

# **BOLGATANGA TECHNICAL UNIVERSITY**



## **RISK MANAGEMENT POLICY**

2021

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## **1.0 OVERVIEW**

Bolgatanga Technical University is committed to making risk management an integral part of all the University's activities. The University has therefore developed a Risk Management Policy Framework (RMPF) to manage change and uncertainty. The RMPF applies to all academic and administrative levels, and assists in achieving the University's strategic objectives by bringing a systematic approach to identifying, analysing, mitigating and reporting risks. The RMPF enables proactive decision making. This framework is intended to ensure that information about risk is collected and shared in a relevant and timely manner, leading to continuous improvement in the institution.

### **1.1 Aim and Objectives**

This policy seeks to avoid and/or manage risks associated with the achievement of the University's corporate goals.

The objectives of this policy are to:

- (a) develop the University's Risk Management Model in line with its Strategic Plan.
- (b) ensure that the University risks are considered when making strategic management decisions.
- (c) ensure the management of operational risks is integrated into standard management and accountability.
- (d) establish the roles and responsibilities of staff in risk management; and
- (e) affirm the University's commitment to developing a compliance management framework in line with best practices by adopting a risk-based approach to compliance that:
  - i. facilitates compliance with legislation and regulation (University's Regulatory Framework).
  - ii. continuously improves attention to compliance obligations within the Regulatory Framework; and
  - iii. stimulates the identification, reporting and rectification of non-compliance.

## **2.0 POLICY STATEMENT**

The Bolgatanga Technical University engages in a wide range of activities, both on and off campus, all of which give rise to some level of risk. Risk management is an essential component of good governance and leadership in the University. Effective risk management creates and protects value in an organization by improving decision making. To achieve its strategic goals, the University must accept a measured degree of risk. Through identification and analysis of risk, the University can innovate and deliver a successful and sustainable future.

2.1 The University Council, through Council's Audit and Risk Committee (ARC), is responsible for overseeing the assessment and management of risk and compliance.

2.2. Risk is managed in accordance with the University's Risk Management Framework.

2.3. The management of risk aligns with the University's risk appetite (level of risk that the University is prepared to accept in pursuit of its objectives), as approved by Council.

2.4 The Pro-Vice Chancellor, Registrar, Director of Finance, the Director of Internal Audit and Budget Officer shall oversee the development of the risk appetite statement and advise the University Executive Committee on risk as it relates to strategy and objective setting.

2.5. The Pro-Vice Chancellor, Registrar, Director of Finance, Director of Internal Audit and Budget Officer shall oversee the University-wide implementation of the:

(a) Risk Management Framework.

(b) Compliance Management Framework

(c) Business Continuity Programme that is consistent with the University's Strategic Plan.

2.6. Risk management and compliance obligations shall be integrated into planning processes and management activities and incorporated into ongoing business practices.

2.7. The head of a division is responsible for ensuring compliance breaches are monitored and reported to the Risk Management Committee.

2.8 Some level of risk is not only expected in normal everyday activities but can be beneficial. However, the University shall not accept the following risks:

i. Willful exposure of students, employees or others to unsafe environments or activities.

ii. Intentional violation of laws governing the University.

iii. Fraudulent activities.

iv. Willful violation of contractual obligations.

v. Unethical behaviour of staff and students.

vi. Compromising teaching and learning quality.

### **3.0 AUTHORITY**

This policy is made under the Technical Universities Act 2016, (Act 922) and the Bolgatanga Technical University Council Regulation; and supports the management of risk according to applicable legislative and regulatory standards, and codes to which the University is subject.

### **4.0 COMMITMENT TO RISK MANAGEMENT**

The Risk Management Policy of Bolgatanga Technical University serves as a statement of the overall risk management goals and focus. It is intended to ensure a consistent approach to risk management throughout the University. The University is committed to managing risks to acceptable levels across all areas of its operations to achieve its strategic objectives. The Risk Management Policy shall form an integral part of planning, controlling, and reporting procedures in Bolgatanga Technical University.

### **5.0 PURPOSE OF THE RISK POLICY**

The purpose of this policy is to ensure that risk management is embedded in all University activities and members of the University understand their associated responsibilities. Risk management must be a cornerstone of the University culture for strategic objectives to be realised. To achieve this, members of the University need to follow all elements of the risk management framework. Risk management requires the involvement of all stakeholders to foster a risk culture of awareness, transparency, and inclusiveness. The quality and integrity of the framework is paramount.

## **6.0 SCOPE OF THE POLICY**

This policy addresses Institutional Risk Management and applies to the entire University community. Each member of the University community has a role to play in risk identification and management through the integration of risk management and planning processes into management activities. This policy applies to all staff and honorary appointees of the University, and to people authorised to undertake University business.

## **7.0 UNIVERSITY PRINCIPLES OF RISK MANAGEMENT**

The members of the University shall observe the following guiding principles of risk management in discharging their duties. These include:

### **7.1 A positive risk Culture**

- (a) Create a culture where risk identification and management is acknowledged as a driver of positive outcomes.
- (b) Drive excellence in corporate governance by increasing accountability, awareness, and a positive attitude to risk management.

### **7.2 Risk based decision making**

- (a) Prioritise decision making and responsiveness informed by risk analysis.

### **7.3 Embedded risk management**

- (a) All operational functions and processes should include a linkage to risk management.
- (b) Risk analysis and identification should include broad stakeholder consultation.

### **7.4 Strategic safeguards**

- (a) Assist the University to operate safely and securely.

### **7.5 Accountability**

- (a) Clear accountability for each category of risk, individual risk and treatment plan to ensure action and monitoring is implemented.

### **7.6 Transparency**

- (a) Provide an assurance of transparency and oversight to senior management and the University Council (i.e., strategic, enterprise and critical operational risks are managed effectively).

### **7.7 Informed investment**

- (a) The consideration of the balance between risk and benefit in the development of investment strategies.

### **7.8 Informed resource allocation**

- (a) adoption of risk-based approach to the allocation of resources to mitigate future risks.

### **7.9 Fraud risk identification and prevention**

- (a) All operational areas should actively identify fraud risks and implement appropriate treatment plans to reduce the risk to an acceptable level.
- (b) There shall be a University Corruption Policy to mitigate corruption in the University.

## **8.0 KEY DEFINITIONS IN RISK MANAGEMENT**

The following definitions shall apply for the purposes of this Policy.

**Compliance Risks:** The threat posed to a company's financial, organizational, or reputational standing resulting from violation of laws, regulations, codes of conduct, or organizational standard of practice.

**Control:** Measures or management action to minimize negative risk or enhance positive opportunities (mitigate) risk. It includes the policies, procedures, reporting and initiatives performed by the University to ensure that the desired risk response is carried out. These activities take place at all levels and functions of the University.

**Enterprise Risk Management Policy:** Describes the University's approach to managing risks and stipulates the standard in respect of risk tolerance. Risk will be measured in terms of impact and likelihood.

**Enterprise Risk Management:** A university-wide, systematic, comprehensive and coordinated process of identifying, measuring, managing and disclosing key risks to the University's mission and related goals and objectives.

**Environmental Risks:** Actual or potential threat of adverse effects on living organisms and the environment from effluent, emissions, waste, resource depletion and noise arising out of the University activities (teaching, research, consultancy and outreach) includes human-environment interaction risks.

**Impact:** Is the potential loss should the risk materialise or crystallise.

**Inherent (Gross) Risk:** Refers to the status of the risk (measured through impact and likelihood) without taking account of any risk management activities that the organization may already have in place.

**Inherent Risk:** The level of risk before the application of risk reduction controls.

**Internal Controls:** The processes, policies and procedures used to govern the University's work, or any additional mitigating actions taken to deal with a particular, or potential risk.

**Key Risk Indicator(s):** Metrics used by organizations to provide an early signal of increasing risk exposures.

**Likelihood:** Is the probability of an event occurring.

**Members of the University Community:** Any person who teaches, conducts research, studies or works at or under the auspices of the University.

**Operational Risks:** All other corporate risks associated with the operations of the University.

**Political Risks:** Complications faced by the University as a result of political uncertainties and changes which have the effect of altering the expected outcome, contracts and value of its objectives. Includes strategic, financial (funding and resource mobilization), personnel loss, policy changes and political events. They also include the risks for the University in engaging with new constitutional, regulatory and political institutions.

**Probability:** The likelihood or chance of an event occurring.

**Raw Risk:** The level of risk faced by an organization before any internal controls is applied.

**Residual Risk:** The level of risk after the application of risk reduction controls.

**Risk Acceptance:** Involves acceptance of risks that are not transferred and/or excluded. The conscious acceptance of residual risk occurs, in general, when at least one of the following conditions applies; sufficiently low probability of the event; consequences of the event are proportionally of little relevance; great benefits if successful.

**Risk Analysis:** This refers to the systematic use of available information to determine the likelihood of specified events occurring and the magnitude of their consequences. This is measured in terms of impact and likelihood.

**Risk Appetite:** The amount and type of risk that the university is willing to take in order to meet its strategic objectives.

**Risk Assessment:** The identification, analysis and evaluation of relevant risks to achievement of the objectives, forming a basis for determining how the risks should be managed.

**Risk Communication:** The process of identifying risk and communicating broadly to enable all personnel to deliver on their responsibilities.

**Risk Control:** The action that avoids, transfer or mitigates various risks.

**Risk Evaluation:** The process used to determine risk management priorities by comparing the level of risk against predetermined standards, target risk levels or other criteria.

**Risk exclusion:** The non-execution of the activity that involves a risk that cannot be transferred and/or is considered to be unacceptable.

**Risk Financing:** It is the provision of funds to cover the financial effect of unexpected losses. Risk financing includes insurance policies and self-insurance.

**Risk Identification:** The process of determining what might happen that could affect the objectives and why and how it might happen.

**Risk Management Process:** The systematic application of management policies, procedures and practices to the tasks of communicating, establishing the context, identifying, analysing, evaluating, treating, monitoring and reviewing risk.

**Risk Management:** An iterative process consisting of steps, which when taken in sequence, enable continual improvement in decision-making. It is the logical and systematic method of identifying, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process in a way that will enable the University minimize losses and maximize opportunities.

**Risk Mitigation:** Refers to actions that must be taken to lower the likelihood of a risk occurring and/or to minimize the impact if the risk did occur. Risk can never be totally eliminated, but it can be mitigated to lessen its likelihood and or impact;

**Risk Owner:** The employee(s) designated to manage a particular risk. This is a functional description, not a position title. Normally it is the Unit Head(s).

**Risk reduction:** Involves the adoption of managerial, technological and behavioral actions that lower the probability of risk and/or the seriousness of possible consequences. The persistence of residual risk is often, in any case, unavoidable both for reasons inherent to the context (institutional, managerial, technological, etc.) in which the organization operates, as well as for the possible simplifications and/or omissions of the analysis;

**Risk Register:** Documented list of risks and associated risk ratings, key risk indicators, controls (either planned or in place) and the status of these risks.

**Risk responses:** The means by which an organization elects to manage individual risks. The main categories are to tolerate the risk; to treat it by reducing its impact or likelihood; to transfer it to another organization or to terminate the activity creating it. Internal controls are one way of treating a risk.

**Risk Tolerance:** This refers to the extent of variation relative to the achievement of an objective that an organization is prepared to accept.

**Risk Treatment:** The process of selection and implementation of measures to modify risk.

**Risk:** The threat or possibility that an action or event will adversely or beneficially affect University's ability to achieve its goals. Risk is measured in terms of likelihood and impact.

**Risks Reporting:** This includes the internal financial and non-financial information pertaining to the University's activities.

**Severity:** The impact or "how bad" something could be if it did occur. The determination is based on the four factors of safety, reputation, financial and recovery.

**Strategic Risks:** Risks that affect the ongoing work of the University as outlined in the University's Strategic Plan.

**Transfer of risk:** The persuasion of another party to accept a risk through a contract.



## **9.0 RISK CATEGORIZATION**

The University shall adopt best practices in managing each class of risk. The purpose of risk categorization in the University is to facilitate risk management process. The risks of the University can be categorized into:

- 9.1. **Strategic Risks:** These affect the University ability to carry out its goals and objectives.
- 9.2. **Compliance Risks:** Affect compliance with laws and regulations, student, faculty, staff & visitor safety, environmental issues, litigation, conflicts of interest, privacy, etc.
- 9.3 **Reputational Risks:** Affect reputation, public perception, political issues, etc.
- 9.4 **Financial Risks:** Affect loss of or ability to acquire assets, generate revenue, mismanagement of resources and fraud.
- 9.5 **Operational Risks:** Affect on-going management processes and procedures.
- 9.6. **Hazard Risks:** Affect the ongoing operations of the University either by man-made and/or natural occurring events.

**10.0 ROLES AND RESPONSIBILITIES OF KEY OFFICERS IN RISK  
MANAGEMENT OF THE UNIVERSITY**

To ensure that the University achieve its short-term, medium-term, and long-term strategic objectives, the following defined roles and responsibilities shall be duly observed:

<b>Role/Decision/Action</b>	<b>Responsibility</b>	<b>Conditions and limitations</b>
a. Oversee and monitor the assessment and management of risk and compliance	Council	i. Through Council's Audit and Risk Committee
b. Oversee the development and update of the University's Annual Risk Register	Pro-Vice Chancellor, Registrar, Director of Finance, Director of Internal Audit, Director of Quality Assurance and Budget Officer	i. In line with Strategy, Planning and Performance of the University. ii. Considering inputs from the various Heads of Departments (HoDs) iii. To be approved by Council through the Council's Audit and Risk Management Committee. iv. Submit final copies to all key officers of the University.
c. Oversee development of the risk appetite statement	Pro-Vice Chancellor, Registrar, Director of Finance, Director of Internal Audit, Budget Officer.	i. To be approved by Council through the Council's Audit and Risk Management Committee ii. Submit final copies to all key officers of the University
d. Incorporate risk management, including compliance obligations and business continuity management into the University business practices.	Vice Chancellor	i. With the support of the Principal Officers of the University
e. Provide risk advice to Vice Chancellor	Director of Internal Audit	i. In consultation with Council's Audit and Risk Management Committee

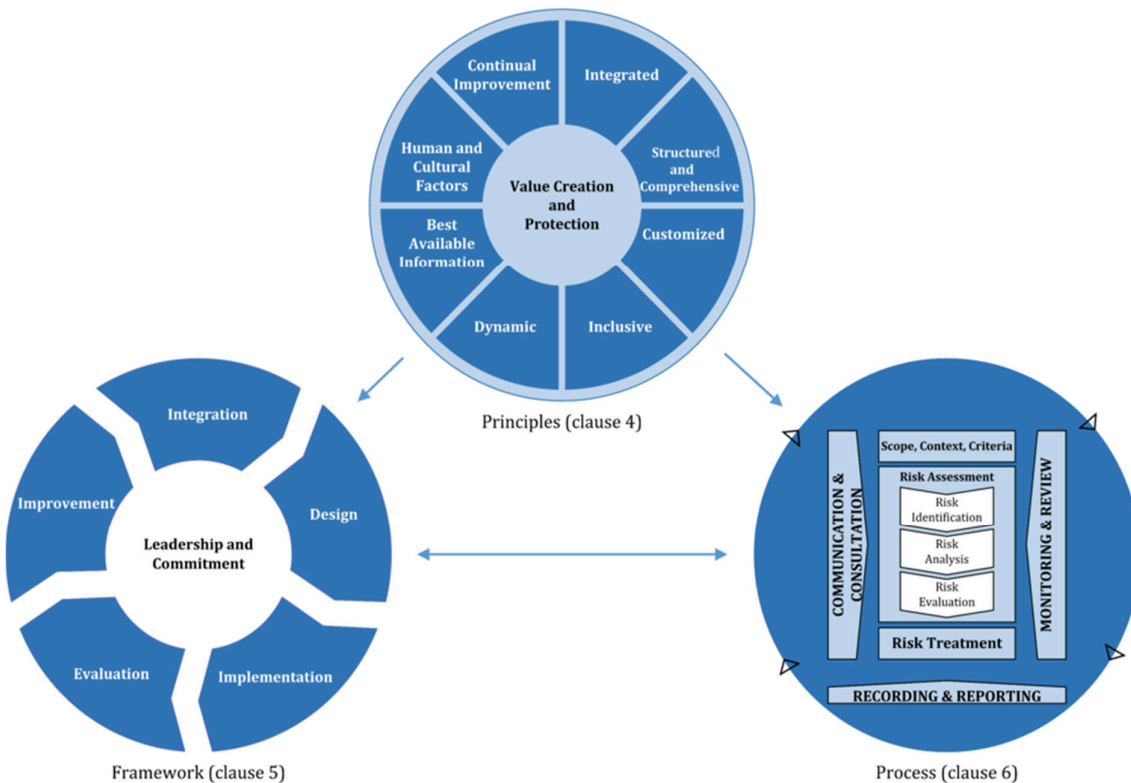
<b>Role/Decision/Action</b>	<b>Responsibility</b>	<b>Conditions and limitations</b>
f. Maintain University Risk Register	Director of Internal Audit	i. Ensure Compliance with University Risk Register
g. Support the development of any divisional, project / operational risk registers	Director of Internal Audit, Director of Finance, Budget Officer and Director of Quality Assurance	
h. Provide advice, training, and documentation of process to support management of risk	Director of Internal Audit	i. With the support of Council Audit and Risk Committee
i. Conduct internal audits to support the management of risk and compliance obligations	Director of Internal Audit	i. Consider recommendations from Audit and Risk Committee in relation to risk-related audits
j. Develop, implement, and coordinate a University-wide critical incident management programme	Health and Safety Committee	Programme to be reviewed and approved annually by the Executive Committee
k. Develop and implement the Business Continuity Programme	Pro-Vice Chancellor, Registrar, Director of Finance, Director of Internal Audit, Director of Quality Assurance and Budget Officer	Programme to be approved by Council
l. Identify and manage risk: perform day-to-day activities in an informed manner adhering to relevant compliance obligations	All staff including persons authorised to undertake University business and/or activities (e.g., service providers and contractors)	Identification of risk and non-compliance to be raised/reported to the next most senior person for assessment
m. Administer this policy, including informing and assisting staff on compliance issues	Director of Internal Audit	
n. Maintain University-wide Compliance Obligations Register	Director of Internal Audit	Approve by Council Audit and Risk Committee

<b>Role/Decision/Action</b>	<b>Responsibility</b>	<b>Conditions and limitations</b>
o. Develop and implement Compliance Management Framework	Director of Internal Audit	Approve by Council Audit and Risk Committee
p. Compliance with relevant compliance obligations	All staff, students, contractors, and service providers	
q. Identify and mitigate compliance risks	Director of Internal Audit	Approved by Council Audit and Risk Committee
r. Manage and report non-compliance	Director of Internal Audit	Reporting of non-compliance to Council through Audit and Risk Management Committee

## 11.0 THE UNIVERSITY RISK MANAGEMENT STRATEGY

The University shall adopt the International Organization for Standardization (ISO), ISO 31000 Risk Management guidelines.

The figure below defines the principles, framework, and process of risk management.



**Figure 1. University Risk Management Strategy**

Source: (Adopted, ISO 31000: 2018)

### 11.1 Principles

#### 11.1.1. Integrated

Risk management is an integral part of all organizational activities.

- a) Every activity of the University shall be executed in line with the Risk Management Policy.
- b) A member shall not perform any activity if that activity fails to pass through risk management process of the University.

#### 11.1.2. Structured and comprehensive

- a) There shall be a composite risk register. This risk register will incorporate all departments and units risk registers.
- b) The Director of Internal Audit shall circulate a standardized risk register form to all key functional areas of the University at the end of each Academic year.

- c) Upon receipt of the risk register form, each departmental or unit head shall engage their members to prepare a risk register for the next academic year and submit same to the office of the Pro Vice Chancellor not later than two months to the next academic year.
- d) Subject to section 8(b), the Pro Vice Chancellor's Committee shall prepare the University composite annual risk register and forward same to Council for approval not later than 1 month to the next academic year.
- e) The Approved composite risk register becomes the basis for preparation of Annual Audit Plan.
- f) Each key officer of the University shall have a copy of the approved Risk Register.

#### **11.1.3. Customized**

- a) Subject to section 8(d), the University Executive Committee shall develop risk management framework and process for each strategic objective.
- b) The University business environment that affects each objective must be considered in developing risk management framework and processes.

#### **11.1.4. Inclusive**

- a) The University shall use stakeholder-based approach to risk management.
- b) Knowledge, views and perceptions of stakeholders shall be solicited appropriately and on timely bases.

#### **11.1.5. Dynamic**

- a) Risks can emerge, change, or disappear as the University's external and internal environment changes.
- b) The University will develop a flexible risk management system that will anticipate, detect, acknowledge, and respond to changings in the external and internal factors affecting its strategic objectives.

#### **11.1.6. Best available information**

- a) Information should be timely, clear and available to relevant stakeholders.
- b) All heads of operational areas in the Universality shall update the Risk and Audit Committee of Council through the Pro Vice Chancellor's Committee with the output on risk management of their operational areas.
- c) The Risk and Audit Committee shall provide feedback on risk management result and appropriate risk control measures to all operational areas on a quarterly basis.

#### **11.1.7. Human and cultural factors**

- a) Human behaviour and culture significantly influence all aspects of risk management at each level and stage.
- b) It is important for all members of the University to demonstrate positive attitude towards risk management.
- c) The University shall establish Corruption and Fraud Policy, Reputational Policy and Environmental Policy to regulate the conduct of its members.

#### **11.1.8. Continual improvement**

- a) Risk management is continually improved through learning and experience.
- b) The Risk and Audit committee of council through the Director of Internal Audit shall organize risk management training for members at least once every year.
- c) The University should use the right technology in the risk management process.

## **11.2 Risk Management Framework**

The purpose of the risk management framework is to assist the University in integrating risk management into significant activities and functions. The effectiveness of risk management will depend on its integration into the governance of the University, including decision-making. This requires support from stakeholders, particularly the Council.

### **11.2.1. Leadership and commitment**

- a) The Council and the Executive Committee of the University, where applicable, shall ensure that risk management is integrated into all Universities activities and should demonstrate leadership and commitment.
- b) The Council through Risk and Audit Committee shall issue a statement or policy that establishes a risk management approach, plan or course of action.
- c) The Council shall ensure that the right resources including technology are allocated for managing risks.
- d) Assigning authority, responsibility, and accountability at all levels of the University shall be based on the strategic plan of the University.
- e) The Council through Risk and Audit Committee shall align risk management with the strategic objectives of the University.
- f) The Risk and Audit Committee shall ensure that information about such risks and their management is properly communicated.

### **10.2.2. Integration**

- a) The University organogram should be designed to reflect the risk management strategy of the University.
- b) Risk management should be part of the organizational purpose, governance, leadership and commitment, strategy, objectives and operations.
- c) The risk management practice of the University should be tailored to meet its needs and culture.

### **11.2.3. Design**

- a) Understanding the organization and its context.
- b) The University should examine and understand its external and internal environment.
- c) Examining the University's external environment may include, but not limited to:
  - i. the social, cultural, political, legal, regulatory, financial, technological, economic, and environmental factors, whether international, national, regional or local.
  - ii. key drivers and trends affecting the objectives of the University.
  - iii. external stakeholders' relationships, perceptions, values, needs and expectations.
  - iv. contractual relationships and commitments.
  - v. the complexity of networks and dependencies.

- d) Examining the University's internal environment may include, but not limited to understanding the:
  - i. vision, mission and values.
  - ii. governance, organizational structure, roles and accountabilities.
  - iii. strategy, objectives and policies.
  - iv. organization's culture.
  - v. standards, guidelines and models adopted by the University.
  - vi. capabilities in terms of resources and knowledge (e.g., capital, time, people, intellectual property, processes, systems and technologies).
  - vii. data, information systems and information flows.
  - viii. relationships with internal stakeholders, taking into account their perceptions and values.
  - ix. contractual relationships and commitments.
  - x. interdependencies and interconnections.

#### **11.2.4. Articulating risk management commitment**

The University Council and the Executive Committee, where applicable, should demonstrate and articulate their continual commitment to risk management through a policy, a statement or other forms that clearly convey the University's objectives and commitment to risk management.

The commitment should include, but not limited to:

- a. the University's purpose for managing risk and links to its objectives and other policies;
- b. reinforcing the need to integrate risk management into the overall culture of the University.
- c. leading the integration of risk management into core business activities and decision-making.
- d. establishing authorities, responsibilities and accountabilities and communication.
- e. making the necessary resources available.
- f. establishing the way in which conflicting objectives are dealt with.
- g. measuring and reporting the University's performance indicators.
- h. reviewing and ensuring continuous improvement.
- i. communicating risk management commitment within the University and to stakeholders, as appropriate.

#### **11.2.5 Assigning organizational roles, authorities, responsibilities, and accountabilities**

The University Council and the Executive Committee shall ensure that the responsibilities, authorities and accountabilities with respect to risk management are assigned and communicated at all levels of the University, and should:

- a. emphasize that risk management is a core responsibility.
- b. identify individuals who have the accountability and authority to manage risk (risk owners).

#### **11.2.6. Allocating resources**

a. The University Council and the Executive Committee shall ensure allocation of appropriate resources for risk management. This may be done based on the:



- i. people, skills, experience and competence.
- ii. organization's processes, methods and tools to be used for managing risk.
- iii. documented processes and procedures.
- iv. information and knowledge management systems.
- f. professional development and training needs.

The University should however, consider the capabilities, constraints and existing resources in the allocation of the resources.

#### **11.2.7. Establishing communication and consultation**

The University shall establish an approved approach to communication and consultation to support the framework and facilitate the effective application of risk management.

- a. Communication involves sharing information with targeted audiences.
- b. Consultation involves participants providing feedback with the expectation that it will contribute to and shape decisions or other activities.
- c. Communication and consultation should be timely and ensure that relevant information is collected, collated, synthesised and shared as appropriate, and that feedback is provided, and improvements made.

#### **11.2.8. Implementation**

- a. The University 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 the University and by whom.
  - iii. modifying the applicable decision-making processes where necessary.
  - iv. ensuring that the University's arrangements for managing risk are clearly understood and followed.
- b. Successful implementation of the framework requires the engagement and awareness of stakeholders. This enables the University to explicitly address uncertainty in decision-making, while ensuring that any new or subsequent uncertainty can be considered as it arises.
- c. The Director of Internal Audit shall advise the Vice Chancellor on all transactions in line with this policy.

#### **11.2.8 Evaluation**

- a. To evaluate the effectiveness of the risk management framework, the University shall:
  - i. periodically measure the performance of the risk management framework against its purpose, implementation plan(s), indicators and expected outcomes.
  - ii. determine whether the framework remains suitable to support achieving the objectives of the University.

### **11.2.9. Improvement**

The University shall continue to assess the suitability, adequacy and effectiveness of the risk management framework and the way the risk management process is integrated. As relevant gaps or improvement opportunities are identified, the organization should develop plans and tasks, and assign them to those responsible for the implementation.

### **11.3. Process**

a. The Council Audit and Risk Committee through the Director of Internal Audit shall identify the risk universe associated with each strategic objective, define the scope of the risk, and communicate it to appropriate authority. To identify the risk universe and define the scope, the Committee shall scan the external and internal environment of the University.

b. The responsible officer in consultation with experts and other key officers will profile the risk and develop policies and procedures for the risk treatment and provide risk report.

c. The University will set its risk criteria by considering:

i. the nature and type of uncertainties that can affect outcomes and objectives.

ii. how the consequences (both positive and negative) and likelihood of the risk occurrence will be defined and measured.

iii. the time-related factors.

iv. the consistency in the use of measurements.

v. how the level of risk is to be determined.

vi. the University's capacity.

#### **11.3.1 Risk assessment**

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

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.

##### **11.3.1.1 Risk identification**

The Council Audit and Risk Committee through the Director of Internal Audit shall identify the risk universe associated with each strategic objective, define the scope of the risk, and communicate it to appropriate authority. To identify the risk universe and define the scope of the risk, the committee shall scan the external and internal environment of the University and consider the following factors:

a. tangible and intangible sources of risk.

b. causes and events.

c. threats and opportunities.

d. vulnerabilities and capabilities.

- e. changes in the external and internal context.
- f. indicators of emerging risks.
- g. the nature and value of assets and resources.
- h. consequences and their impact on objectives.
- i. limitations of knowledge and reliability of information.

#### **11.3.1.2 Risk analysis**

- a. The purpose of risk analysis is to comprehend the nature of risk and its characteristics including, where appropriate, the level of risk.
- b. The Director of Internal Audit shall provide a risk analysis template to be approved by the Council Audit and Risk Management Committee and circulated to all officers responsible.
- c. Each officer responsible shall complete the risk analysis template and submit it to the Director of Internal audit. This will now serve as a basis for the preparation of the University's risk analysis.
- d. Risk analysis should consider factors such as the:
  - i. likelihood of the event(s) occurring and the consequences.
  - ii. nature and magnitude of the consequences.
  - iii. complexity and connectivity of the risk.
  - iv. volatility of the time-related factors.
  - v. effectiveness of existing controls.
  - vi. sensitivity and confidence levels.
  - vii. quality of information.
  - viii. divergence of opinions and biases.

#### **11.3.1.3 Risk evaluation**

- a. The Council Audit and Risk Management Committee shall compare the risk analysis results from the various operational areas with the established criteria to determine if the right risk(s) affecting a particular objective has been correctly identified and if the scope has been appropriately determined.
- b. The purpose of risk evaluation is to support decisions in terms of:
  - i. doing nothing further.
  - ii. considering risk treatment options.
  - iii. undertaking further analysis to better understand the risk.
  - iv. Improving existing controls or develop new controls.
  - v. reconsidering objectives.

c. The outcome(s) of risk evaluation(s) should be recorded, communicated and then validated at the appropriate levels of the University.

### **9.3.2. Risk treatment**

a. The purpose of risk treatment is to select and implement options for addressing risk.

b. Risk treatment involves an iterative process of:

i. formulating and selecting risk treatment options.

ii. planning and implementing risk treatment(s).

iii. assessing the effectiveness of the treatment(s).

iv. deciding whether the remaining risk is acceptable and if not acceptable, taking further treatment(s).

#### **11.3.2.1. Selection of risk treatment options**

a. Selecting the most appropriate risk treatment option(s) involves balancing the potential benefits derived in relation to the achievement of the objectives against costs, effort or disadvantages of implementation.

b. Options for treating risk may involve one or more of the following:

i. avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk.

ii. taking or increasing the risk in order to pursue an opportunity.

iii. removing the risk source.

iv. changing the likelihood.

v. changing the consequences.

vi. sharing the risk.

vii. retaining the risk by informed decision.

c. The selection of risk treatment options should be made in accordance with the University's objectives, risk criteria and available resources.

d. When selecting risk treatment options, the University should consider the values, perceptions and potential involvement of stakeholders and the most appropriate ways to communicate and consult with them.

e. Risk treatment can also introduce new risks that need to be managed.

f. The council and other stakeholders should be aware of the nature and extent of the remaining risk after risk treatment. The remaining risk should be documented and subjected to monitoring, review and, where appropriate, further treatment.

#### **11.3.2.2 Preparing and implementing risk treatment plans**

a. The purpose of risk treatment plans is to specify how the chosen treatment option(s) will be implemented, so that arrangements are understood by those involved, and progress monitored.

- b. The treatment plan should clearly identify the order in which risk treatment should be implemented.
- c. Treatment plans should be integrated into the management plans and processes of the University, in consultation with appropriate stakeholders.
- d. The information provided in the treatment plan should include:
  - i. the rationale for selection of the treatment options, including the expected benefits to be gained.
  - ii. those who are responsible and accountable for approving and implementing the plan.
  - iii. the proposed actions.
  - iv. the resources required, including contingencies.
  - v. the performance measures.
  - vi. the constraints.
  - vii. the required reporting and monitoring.
  - viii. when actions are expected to be undertaken and completed.

### **11.3.3 Monitoring and review**

- a. The purpose of monitoring and review is to assure and improve the quality and effectiveness of process design, implementation, and outcomes.
- b. Monitoring and review should take place in all stages of the process. This includes planning, gathering and analysing information, recording results and providing feedback.
- c. The results of monitoring and review should be incorporated throughout the University's performance management, measurement and reporting activities.

### **11.3.4 Recording and reporting**

- a. The risk management process and its outcomes should be documented and reported through appropriate mechanisms.
- b. Recording and reporting aims to:
  - i. communicate risk management activities and outcomes across the University.
  - ii. provide information for decision-making.
  - iii. improve risk management activities.
  - iv. assist interaction with stakeholders, including those responsible and accountable for risk management activities.

## **12.0 CORPORATE GOVERNANCE IN RISK MANAGEMENT**

The Internal Audit's primary responsibility shall be to ensure that the risk management approach is being followed throughout the University, and that appropriate internal controls are in place and are operating effectively. They shall work on a risk-based audit plan that seeks to deliver assurance to the Council as to the efficacy and efficiency of the risk management approaches adopted, including the framework. These are internal control policies, programmes and procedures established to ensure that risk responses are effectively carried out in the University. They include:

1. Approvals and authorizations of every transaction.
2. Transactions within the strategic objectives, scope, and budget of the University.
3. Effective, efficient, and economic allocation of resources.
4. Compliance with relevant laws.
5. Verifications of documents and reconciliations of records.
6. Adequate segregation of incompatible duties.
7. Security and safeguarding of assets.
8. Periodic review of the performance of the units in the University by the Governing Council.

### **12. Attitude towards Risks**

- a. There is a different risk appetite for risks that the University wishes to engage in, compared to the risk appetite for risks that represent pitfalls.
- b. For the risk that is impossible to set an appetite, the University shall disaggregate risk appetite by looking at:
  - i. the propensity to take risk; and
  - ii. the propensity of the University to exercise control.
- c. The University shall provide explicit policies and statements of risk appetite including the culture and processes of risk management and internal control.

### **13.0 DIMENSIONAL CONTROL IN RISK MANAGEMENT**

Dimensional control is an approach to developing or assessing risk responses. The University shall adopt the following five dimensions of control:

- a. **Strategy:** The University should first think of strategies to prevent the risks from happening. If that proves impossible, it should allow the risk(s) to happen and deal with the consequences by devising an appropriate contingency or disaster recovery plan.
- b. **People:** Where appropriate risk should be managed by designated officials, or be made the responsibility of every staff of the University.
- c. **Detail:** Risk shall be managed in line with Risk Management Strategy of the University where standardised guidelines shall be developed and communicated to all sectional heads.
- d. **Tasks:** The University shall use information intelligence to anticipate risk, devise plans, procedures or approaches to managing the risk.
- e. **Drivers:** The University Council through its Audit and Risk Management Committee shall ensure that the whole risk management process takes place. The drivers include the Executive Committee, Academic Board, regulators and the culture of the University

### **14.0 STRATEGIC PLAN OF THE UNIVERSITY AND RISK ALIGNMENT**

14.1 The Strategic Plan of the University focuses on the following strategic objectives:

- a. Education and hands on-training.
- b. Research and Innovation.
- c. Community service/engagement with society.
- d. Human resource development.
- e. Resource mobilization and prudent financial management.
- f. Physical infrastructure development.
- g. Improvement of students' enrollment.
- h. IT development.
- i. Good corporate governance system(s).

#### **14.2. Risk Alignment with the University Strategic Plan**

- a. The University recognised that risk is associated with each strategic objective.
- b. To ensure effective and wholistic risk management, risk register shall be prepared based on the strategic objectives of the University.
- c. There may be committees base on their expertise for each strategic objective to operationalize the risk registers.

### **15.0 BUSINESS CONTINUITY PLANNING**

The University shall conduct business continuity planning on an enterprise-wide basis as one of the major components of risk management. In this case, the University defines business continuity planning as a process whereby organizations ensure maintenance of critical operations when confronted with adverse events such as natural disasters, technology failures, human errors, terrorism, etc. The University has an obligation to protect and provide for students, faculty, staff, and visitors in the event of a major interruption of its mission or operations. These obligations extend to a responsibility for each department to be able to meet its individual obligations. This includes the ability to provide the services expected of them and to carry out services critical to the mission of the University should an event occur that interrupts the normal course of operations. The University will therefore have in place an adequate continuity plan that will prevent such effects as financial disaster, interruption of academic classes, failure of research projects, and delays in completing other critical activities.

## **16.0 PROPOSED IMPLEMENTATION PLAN**

With regard to the new statutory requirements (the Technical University ACT, 2016 (Act 922), the Constitution of Ghana), it is mandatory for the University to incorporate the Risk Management Policy Framework into the University governance structure. The implementation steps required of the University are:

- a) Complete a comprehensive audit of governance practice based on the University Strategic Plan and the Technical University ACT, 2016 (Act 922) to assess the impact of the latest changes and restructuring.
- b) Develop the ERMP expertise through training of the University managers.
- c) Establish an effective feedback system for quarterly and annual reporting of the ERMP.
- d) Develop risk management and disaster recovery strategies for ERMP.
- e) Ensure audit of institutional performance regarding the critical risks highlighted in the Risk Register.

### **16.1 Training and Development**

The University shall be committed towards the development and encouragement of enterprise-wide training and exercises with the main aim of achieving successful risk management and business continuity management. As a result, key officers from the Council and Board level to lower-level staff will be identified from time-to-time to undergo relevant trainings. Such trainings will not only enable participants understand how risk management affects decision making but will also enable them raise basic awareness of risk management concepts and mechanisms that will allow them to identify and manage risks in their respective units and strengthen business continuity management through adequate forward planning practices.

### **16.2 Review of Policy**

Risk management policy and underlying strategies or procedures will be reviewed regularly by the Council through the Audit Committee to ensure its continued application, effectiveness, and relevance.



## **17.0 FRAUD AND CORRUPTION, REPUTATIONAL AND ENVIRONMENTAL POLICIES**

17.1. To strengthen its approach to risk identification, monitoring, fraud mitigation and corruption, the Bolgatanga Technical University shall develop a Fraud and Corruption Policy. This will ensure corrupt and fraudulent practices are timely identified and reported to the Audit Committee of the University Council.

### **17.2 Reputational Policies**

17.2.1. The Bolgatanga Technical University shall develop an Institutional Reputation Policy. The University recognizes this policy as a vital component of its strategic objectives. The University seeks to build a strong institutional reputation that will attract quality human resource, students, collaborative partnerships, and funding.

17.2.2. This policy will ensure that the University thrives and increase the value of its brand.

## **18.0 RISK MATRIX**

### **18.1 Annual Risk Matrix**

Each University Unit shall prepare annual risk matrices and forward these to the officer responsible. The officer shall review the annual risk evaluation reports with the risk owners. The risk matrix will contain a follow-up action plan with an allocation of responsibility for risk mitigation and the time frame. Newly detected risks should be added while risks that have been fully mitigated in the course of time should be removed. The officer responsible shall produce an Annual University Risk Report and Risk Map to the University Management Board for review and appropriate feedback.

### **18.2. Quarterly Risk Report**

The officer responsible, in line with the guidelines of Risk Based Internal Audit (RBIA) should follow-up on major risks from the Annual Risk Matrix and Action Plan on a quarterly basis and monitor the newly identified material risks. This process will be compiled from the quarterly risk assessment reports as part of the monitoring and forecasting process. The purpose of the Quarterly Risk Review will be to:

1. Allow a comprehensive assessment of the University Units' risks including identifying new risks which may affect the Units meeting their goals and objectives.
2. Permit the University Units to update their Risk Register for all identified risks for submission to the officer responsible.

**APPENDIX A: COSO RISK MATRIX**

RISK RATING KEY

<p><b>LOW</b></p> <p><b>0 – ACCEPTABLE</b></p> <hr/> <p><b>OK TO PROCEED</b></p>	<p><b>MEDIUM</b></p> <p><b>1 – ALARM</b> as low as reasonably practicable</p> <hr/> <p><b>TAKE MITIGATION EFFORTS</b></p>	<p><b>HIGH</b></p> <p><b>2 – GENERALLY UNACCEPTABLE</b></p> <hr/> <p><b>– SEEK SUPPORT</b></p>	<p><b>EXTREME</b></p> <p><b>3 – INTOLERABLE</b></p> <hr/> <p><b>PLACE EVENT ON HOLD</b></p>
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SEVERITY



<p><b>ACCEPTABLE</b></p> <p><b>LITTLE TO NO EFFECT ON EVENT</b></p>	<p><b>TOLERABLE</b></p> <p><b>EFFECTS ARE FELT, BUT NOT CRITICAL TO OUTCOME</b></p>	<p><b>UNDESIRABLE</b></p> <p><b>SERIOUS IMPACT TO THE COURSE OF ACTION AND OUTCOME</b></p>	<p><b>INTOLERABLE</b></p> <p><b>COULD RESULT IN DISASTER</b></p>
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LIKELIHOOD



<p><b>IMPROBABLE</b></p> <p><b>RISK IS UNLIKELY TO OCCUR</b></p>	<p><b>LOW</b></p> <p><b>- 1 -</b></p>	<p><b>MEDIUM</b></p> <p><b>- 4 -</b></p>	<p><b>MEDIUM</b></p> <p><b>- 6 -</b></p>	<p><b>HIGH</b></p> <p><b>- 10 -</b></p>
<p><b>POSSIBLE</b></p> <p><b>RISK WILL LIKELY OCCUR</b></p>	<p><b>LOW</b></p> <p><b>- 2 -</b></p>	<p><b>MEDIUM</b></p> <p><b>- 5 -</b></p>	<p><b>HIGH</b></p> <p><b>- 8 -</b></p>	<p><b>EXTREME</b></p> <p><b>- 11 -</b></p>
<p><b>PROBABLE</b></p> <p><b>RISK WILL OCCUR</b></p>	<p><b>MEDIUM</b></p> <p><b>- 3 -</b></p>	<p><b>HIGH</b></p> <p><b>- 7 -</b></p>	<p><b>HIGH</b></p> <p><b>- 9 -</b></p>	<p><b>EXTREME</b></p> <p><b>- 12 -</b></p>

**APPENDIX B: RISK REGISTER**

Strategic Objective X Risk Register													
Positive Risk Response Options		Exploit	Share	Enhance	Accept			Risk	Something which has not happened, but might				
Negative Risk Response Options		Avoid	Transfer	Mitigate	Accept			Issue	Something which has already happened				
Alternate Response Options		Contingency						No longer active					
Risk ID	Description	Risk Owner	Risk Trigger	Risk Category	Probability (1-4)	Impact (1-4)	PI Score	Expected Result, No Action	Risk Response Type	Response Trigger	Response Owner	Response Description	Expected Impact of Response
	Description of the risk	Name of person who monitors the risk	How you know the risk is becoming an issue or has reached a point that requires action.	Group defines the types of risks (technology, financial, staffing, etc.)	Group sourced rough estimate of how likely this is to occur	Group sourced rough estimate of how significant the impact of this risk will be if/when it becomes an issue	Probability multiplied by Impact	What will happen if the risk becomes an issue and no action is taken	Decision made by group on how to respond to this risk (see above in blue)	How do you know it is time to put the response into play	Who is responsible for initiating the response	What is the response	What do you expect will result from the response