined for each major risk category. The risk criteria shall be dynamic and shall be continually reviewed and amended if necessary.

The risk criteria shall use a combination of Likelihood and Consequence of risks in a 5x5 matrix (heat map) and risk indicators of major risk

categories. The impact and likelihood are each assessed on the scale of 1 to 5 by referring to the descriptions shown on the risk matrix while the risk level of these two numbers will range from 1 to 25.

The Risk Criteria has been developed as a separate detailed document, and shall be read/ applied together with RM Policy. The components of the Risk Criteria document are:

- i. Define 3 colour codes of Red, Amber, Green (RAG), which will be used to determine whether a risk at NYAMAGABE District is acceptable or not, whether it will be treated and to what level it should escalate.
- ii. **Likelihood scale** which is a tool to measure and rank the probability of a risk occurring at NYAMAGABE District, on a scale of 1 to 5.
- iii. **Impact scale** which is a tool to measure and rank the impact a risk would have if it occurred at NYAMAGABE District, on a scale of 1 to 5.
- iv. A 5x5 matrix which displays and positions NYAMAGABE District risks in terms of likelihood and impact.
- v. Risk tolerance which is articulated by way of key risk indicators for each of the major risk categories. NYAMAGABE District Senior Management shall set quantitative triggers for acceptable (tolerated) levels for each risk indicator, and unacceptable levels that cannot be tolerated.

6.1 Factors to be considered in setting risk criteria

When setting the risk criteria for NYAMAGABE District, the District Council shall consider the following:

- i. The nature and type of uncertainties that can affect outcomes and objectives: this shall be done by defining and categorizing the various risk types the District is exposed to;

- ii. Consequences and likelihood of risks: this shall be done by using and considering appropriate scaling tools and levels to determine and measure the impacts and probabilities of risks;
- iii. Time-related factors: the age, periods, cycles, frequencies, shelf-lives, seasons, past, present and future aspects of risks and its associated treatment controls shall be considered in the Risk Criteria;
- iv. Consistency in use of measurements: to ensure reliability and uniformity when reporting on risk matters, a consistent measurement approach shall be adopted, and any exemptions and exclusions shall be expressly stated;
- v. Determination of risk levels: the Risk Levels shall be determined by defining the appropriate risk zoning / ranking rules and appropriate risk matrix.
- vi. Multifaceted risk approach: a compound approach, interlinking and combining various risk sources and risk effects shall be considered to define the overall risk levels;
- vii. District's capacity: the risk criteria shall consider overall capacity on its ability to manage risks and this shall not be limited to financial, staff, policies, processes and equipment.

6.2 Steps for setting risk criteria

When setting the risk criteria for NYAMAGABE District, the District Council shall consider the following:

Step 1: Risk Zones:

NYAMAGABE District shall adopt Red, Amber and Green colour codes to describe risk zones and define the escalation and response for risks in each zone.

Step 2: Setting a boundary on the risk matrix (likelihood and consequence):

NYAMAGABE District shall use a 5 x 5 matrix to identify risk ratings. The Red, Amber and Green areas in the matrix shall be established and this shall determine the risk boundary based on color zone (as described in clause 5).

Step 3: Likelihood scale:

NYAMAGABE District shall articulate meaning and representative measures to a scale of 1 to 5 to reflect the ranking of probability of a risk occurring. The likelihood of the risk occurring will be described as rare, unlikely, possible, likely, or almost certain.

Step 4: Impact scale:

NYAMAGABE District shall articulate meaning and representative measures to a scale of 1 to 5 to reflect the ranking of a risk impact if it occurred at the District. Therefore, the consequences or potential impact if the risk event occurred shall be described in the District as insignificant, minor, moderate, major or catastrophic.

The Risk Management Coordinator shall determine the levels of risk exposure to the assessed unit if the risk is materialized. This will be measured in terms of loss of monetary value to the extent possible to determine such amount or it can be measured in terms of effect on reputation to the Assessed Unit.

It is important to note that the level of impact sensitivity will depend among others on the size of the Assessed Unit, its nature and operations. For instance, a loss of 10 million may be insignificant in one unit/program while it is significant in another unit/program.

Step 5: Risk Categories Tolerable limits:

NYAMAGABE District shall articulate this by way of Key Risk Indicators for each of the major risk categories identified in the Risk

Management

A handwritten signature or mark in blue ink, consisting of a stylized 'S' or 'B' shape.

Policy. The District shall set quantitative triggers for the lowest acceptable (tolerated) level for each risk indicator, and the unacceptable levels that cannot be tolerated.

Step 6: Performance indicators:

The performance indicators set in the Strategic Plan shall be scaled by setting quantitative triggers for lowest acceptable (tolerated) performance level, and the unacceptable performance levels that cannot be tolerated. Alternatively, this can be done by defining the maximum acceptable variation on strategic objectives of the District. The risk zone scale is defined as the correlation between likelihood and impact matrix (Table 3).

Table 1. NYAMAGABE District Risk Matrix

	5	5*1=5	5*2=10	5*3=15	5*4=20	5*5=25
	4	4*1=4	4*2=8	4*3=12	4*4=16	4*5=20
	3	3*1=3	3*2=6	3*3=9	3*4=12	3*5=15
	2	2*1=2	2*2=4	2*3=6	2*4=8	2*5=10
	1	1*1=1	1*2=2	1*3=3	1*4=4	1*5=5
		1	2	3	4	5
						

In nutshell, the assessment of likelihood and impact is mostly subjective, but can be informed by data or information collected, previous audits, inspections, personal experience, corporate knowledge or institutional memory of previous events, insurance claims, surveys and a range of other available internal and external information.

6.3 Risk Criteria Zones

NYAMAGABE District shall use the 3-colour concept, Red, Amber and Green (RAG) for measuring and monitoring risks and determining levels of escalation and the urgency of actions that are required. The required escalation and actions required for each zone are as indicated in the following table.

Table 2. Risk Actions and Escalations Points

Risk Actions and Escalation Points				
Risk Zone	Zone Description	Meaning	Action required for risk	Risk Escalation
15-25	Red-High/Extreme	Unacceptable Risks that require urgent or immediate attention	Immediate/Urgent action required. Investigate and take steps to mitigate or avoid within a specified short-term period, i.e. 1 Month	Risk Management Committee escalates Red risks to the Executive Committee and then to the District Council then to the Governor and relevant State Agency and/or Minister of Local Government or relevant Ministry.
6-12	Amber-Medium	Tolerable Risks but action required to avoid a red status	Weighted action required- Risks will be treated as long as the costs do not outweigh the benefits. As Low As Reasonably Practicable (ALARP)*	Escalate Red and Amber risks to the relevant Risk Owner (District Executive Secretary, Division Manager, Directors of

			Investigate and take steps to mitigate or avoid within a specified medium-term period, i.e. 3 Months	Unit in District, Sector Executive Secretaries Health Centre Manager) then to the Risk Management Committee.
1 – 5	Green – Low	Acceptable risks	No action required. May only require periodic monitoring .	Monitoring by the relevant staff in charge within the unit, sector, health center, function program or project.

*ALARP stands for 'As Low as Reasonably Practicable' refer to ISO 31010 (Risk Assessment)



7. Risk Categorisation

NYAMAGABE District is exposed to a wide range of risks, which can fit into any of the risk categories below:

- 1) **Operational Risk:** – It is the risk of loss resulting from inadequate or failed internal process, people, system, technology or from external events.
- 2) **Strategic Risk:** - The risk of
 - a. Strategic decision risk: Choosing and continuing to follow sub optimal strategies to meet objectives,
 - b. Strategic execution risk: Not executing the strategies successfully, and
 - c. Strategic delivered risk: Changing the business-as-usual risks differently from expected.
- 3) **Political Risk:** - is the risk arising from political decisions, events, or conditions that significantly affect the District.
- 4) **Fraud/corruption Risk:** - the risk that a perpetrator commits an act using deception and/or acts contrary to the interest of District and abuses position of trust in order to achieve some personal gain.
- 5) **Information Security Risk:** - is the potential that a given threat will exploit vulnerabilities to cause loss or damage to an information asset or group of information assets and hence directly or indirectly to District. This risk includes Cyber risk (the potential for unauthorised use, disclosure, damage, or disruption to assets through the use of technology).
- 6) **Compliance risk:** is the exposure to legal penalties, financial forfeiture, and material loss that District faces when it fails to act in accordance with laws, regulations & standards, internal policies or prescribed best practices as set forth by the competent authority.

7) Financial Risk

1. **Liquidity Risk:** - the risk that District may not meet its financial obligations as and when they fall due.
 2. **Market Risk:** - the risk that District may meet due to fluctuations in market rates being:
 - a. **Price risk:** the fluctuation of commodity prices (cash crops, minerals etc) pertaining to the District.
 - b. **Forex exchange risk:** financial gain or losses that may arise from fluctuation in foreign currency against Rwanda francs.
 - c. **Interest rate risk:** is gain or loss on district assets or liabilities due to fluctuations in interest rates.
 3. **Credit Risk:** - failure of third parties to meet their financial obligations to the District when they fall due.
- 8) **Business Continuity Risk:** - these are extreme risk events that sets the stage for the likelihood of an extended disruption to the delivery of District core services. The management of this risk calls implementation of Business Continuity Management systems (Business continuity plans and Disaster recovery plans).
- 9) **Project/programme Risk:** - is an uncertain event or condition that, if occurred, has an effect on at least one District project/programme objective throughout the project/programme life cycle.
- 10) **Occupational Safety & health (OSH) risk:** - is the potential of hazards that could harm District employees and stakeholders, affect their health, or create unsafe working environments in both the District and in Subsidiary entities.
- 11) **Security risk:** it involves threats to District's citizens or visitors, personnel, facilities, or physical assets & infrastructure.

These risks can lead to theft, damage, unauthorized access, acts of terror, or harm to individuals on the premises.

- 12) **Social protection risk:** refers to the potential vulnerabilities within a social protection system that can lead to inadequate support or adverse impacts on individuals and communities. These risks can arise in social safety nets, health coverage, unemployment benefits, pension systems, and other programs designed to reduce poverty, support individuals in times of crisis, and improve socio-economic welfare.
- 13) **Disaster risk:** refers to the potential loss of life, injury, or destroyed or damaged assets which could occur to a system, society or a community in a specific period of time, determined probabilistically as a function of hazard, exposure, vulnerability and capacity associated to natural or human-made hazards, such as earthquakes, floods, industrial accidents, pandemics etc.
- 14) **Governance oversight risk:** refers to the potential for inadequate or ineffective oversight of a District activities, policies, or risk management practices. This can lead to legal, financial, and reputational damage, as well as organizational inefficiencies and ethical issues. Governance oversight risks are particularly critical in areas that require high accountability, such as public finance, healthcare, and public administration.
- 15) **Government Policy & Coordination risk:** refers to the potential negative impacts arising from ineffective policies, poor coordination among agencies, or inconsistent regulatory approaches. These risks can lead to inefficiencies, resource wastage, conflicting regulations, and delays in critical decision-making processes. For businesses and citizens, these risks can create uncertainties that may hinder investment, innovation, and service quality.

- 16) **District Revenue compliance risk:** refers to the failure of businesses or individuals to pay District local taxes & fees as and when they fall due limiting its ability to raise own revenue.
- 17) **Climate change risk:** is the potential for extreme weather variations that create adverse consequences for human and/or ecological systems thereby impacting negatively on lives, livelihoods, health and wellbeing, economic, social and cultural assets and investments, infrastructure, services provision, ecosystems, biodiversity, and species.
- 18) **Public health risk:** refers to the potential threats to the health and well-being of populations, often resulting from infectious diseases, environmental hazards, malnutrition, lifestyle factors, and social determinants of health.
- 19) **Environmental risk:** is actual or potential threat of adverse effects on living organism, environment, human health and society by effluents, emissions, wastes, resource depletion etc. affecting Districts' activities and how they are run with accountability while ensuring sustainability (meeting current needs without compromising ability of future generation's needs) of District projects and services.
- 20) **Construction & Infrastructure risk:** refers to the uncertainties and potential problems that can arise during the planning, execution, completion of construction projects, provision and maintenance of Infrastructure within the District.
- 21) **Land use risk:** refers to the potential adverse impacts associated with the allocation, development, and management of land. These risks can arise from environmental, regulatory, social, and economic factors that affect how land is used or restricted, impacting developers, local communities, and stakeholders.

- 22) **Food security risk:** refers to the potential for disruptions that threaten the availability, accessibility, stability, and quality of food supplies, ultimately impacting the well-being and livelihoods of individuals and communities. These risks can stem from environmental, economic, political, and social factors.
- 23) **Unemployment risk:** refers to the limited opportunities for active job search by persons not in employment who are available to work and the potential of persons not in employment who express interest in working but for whom existing conditions limit their active job search or availability.
- 24) **Public Investment & Innovation risk:** refers to the potential for loss or negative outcomes in public investments and potential challenges associated with creating and implementing new ideas, products, services, or processes. Proactively managing public investment and innovation risk helps government entities and organizations create impactful projects that serve communities effectively while safeguarding public funds.
- 25) **Natural resources exploitation risk:** refers to the environmental, social, and economic risks associated with the extraction and use of natural resources like minerals, fossil fuels, water, and forests. While exploiting natural resources can generate economic value, it can also lead to significant long-term consequences if not managed sustainably.
- 26) **Culture, gender & family protection risk:** refers to the challenges and potential harms related to cultural differences, ensuring equitable treatment and safety for individuals across gender identities and family structures within organizations, institutions, and societies. These risks affect individuals' experiences, access to resources, and overall safety, especially in multicultural or diverse settings. Addressing these risks helps

prevent discrimination, protect against harm, inequality and foster inclusivity.

- 27) **Literacy and education risk:** refers to the various factors that can hinder individuals' ability to achieve functional literacy, access to quality and inclusive education, which are critical for economic growth, social development, personal growth, employment, and societal progress. These risks intersect, as literacy is foundational to broader educational success.

NB: The precise slotting of individual factors under each category is less important than the recognition that Risk Management covers all categories and all material risk factors that can influence the organization's value.

8. NYAMAGABE District Risk Management Policy Framework

NYAMAGABE District principle on integration of risk management requires that risk management be integrated in all management practices. Whereas this overall policy provides the risk methodology to be applied in each of the risk categories, the uniqueness of risks requires that each risk category be addressed considering specific best practices standards and guidelines but within the overall methodology.

Figure 3 below provides the policy framework for NYAMAGABE District. Each of the risk categories shall be assigned a function to integrate in their management practice. The management function shall develop a stand-alone policy or incorporate the specific risk management methodology in its already existing policies and take into consideration best practice standards and guidelines to address the specific risk category.

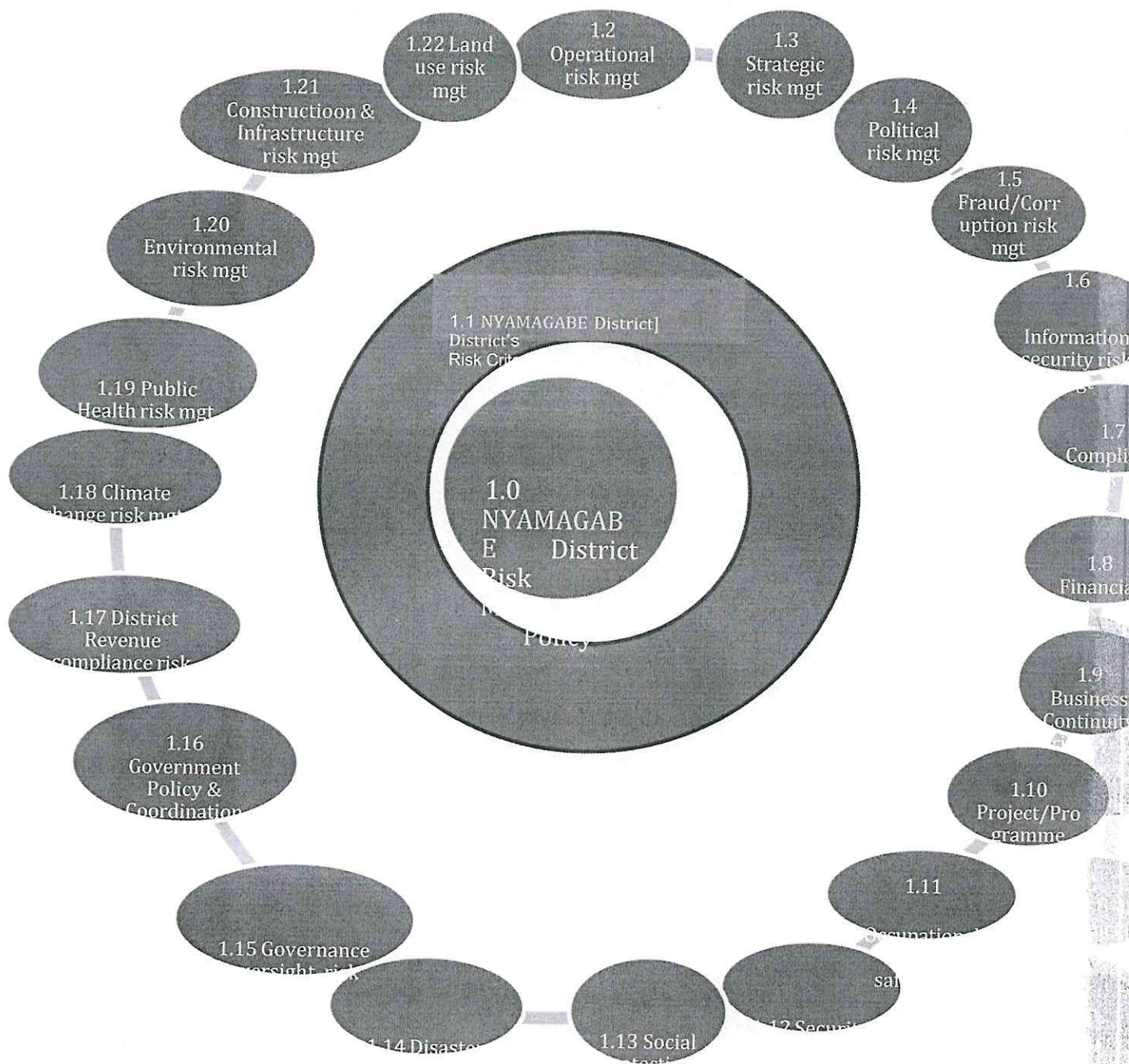


Figure 3. NYAMAGABE District Risk Management Policy Framework

[Handwritten signature]

9. Risk Management Methodology

NYAMAGABE District Risk Management methodology seeks to operationalize the Risk Management process as adopted under ISO 31000: 2018 Risk Management standard. It also seeks to achieve the structured, comprehensive, and customized principles of Risk Management by developing standard and practical tools that provide the how to implement the Risk Management process.

The Chief Budget Manager through the Risk Management Coordinator in liaison with the Risk Owners shall operationalize risk management by applying the following risk management tools:

1. Risk and Controls Self-Assessment (RCSA)
2. Key Risk Indicators
3. Incident Management
4. Action Tracking
5. Compliance Management
6. Risk-based Internal Audit

These tools are explained in section 9.1 below. The frequency of review of RCSA outcomes will be risk-driven, responsive to business change and consider any regulatory or District specific requirements. NYAMAGABE District will review RCSA outcomes and monitoring tools at least annually, with Quarterly review and Periodic review depending on major emerging risks or requests or new significant projects.

The following steps shall be applied in the District risk management process:

1. Risk champions will conduct risk assessments by applying Risk Management tools for documentation, through a systematic process facilitated by the Risk Management Coordinator;



2. Risk owners will review the risk registers developed by Risk Champions to validate, and sign off on the risks identified, key risk indicators, compliance monitoring, action plans, implementation timelines and assigned responsibilities;
3. The validated Risk registers and monitoring tools are then approved by District Executive Secretary;
4. All staff with an assigned monitoring responsibility will be required to provide the actual data or status for the item being monitored on quarterly basis. The data will be collected through excel-based risk monitoring toolkit or through system alerts (if automated).
5. Risk Management Coordinator shall review and consolidate Risk monitoring reports from all assessed units.
6. Risk Management Coordinator will generate a quarterly Risk Management Report for the division, unit , sector, health centre or programmes/projects in District for Risk Owner comments/actions.
7. The Risk Management Coordinator consolidates the top risks into a Risk Management Report on a quarterly basis for reporting to the Risk Management Committee.
8. For risks related to Health centres and health posts, the Risk Management Coordinator shall consult Health Centre Health Committee and the Sector Council accordingly before reporting to the Risk Management Committee.
9. District Risk Management Coordinator shall include on the Risk Management Report, risks of the District Hospital that need attention of the CBM.
10. The RMC chaired by the CBM shall present the top risks to the District Executive Committee on a quarterly basis.
11. The Mayor shall present the top risks to the District Council on a quarterly basis.



12. The District Council shall submit the risk resolutions to the Governor for escalation or no objection.
13. The District Council where risk is not adequately resolved shall escalate the risk to the relevant State Agency and/or Minister of Local Government or relevant Ministry.

9.1 Risk Management Operationalisation Tools

NYAMAGABE District shall apply the following tools to operationalize the risk management process:

9.1.1 Risk and Control Self-Assessment (RCSA)

See Appendix 1:1. Risk Register

RCSA is used to conduct adequate risk assessment consistent with the Risk Assessment (Identification, Analysis and Evaluation) and Treatment stage of the ISO31000 Risk management process. The risk and control self-assessment specific steps will be designed to suit the risk category under consideration and shall apply the overall risk assessment and treatment process. These steps shall be included in the respective risk management sub-policies.

9.1.2 Key Risk Indicators

See – Appendix 1: 2. Key Risk Indicators

Key risk indicators shall be used to operationalise the Monitoring and review stage of the ISO31000 Risk management process. Key risk indicators shall be developed for all risks that require monitoring consistent with the Risk Criteria and results applied in decision making.

9.1.3 Incident Management

See Appendix 1: 5. Sample Incident register

Incident management shall be used to operationalise the monitoring and review stage of the ISO31000 Risk management process. The Incident management tool shall act as a central system to record and manage risk incidents for detailed analysis, follow up and as a basis of data for future analysis across all functions of The District.

9.1.4 Action Tracking

See Appendix 1: 6. Action tracking

Action tracking shall be used as central system to record, analyse and monitor all risk management actions in The District. This includes but not limited to:

- a) Risk treatment actions;
- b) Key risk indicators actions;
- c) Non-compliance actions;
- d) Audit actions;
- e) Incident actions, etc.

9.1.5 Compliance Management

See Appendix 1: 3&4. Internal & External Compliance

The District Compliance Management is a proactive system to monitor Internal Compliance (compliance with internal controls, policies and procedures) and External Compliance (compliance with external laws and regulations). Compliance Management tool shall be used to operationalise the Monitoring and review stage of the ISO31000 Risk management process. It shall be used to empower risk owners to monitor compliance with risk mitigation strategies within their function.

9.1.6 Risk-based Internal Audit (RBIA)

Risk-based internal audit shall be used to operationalise the Review stage of ISO 31000 Risk management process.

RBIA shall provide **assurance** to the District Council that risk management processes are managing risks effectively, i.e. risks are being managed to be within NYAMAGABE District's **Risk Criteria**. The RBIA shall:

- i. Give assurance that the **processes** used by management to **identify** all significant risks are effective;
- ii. Give assurance that risks are **correctly assessed** by management, in order to prioritize them;
- iii. Evaluate risk management processes, to ensure the **response** to any risk is appropriate and conforms to the NYAMAGABE District's policies;
- iv. Evaluate the **reporting** of key risks, by Management to the District Council;
- v. Review the management of key risks by managers to ensure **controls** have been put into operation and are being **monitored**.

Risk-based internal audit shall be applied based on the following criteria:

N	Maturity level	Key characteristics	Audit approach
1	Risk naïve	No formal approach developed for risk management	Promote risk management and rely on alternative audit planning method
2	Risk aware	Scattered silo-based approach to risk management	Promote enterprise-wide approach to risk management and rely on alternative audit planning method

3	Risk defined	Strategy and policies in place and communicated. Risk criteria defined	Facilitate risk management/ liaise with risk management and use management assessment of risk where appropriate
4	Risk managed	Enterprise approach to risk management developed and communicated	Audit risk management processes and use management assessment of risk as appropriate
5	Risk enabled	Risk management and internal controls fully embedded into the operations	Audit risk management processes and use management assessment of risk as appropriate

10. Risk Management Governance, Roles & Responsibilities

Risk governance is the system for directing and controlling the management of risk at NYAMAGABE District. It sets out the risk management structure and defines clear responsibilities of Governing body, Management and staff.

10.1 Risk Management Governance Structure

Risk Management Governance consists of a 3-Lines of defense concept, as follows:

(i) **First line of defense** involves Culture, Senior Management, Risk owners, Risk champions, all Staff and Internal control & management systems. The Management and staff operate the District's business processes and therefore hold primary responsibility for the risks the unit faces. Risk is managed in each unit by a range of controls and risk treatments. The character and attitude of management significantly influences the District culture and positions each of the lines of defence to function effectively.

(ii) **Second line of defense** aims at coordinating Risk Management for the first line to ensure risks are being appropriately identified, analysed, evaluated, treated, monitored and reported. There shall be a District Risk Management Coordinator.

(iii) **Third line of defense** is dedicated to Risk Governance and Auditing undertaken by District Council through the District Council Audit & Risk Committee and the District Internal Auditor. Internal audit through application of Risk-based Internal Audit shall provide assurance to the District Council on effectiveness

of Risk Management. The District Council risk oversight comprises the last line of defence, as significant issues are escalated upwards and should therefore ensure appropriate reporting and review structure is established in order to ensure that risks are effectively identified, assessed and appropriate controls and responses put in place. The District Audit & Risk Committee shall ensure an effective risk management function is in place and obtain an independent assurance on its effectiveness from Internal Audit.

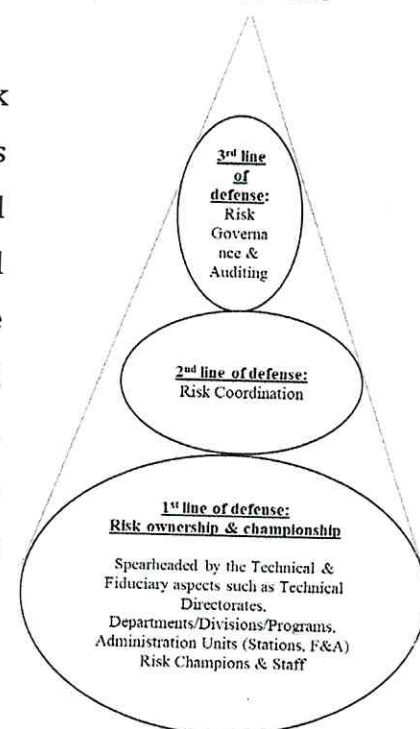


Figure 4. 3-Lines of defense concept for Risk Management Governance in the Districts

The figure below illustrates NYAMAGABE District's Risk Management governance structure. The detailed roles and responsibilities are documented in Section 10.2 of this policy.

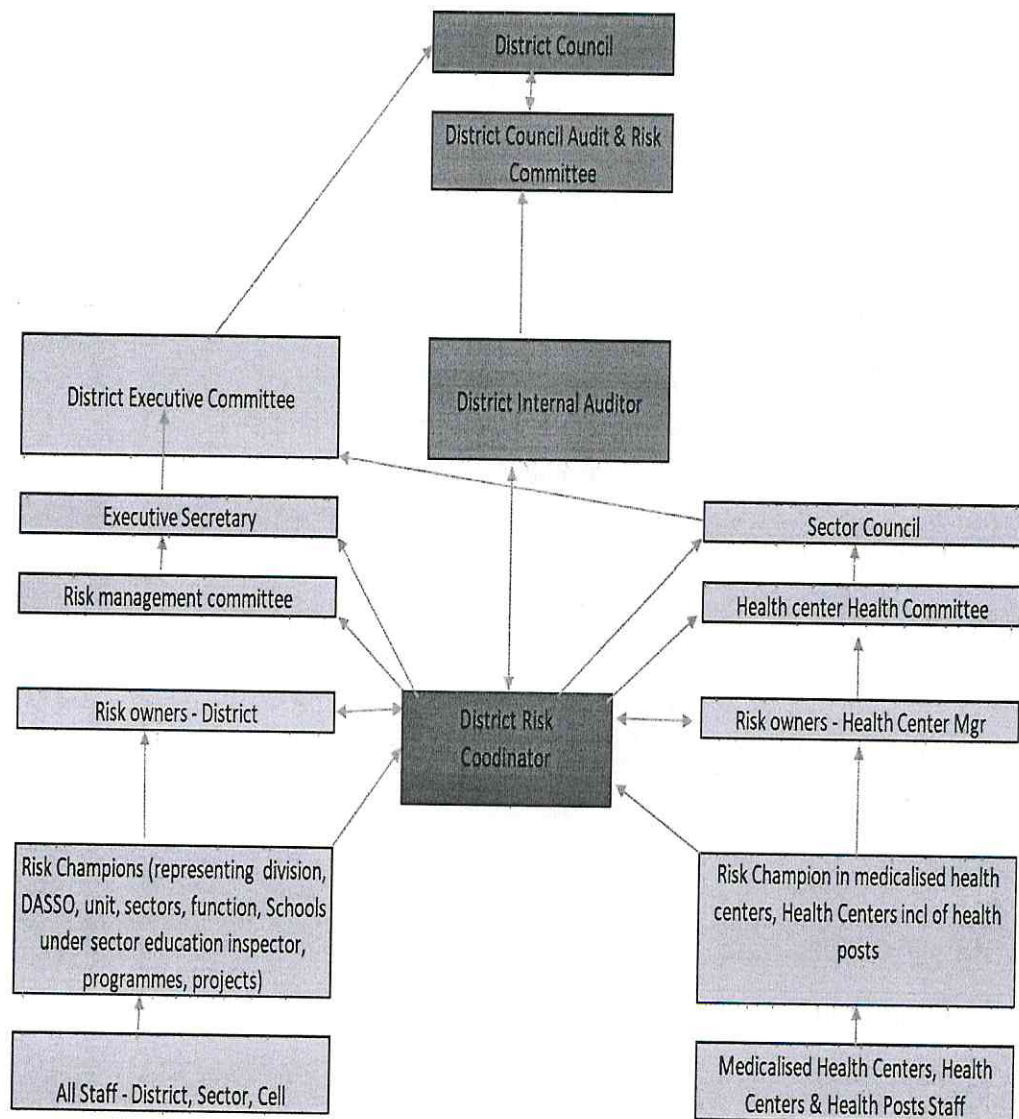


Figure 5. Risk Management Governance Structure

10.2 Risk Management Roles & Responsibilities

10.2.1 District Council

The District Council recognise that they are ultimately responsible for the sound and judicious management of NYAMAGABE District and ensuring that an adequate and effective system of risk management and internal controls is established and maintained.

Specifically, the responsibilities of the District Council include:

- i. Issuing a policy that establishes a risk management approach, plan or course of action;
- ii. Ensuring that the necessary resources are allocated to managing risk;
- iii. Assigning authority, responsibility and accountability at appropriate levels within The District;
- iv. Ensuring that risks are adequately considered when setting The District's objectives;
- v. Understanding the risks facing The District in pursuit of its objectives;
- vi. Set the District Risk Criteria and monitor that risks taken are within the set risk criteria;
- vii. Appoint members of the Audit and Risk Committee responsible for risk management and audit on its behalf;
- viii. Establish a risk management function within The District in line with relevant laws & regulations;
- ix. Receive from District Audit & Risk Committee the quarterly risk management reports; and
- x. Evaluate the performance of the District Audit & Risk Committee once a year.

10.2.2 The District Audit & Risk Committee

The Audit & Risk Committee shall meet at least once every quarter of the financial year to review the adequacy of the risk management processes in place and report to the District Council. The Committee should also meet on a need basis to address an urgent matter arising.

Key Risk Management related roles and responsibilities of the Committee include but not limited to:

- i. Provide oversight of risk management process through receiving quarterly risk management reports from the District Executive Committee.
- ii. Report and propose recommendations to the District Council for implementation by Executive Committee.
- iii. Communicate any concerns when deemed necessary to the Executive Committee, the Governor or Ministry/State Agencies.
- iv. Reviewing the Risk Management Policy/Framework;
- v. Reviewing the risk management framework and effectiveness of getting management assurance that material risks are identified and appropriate risk management processes are in place, including formulation and subsequent updating of appropriate District policies;
- vi. Sponsor risk management initiatives and support the communication of the risk management approach adopted by the organization;
- vii. Review and present the District annual risk plan and strategy to the District Council for approval;
- viii. Monitoring changes anticipated for Decentralised units and related business environment, including consideration of emerging trends and other factors relevant to the Districts' risk profile;

- ix. Ensure that the District's risk management and corporate governance practices are in line with best practice and meet good practice requirements.

Key audit related roles and responsibilities of the Committee include but not limited to:

- i. Provide oversight of risk management process through receiving assurance reports from the entity's Internal Auditor on effectiveness of risk management, governance and internal controls.
- ii. Report and propose recommendations to the District Council for implementation by Executive Committee.
- iii. Review and approve annual risk-based audit plan and monitor its implementation.
- iv. Communicate any concerns when deemed necessary to the Executive Committee, Internal Auditor General, the Governor or Ministry/State Agencies.
- v. Review risk areas of the District operations to be covered in the scope of Internal Audit;
- vi. Provide direction and oversight to the District Internal Audit adoption and implementation of risk-based internal audit;
- vii. Ensure that the District's risk-based internal audit practices are in line with best practice as defined in International Professional Practise Framework (IPPF).

10.2.3 District Executive Committee

The District Executive Committee shall promote leadership and commitment in risk management across the District and shall be responsible of:

- i. Accountable to the District Council for the implementation of risk management framework;

- ii. Ensure District Council resolutions on risk matters are implemented;
- iii. To actively promote and advocate for a Risk Culture in the District.
- iv. Escalate high risks that are unresolved to the District Council.

10.2.4 Chief Budget Manager/District Executive Secretary

The CBM of NYAMAGABE District is responsible for:

- i. Establishing and chairing the Risk Management Committee;
- ii. Accountable to the District Executive Committee for the implementation of risk management framework;
- iii. Responsible for implementing the risk management framework, including the establishment and maintenance of key controls and approval processes on all major business processes and functions;
- iv. To assume ownership of Risk Management, providing leadership and direction to management and setting the “tone at the top”;
- v. To actively promote and advocate for a Risk Culture in the District;
- vi. Responsible for embedding risk management in the District processes in such a way that risks are managed effectively;
- vii. Responsible for systematically reviewing the underlying risks and assigning appropriate accountability to risk owners;
- viii. Provide direction and oversight to District Risk Management Coordinator; and
- ix. Escalate high risks that are unresolved to the District Executive Committee.



10.2.5 District Risk Management Committee (RMC)

The Executive Secretary shall appoint a minimum of 5 members to the Committee from the Senior Management team in exclusion of the Internal Auditors. The Committee shall be chaired by the CBM and the Risk Management Coordinator acts as the Secretary and not a voting member.

The RMC shall meet at least once every **Quarter** of the financial year to review the adequacy of the risk management processes in place and approve reports to the District Executive Committee on a **Quarterly** basis. The RMC shall also meet on a need basis to address an urgent matter arising.

The following are the main responsibilities of the Risk Management Committee:

- i. Reviewing the risk management policy, strategy and implementation plan;
- ii. Reviewing the District's risk criteria.
- iii. Ensuring the District has appropriate risk identification and assessment methodologies, arrangements and tools;
- iv. Reviewing the risk treatment plans to address the significant risks of the District;
- v. Assessing implementation of the risk management policy and strategy and integration of risk management within the District operations;
- vi. Review and approve **Quarterly** risk reports from the risk management coordinating function and escalate high risks to the District Executive Committee.

The RMC shall develop and adopt a charter to govern its operations consistent with this policy.

10.2.6 District Risk Management Coordinator

The risk management function coordinates risk management activities across the District. The risk management function shall be assigned to a senior member of staff – Risk Management Coordinator, with appropriate knowledge, experience and relevant skills.

The Risk Management Coordinator shall report to the Executive Secretary/CBM, the RMC and the National Risk Management Coordinator.

The Risk Management Coordinator shall be a senior management position that is able to provide 'frank and fearless' advice about risks and how they are managed.

The Risk Management Coordinator facilitates the District's 1st line of defense and oversees the risk management processes by:

- (a.) Building the District's risk capability and defining risk management practices and framework;
- (b.) Developing and implementing the risk management plan;
- (c.) Providing guidance and training on risk management processes;
- (d.) Supporting Risk Owners in identifying trends and emerging risks and assessment;
- (e.) Assisting Risk Owners in developing processes and risk treatment action plans;
- (f.) Monitoring the adequacy and effectiveness of risk treatment plans, and accuracy and completeness of reporting;
- (g.) Assisting Risk Owners and staff in recording risk data for risk monitoring and reporting;
- (h.) Escalating identified or emerging risks exposures to the District Executive Secretary/CBM and the District Council in line with the District Risk Criteria;

- (i.) Monitoring compliance with the risk management policy;
- (j.) Collating risk reports and maintaining risk registers;
- (k.) Issue a report to the District Council that oversees risk on quarterly basis; and
- (l.) Administering the National Risk Management Information System.

10.2.7 Senior Management

These are the Risk Owners and are required to ensure compliance with the District risk management policy/framework, and their roles and responsibilities are as follows:

- i. Implementing the risk management framework;
- ii. Own risks and controls in their respective Divisions/Unit thus ultimately accountable for the management of risk;
- iii. Integrate risk categories relevant for their Divisions/Unit in their day-to-day management practice and develop appropriate policies/Framework.
- iv. Ensure that Risk Treatment Plan is effectively and expeditiously implemented;
- v. Ensure required risk information is reported and that it meets all established standards for timelines and integrity;
- vi. Ensuring that the risk management processes are followed on a continual and timely basis;
- vii. Ensuring that the District complies with all external and internal rules, regulations, standards, policies and controls;
- viii. Fostering a risk management culture in their respective Divisions/Units;
- ix. Taking appropriate measures to manage risks consistently and proactively;

- x. Preparing reports on risk management activities in their respective Divisions/Unit and presenting them to the RMC on a quarterly basis through the Risk Management Coordinator.

10.2.8 Sector Council

The Sector Council shall promote leadership and commitment in risk management across the Sector and shall be responsible of:

- i. Ensure District Council resolutions on risk matters are implemented in their Sector;
- ii. To actively promote and advocate for a Risk Culture in the Sector.
- iii. Provide input to the District Risk Management Coordinator on high risks that are unresolved for escalation to the Risk Management Committee.

10.2.9 Health Centre Health Committee

The Health Centre Health Committee shall promote leadership and commitment in risk management in health centres and health posts across the District and shall be responsible of:

- i. Accountable for the implementation of risk management framework in Health Centres and Health posts;
- ii. Ensure District Council resolutions on risk matters are implemented regarding health centres and health posts;
- iii. To actively promote and advocate for a Risk Culture in the Health Centres and Health posts.
- iv. Provide input to the District Risk Management Coordinator on high risks that are unresolved for escalation to the Risk Management Committee.

10.2.10 Internal Audit

Internal Audit takes a vital role in the risk management process as an independent function that is not involved in the business and risk management process.

The roles and responsibilities of Internal Audit include:

- i. Independent assessment and evaluation of the compliance with this risk management policy/framework;
- ii. Assessing adequacy and effectiveness of the risk management and control process for risks;
- iii. Review of the Business – assigned risk levels, overall risk and control ratings and operational risk management methodology and systems;
- iv. Reviewing the management of key risks by managers to ensure controls have been put into operation and are being monitored;
- v. Evaluating risk management processes, to ensure the response to any risk is appropriate and conforms to the District's policies/framework;
- vi. Evaluating the reporting of key risks, by Risk Owners to District Council;
- vii. Report the result of its assessment to the District Council with copy to Management and Risk Management Coordinator; and
- viii. Ensure that the District risk management policy/framework is working as designed, and noting any shortcomings thereon to the District Council.

10.2.11 Risk Champions (RCs)

RCs are typically functional experts who assume responsibility for designing, implementing, and/or monitoring risks. RCs may be responsible for the following:

- i. Assist the Risk Owner (Division/Programe/Project/Unit Head) in managing risks within the Division/Program/Unit;
- ii. Oversee the recording of risk data on a frequency established by the District/District hospital;
- iii. Promote risk discussions and awareness within the Division/Program/Unit;
- iv. Identify where current control deficiencies may exist;
- v. Update risk information pertaining to the risk;
- vi. Escalate the risk where the risk is increasing in likelihood or consequence;
- vii. Provide information about the risk when it is requested.

10.2.12 All Staff Members

All staff are responsible for:

- i. Recording or reporting risk incidents;
- ii. Providing information appropriate for risk data collection and recording as may be applicable;
- iii. Contributing to and being responsible for risk management and internal control processes in their respective areas;
- iv. Supporting the development and updating of the documentation of risks, identifying and assessing risks in their areas, and contributing to risk mitigation; and
- v. Effective management of risk including the identification of potential risks.

11. Risk Management Performance Review

The District Council and Management shall ensure allocation of appropriate resources for risk management every year through budgetary allocation to cover:

- Development of people, skills, experience and competence in risk management;

- Tools, Information and knowledge management system to support risk management;
- Professional development and training of the core team.

Risk Management Coordinator in liaison with the CBM and the Senior Management will at least annually identify and reward Risk champion of the year. A policy will be developed and communicated to all staff on that regard.

Risk Management shall be incorporate in Performance Contracts and Performance evaluation for all staff.

12. Interpretation of the Policy

The overall responsibility for interpreting this policy/framework lies with the Risk Management Coordinator - or equivalent at the District.

13. Applicability and Adoption

This risk policy/framework will be applicable upon approval by the District Council.

The policy shall be reviewed every three (3) – five (5) years or when changes in the environment require such changes.

14. Policy Approval

This policy is subject to review in order to ensure that it meets the evolving needs of the District and changes in the corporate governance environment. Any changes to the contents of this document will require the approval of the District Council.

This risk policy and framework was considered and approved by the NYAMAGABE District Council in its session of 31/03/2025

SIGNATURE.......... DATE.....

UWAMAHORO Clotilde
Chairperson of the NYAMAGABE District Council



Appendix 1: ERM Templates

1. Risk register

Assessed Unit	Objectives	Critical success factors	Risk event	Risk source	Risk effect	Inherent risk level	Controls	Residual risk level	Improvement action

2. Key Risk Indicator monitoring

Assessed Unit	Objectives	Risk event	Residual risk level	Key Risk Indicator	Green/Amb	Amb/Red	Month/Quarter 1	Month/Quarter 2	Month/Quarter 3

3. Internal Compliance monitoring

Assessed Unit	Objectives	Risk event	Residual risk level	Compliance Question	Green/Amb	Amb/Red	Month/Quarter 1	Month/Quarter 2	Month/Quarter 3

4. External Compliance monitoring

Assessed Unit	Objectives	Risk event	Residual risk level	External Compliance Question	Green/Ambiguous	Ambiguous/Green	Month/Quarter 1	Month/Quarter 2	Month/Quarter 3

5. Incident Management

Assessed Unit	Date of incident	Location	Incident detail	Risk event	Control that failed	Root cause	Corrective action	Status of action taken

6. Action tracking System

Assessed Unit	Objectives	Risk event	Residual risk level	Improvement action	Due date	Responsibility	Status Month/Quarter 1	Status Month/Quarter 2

7. Risk Management Report

Risk Management Policy & Framework

Q1 2024-25													
Risk events	Aggregate ranking June Qtr 1	Movement	IRL	RRL	Sept	Sept	Sept	Sept	Sept	Sept	Sept	Sept	Sept
					Key Risk Indicator	Corrective action status	Compliance	Corrective action status	Incidents	Corrective action status	Risk Treatment Plan	No. of Audit findings	Status of corrective actions
Risk no. 1		↑	12	4	2	WIP	No	Overdue	3	WIP	WIP	2	WIP
Risk no.2	2	↔	12	4	50%	WIP	Yes		1	Completed	WIP		XXXX
													XXXX

Appendix 2: Risk maturity assessment

	Risk naive	Risk aware	Risk defined	Risk managed	Risk enabled	Audit Test
Key characteristics	No formal approach developed for risk management	Scattered silo based approach to risk management	Strategy and policies in place and communicated. Risk appetite defined	Enterprise approach to risk management developed and communicated	Risk management and internal controls fully embedded into the operations	
Process						
The organization's objectives are defined						Check the organization's objectives are determined by the board and have

B

	Risk naive	Risk aware	Risk defined	Risk managed	Risk enabled	Audit Test
						been communicated to all staff. Check other objectives and targets are consistent with the organization's objectives
Management have been trained to understand what risks are, and their responsibility for them						Interview managers to confirm their understanding of risk and the extent to which they manage it
A scoring system for assessing risks has been defined						Check the scoring system has been approved, communicated and is used
The risk criteria of the organization has been defined in terms of the scoring system						Check the document on which the controlling body has approved the risk appetite.

	Risk naive	Risk aware	Risk defined	Risk manage d	Risk enabled	Audit Test
						Ensure it is consistent with the scoring system and has been communicated
Processes have been defined to determine risks, and these have been followed						Examine the processes to ensure they are sufficient to ensure identification of all risks. Check they are in use, by examining the output from any workshops
All risks have been collected into one list. Risks have been allocated to specific job titles.						Examine the Risk Register. Ensure it is complete, regularly reviewed, assessed and used to manage risks. Confirm that risks are allocated to managers

	Risk naive	Risk aware	Risk defined	Risk manage d	Risk enabled	Audit Test
All risks have been assessed in accordance with the defined scoring system						Check the scoring applied to a selection of risks is consistent with the policy. Look for consistency (that is, similar risks have similar scores)
Responses to the risks have been selected and implemented						Examine the Risk Register to ensure appropriate responses have been identified
Management have set up methods to monitor the proper operation of key processes, responses and action plans ('monitoring controls')						For a selection of responses, processes and actions, examine the monitoring control(s) and ensure management would know if the responses or processes were not working or

	Risk naive	Risk aware	Risk defined	Risk manage d	Risk enabled	Audit Test
						the actions were not implemented
Risks are regularly reviewed by the organisation						Check for evidence that a thorough review process is regularly carried out
Management report risks to directors where responses have not managed the risks to a level acceptable to the board.						For risks above the risk appetite, check that the board has been formally informed of their existence
All significant new projects are routinely assessed for risk						Examine project proposals for an analysis of the risks which might threaten them
Responsibility for the determination, assessment, and management of						Examine job descriptions. Check the instructions for

	Risk naive	Risk aware	Risk defined	Risk manage d	Risk enabled	Audit Test
	planning method	on alternati ve audit plannin g method	managem ent assessme nt of risk where appropria te	ment assessm ent of risk as appropri ate	ment assessm ent of risk as appropri ate	