



## **SRPT**

### **Performance Risk Management Report**

**Quarter ended October - December (Quarter 2), 2019-2020**

## Detailed Activities With Risks:

NO	Strategic Objective	Strategic Outcome	Strategic KPI	Departmental Objective	Related Risk/s	Activity Description	Departmental Activity KPI	Activity Performance Update
1	To Ensure sound market infrastructure, institutions and operations	-> Supervision, Stability and Governance	->Enhanced market surveillance model and infrastructure by June 2020.	To support effectiveness of projects within the Authority.	Unstructured design and planning of projects 12 Poor Project development, roll out and management 20	Integration of CMA's Market Surveillance System (MSS Capizar) to the upgraded automated trading system, development of system specifications & procurement of a multi-asset surveillance system  35 %	To support effectiveness of projects within the Authority.	1. In December 2019, Infotech Middle East FZ-LLC the vendor for the Authority's MSS Capizar system was able to install a working solution of the integrated system to ATS and CDS systems. User Acceptance Testing (UAT) shall commence in January 2020. 2. FSVC are at the tail end of finalizing the inception report and workplan. In Q3, they are expected in the country for the next visit to complete the specifications of the system and commence the procurement process for the same.

2	Ensure optimal institutional efficiency and effectiveness of CMA	-> Institutional Service Delivery, Operational Efficiency and Sustainability	->Approved enterprise architecture by December 2019	To support effectiveness of projects within the Authority.	Strategy execution delay arising from reliance on external funding partners. 16	Monitor and ensure effective implementation of the Information Repository and Business Intelligence systems 20 %	Review assignments to different projects within the Authority and advise resource balancing by December 2019	The vendors for the BI and IR, Attain Enterprise Solutions Ltd in a joint venture with ScienceSoft OY were in the country from Oct- 28 to Nov- 8, 2019 for a requirements gathering exercise. They submitted the Functional Requirements Document (FRD) for review on Nov-29, 2019. We reverted with our feedback on Dec-11, 2019 and are awaiting the revised FRD by Dec-23, 2019. Once the FRD and the workplan are approved by us, development and implementation of the of the project will commence.
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3	Ensure optimal institutional efficiency and effectiveness of CMA	-> Institutional Service Delivery, Operational Efficiency and Sustainability	->85 % completion of the work plans by June 2020.	Enhance Strategy implementation and Performance Evaluation	<p>Streamlining the project monitoring and control regime. 12</p> <p>Continuous monitoring of PPRMIS to track implementation of the Authority's Strategic papers &amp; projects and monitor risks 20</p> <p>Lack of buy in from stakeholders and users of the Project, Performance and Risk Management Information System. 8</p> <p>Failure of internal processes and systems i.e. damage to physical assets, system failures 12</p>	Precise Monitoring and Evaluation to ensure completion of activities within department and team's work plans; Resource planning and alignment and Risk monitoring 50 %	85% completion of the workplans by June 2020	The department conducted precise Monitoring & Evaluation in the period under review and is will work committedly to ensure: completion of activities within department and team's work plans; proper resource planning and alignment and Risk monitoring
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4	Ensure optimal institutional efficiency and effectiveness of CMA	-> Institutional Service Delivery, Operational Efficiency and Sustainability	->100 % compliance with applicable statutory and regulatory requirements.	Enhance Strategy implementation and Performance Evaluation	<p>Failure to fully implement the 10 Year Capital Market Master Plan</p> <p>16</p> <p>Failure to Meet PC Targets</p> <p>12</p> <p>Strategy execution delay arising from reliance on external funding partners.</p> <p>16</p>	<p>Submission of reports to key stakeholders within stipulated timelines and meet NT and other GoK Agency requirements.</p> <p>70 %</p>	<p>Compilation of 100 % adequate PC evidence</p>	<p>The 2019-2020 Q1 PC report was submitted to relevant key stakeholders in October as well as the report to the Vision 2030 Delivery Secretariat on CMMP implementation. The Q2 report will be presented to the TPC for approval on 13th January 2020 in readiness for submission by 15th January 2020.</p>
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5	Ensure optimal institutional efficiency and effectiveness of CMA	-> Institutional Service Delivery, Operational Efficiency and Sustainability	->Continuous Performance and Risk reporting on PPRMIS	Enhance Strategy implementation and Performance Evaluation	<p>Delayed implementation of the 2018-23 Strategic Plan 16</p> <p>Failure to fully implement the 10 Year Capital Market Master Plan 16</p> <p>Failure to Meet PC Targets 12</p> <p>Failure of internal processes and systems i.e. damage to physical assets, system failures 12</p> <p>Delayed monitoring of Authority's Performance &amp; Risk 12</p>	Monitoring and Evaluation of the Authority's Strategic Papers & projects and quarterly updates to the relevant Board Committee 70 %	<p>Compilation of 100% adequate PC evidence; 100 % implementation of 2019-2020 CMMP work plan; Timely and Accurate Monitoring and Reporting</p>	Monitoring and Evaluation of the Authority's Strategic Papers & projects and quarterly updates to the relevant Board Committee was undertaken in Quarter one & Quarter 2 reports are currently being prepared. Going forward, effective M&E will be conducted in earnest to track implementation of the Authority's Strategic Papers & projects.
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6	Enhancing strategic influence	-> Institutional Service Delivery, Operational Efficiency and Sustainability	->At least five (5) key regional and international engagements or partnerships by June 2020	Enhance Strategy implementation and Performance Evaluation	Partnerships with other stakeholders and development partners 16	Leverage Strategic Partners to optimize achievement of target activities. 25 %	Enhanced scope of strategic stakeholders	In implementing its activities, the department engaged Internal Stakeholders to implement its Agenda. The department is working towards leveraging Strategic Partners to support achievement of the Authority's mandate. This will begin in earnest upon approval of the Stakeholder engagement strategy currently under development by the CIA department.
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7	To ensure a robust, facilitative and responsive policy and regulatory framework for capital market development and efficiency	-> Optimal Product and Services Uptake and Market Deepening	-> Revised Public Offers, Listings and Disclosure Regulations and applicable statutory amendments submitted to the National Treasury and Planning for gazettment by February 2020.	Enhance the responsiveness and enforceability of the policy regulatory framework to improve investor experience	Partnerships with other stakeholders and development partners 16	Support development of the recovery board policy as part of the joint CMA/ NSE/ CDSC committee 60 %	NSE Recovery Board Rules submitted to the CMA Board for approval by December 2019	Following the public exposure the policy together with NSE rules were tabled at TPC which raised some issues including among others inadequate sensitization of the market on the same. The Joint CMA-NSE Technical committee subsequently met on 28th November 2019 and drew an action plan to address the concerns raised by TPC. Once all the concerns are addressed, the policy and rules will be re-tabled for approval.
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8	To Ensure sound market infrastructure, institutions and operations	-> Supervision, Stability and Governance	->Complete assessment of the soundness of market infrastructures at NSE and CDSC by September 30, 2019.	Supervise the maintenance of efficient pre-trading environment including trade facilitation, access to data and information and stable technology	Failure to fully implement the 10 Year Capital Market Master Plan 16	Support initiatives to introduce primary dealer arrangements in the Government bond market and introduce market making in the securities markets through implementation of the Hybrid Bond Market 70 %	Relevant legal amendments and policies in place to support establishment and operationalization of the Hybrid Bond Market by December 2019 and OTC platform for the Government bond market operationalized by June 2020	The Authority participated in the regional technical committee to develop the Code and Guidelines for designated market makers for Government securities awaiting adoption by the Monetary Affairs Committee after which partner states will be expected to domesticate.
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9	Leveraging technology to drive efficiency in the capital markets value chain	-> Institutional Service Delivery, Operational Efficiency and Sustainability	->Cybersecurity framework by June 2020.	Supervise the maintenance of efficient pre-trading environment including trade facilitation, access to data and information and stable technology	Partnerships with other stakeholders and development partners 16	Support initiatives by ICT to strengthen internal cyber resilience capacity and support industry discussions on Cyber Security and Cyber resilience 70 %	Support initiatives to introduce cyber security & cyber resilience frameworks in the securities markets	A Cyber Security and Cyber resilience Research Advisory paper was completed in July 2019. The important item was discussed during the Joint NSE-CMA-CDSC Board meeting and was also tabled at the JFSR Technical Committee to inform cross sector initiatives. The department intends to hold a Lunch box session in Q3 to sensitize staff on this very important topic and will work with other like minded stakeholders to push the Agenda forward.
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10	Leveraging technology to drive efficiency in the capital markets value chain	-> Institutional Service Delivery, Operational Efficiency and Sustainability	->Increased ICT automation levels by 2 points to 75.5%.	To support effectiveness of projects within the Authority.	Poor Project development, roll out and management 20	Development of a Project Management Module on PPRMIS and rollout of the project management module and refresher training to staff on the Project Management Guidelines 10 %	Automation of the project management process by June 2020	The Project Management Module is meant to be prioritized in Q3 The refresher training to staff on the project management guidelines will be carried out together with the proposed staff training sessions for Performance & Risk and the Strategic Plan to be executed collectively in February 2020.
11	Ensure optimal institutional efficiency and effectiveness of CMA	-> Institutional Service Delivery, Operational Efficiency and Sustainability	->100 % compliance with applicable statutory and regulatory requirements.	Enhance Strategy implementation and Performance Evaluation	Failure to Meet PC Targets 12	Coordinate negotiation and signing of the 2019-20 PC 70 %	Timely Completion of negotiation and signing of the 2019-20 PC as per the Government's circular	The 2019-20 PC has been negotiated, vetted and is awaiting signage by the Cabinet Secretary National Treasury

12	Ensure optimal institutional efficiency and effectiveness of CMA	-> Institutional Service Delivery, Operational Efficiency and Sustainability	->85 % completion of the work plans by June 2020.	Enhance Strategy implementation and Performance Evaluation	<p>Delayed implementation of the 2018-23 Strategic Plan 16</p> <p>Failure to fully implement the 10 Year Capital Market Master Plan 16</p> <p>Failure to Meet PC Targets 12</p> <p>Delayed monitoring of Authority's Performance &amp; Risk 12</p>	<p>Monitoring and evaluation of the Performance Contract, Strategic Plan, CMMP and projects 75 %</p>	Timely and Accurate Monitoring and Reporting (by 15th of the subsequent month)	During the Quarter under review, the department leveraged PPRMIS to monitor performance of the Authority's Strategic papers & projects. The department will continuously leverage PPRMIS to monitor performance to ensure achievement of the Strategic Objectives.
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13	Ensure optimal institutional efficiency and effectiveness of CMA	-> Institutional Service Delivery, Operational Efficiency and Sustainability	->85 % completion of the work plans by June 2020.	Enhance Strategy implementation and Performance Evaluation	Delayed implementation of the 2018-23 Strategic Plan 16	Adopting the Uwezo Kipeo approach to support awareness creation on the Strategic plan, ERM and Project Management across the organization through staff sensitization forums 25 %	Annual Strategic Plan, ERM and Project Management awareness among CMA staff	The department intends to hold staff sensitization forums in Quarter 3 and has developed a comprehensive program detailing the topical issues for discussion. In implementing the program, the department will adopt the Uwezo Kipeo Approach to support awareness creation.
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14	Ensure optimal institutional efficiency and effectiveness of CMA	-> Institutional Service Delivery, Operational Efficiency and Sustainability	->85 % completion of the work plans by June 2020.	Enhance Strategy implementation and Performance Evaluation	Continuous Monitoring of the CMMP Portal to track implementation of the Master Plan 25	Provide: Logistical support to the CMMP working groups; technical support to the CMMP working groups and continuous review and update of the CMMP portal 60 %	100 % implementation of 2019-2020 CMMP work plan	The CMMP secretariat met on 27th November and has been reorganized with revised TORs. The portal was continuously reviewed with the latest updates being made in December. Other activities being undertaken include ; Research paper on Market fee liberalization & paper on market making for equities ; Proposed initial draft amendment to the Central depository Act to support Omnibus trading in Kenya; Development of policy framework to support County financing after NT feedback on report.
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15	Ensure optimal institutional efficiency and effectiveness of CMA	-> Institutional Service Delivery, Operational Efficiency and Sustainability	->Continued ISO Certification of the Authority.	SRP Team compliance with the Authority's QMS requirements	Failure of internal processes and systems i.e. damage to physical assets, system failures 12	Coordinate team implementation of the Authority's QMS & ensure compliance with departmental procedures through preparation for ISO audits and taking corrective actions & offer relevant support 90 %	100 % Compliance with Authority's QMS	QMS implementation ongoing across the Authority. Internal audits undertaken in quarter 2.
16	Ensure optimal institutional efficiency and effectiveness of CMA	-> Institutional Service Delivery, Operational Efficiency and Sustainability	->Continuous Performance and Risk reporting on PPRMIS	Coordination of Risk management to ensure that risks that may have an active or passive hindrance to the achievement of the Authority's strategic, compliance, legal and operational objectives are managed to levels within the Board's risk appetite.	Enhancement of staff awareness on risk management 12 Integration of risk analysis and reporting into operational processes 16 Delayed monitoring of Authority's Performance & Risk 12 Failure to embed risk management in the business operations 12	Offer technical support to the risk team on the design and implementation of the Authority's ERM Framework and coordinate quarterly risk reporting by departments to CE and the Board 100 %	Risk reporting on the implementation of risk treatment strategies across all Authority functions	Departmental support and coordination was offered during the preparation and review of the Quarter 1 2019-20 Performance and Risk management reports.

17	Ensure optimal institutional efficiency and effectiveness of CMA	-> Institutional Service Delivery, Operational Efficiency and Sustainability	->Continued ISO Certification of the Authority.	Ensure full adherence by the Authority to the ISO 9001:2015 quality management system requirements	Failure of internal processes and systems i.e. damage to physical assets, system failures 12	Coordinate the implementation, maintenance and continual improvement of the ISO 9001:2015 Quality Management System of the Authority 85 %	Continued certification of the Authority	The ISO 9001:2015 internal audits were held in November and December 2019.
18	Ensure optimal institutional efficiency and effectiveness of CMA	-> Institutional Service Delivery, Operational Efficiency and Sustainability	->Continuous Performance and Risk reporting on PPRMIS	SRP Team implementation of the ERM's Framework	Integration of risk analysis and reporting into operational processes 16 Delayed monitoring of Authority's Performance & Risk 12 Failure to embed risk management in the business operations 12	Coordinate team implementation of the ERM Framework and Champion ERM reporting and other activities. 100 %	Timely reporting on strategies implemented to treat team risks	Following discussions in the Risk & Performance Meeting, Quarter 1 2019-20 reports were prepared and finalized and presented to the Board. Q2 reports to be discussed and presented to the Board upon finalization



19	Ensure optimal institutional efficiency and effectiveness of CMA	-> Institutional Service Delivery, Operational Efficiency and Sustainability	->Increased ICT automation levels by 2 points to 75.5%.	To improve efficiency and effectiveness of the Authority's operations in project management.	Burnout caused by juggling many projects and Authority activities.. 25	Collation of all projects and information of all resources allocated to all the projects & prepare a report to advise on resource balancing within the Authority 50 %	Review assignments to different projects within the Authority and advise resource balancing by December 2019	Resource balancing reporting has been ongoing this quarter due to the on boarding of 4 ICT projects running in concurrence with other projects within the Authority.
20	Ensure optimal institutional efficiency and effectiveness of CMA	-> Institutional Service Delivery, Operational Efficiency and Sustainability	->100 % compliance with applicable statutory and regulatory requirements.	Enhance Strategy implementation and Performance Evaluation	Failure to Meet PC Targets 12	Ensure submission of Annual PC report and evidence to the relevant Authorities by end of July 2020 and follow up with departments on submission of PC evidence. 90 %	Compilation of 100 % adequate PC evidence	The 2018-19 Annual PC Report was submitted to the Relevant Authorities in July and departments submitted supporting PC evidence on the same. SRP is committed to ensuring that the 2019-20 Annual PC report is submitted to the relevant Authorities in a timely manner come 2020.

21	Ensure optimal institutional efficiency and effectiveness of CMA	-> Institutional Service Delivery, Operational Efficiency and Sustainability	->attain employee engagement level above 75%.	Enhance Strategy implementation and Performance Evaluation	Poor Project development, roll out and management 20	Develop and Implement a corporate and cascaded performance measurement framework. 25 %	Cascaded corporate performance measurement framework by June 2020	The development of the cascaded performance measurement framework is still ongoing. This was reprioritized to Q3 of the year due to competing priorities.
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22	Ensure optimal institutional efficiency and effectiveness of CMA	-> Institutional Service Delivery, Operational Efficiency and Sustainability	->Enhanced business intelligence, analytics, policy formulation and decision making process across the Authority.	To support effectiveness of projects within the Authority.	Delayed implementation of the 2018-23 Strategic Plan 16	Develop a business intelligence system 30 %	Automation of the project management process by June 2020	The contract for the implementation of the Business Intelligence (BI) and Data repository (DR) project was signed on 30th September with the vendor as Attain Enterprise Solutions Ltd (AESL) in a Joint Venture (JV) with ScienceSoft OY a firm from Belarus. The consultants carried out a requirements & specifications gathering exercise between the dates 28th Oct to 8th November 2019, targeting all departments. They are to deliver a Functional Requirements Document (FRD) on 29th November for review.
					Poor Project development, roll out and management 20			
					Strategy execution delay arising from reliance on external funding partners. 16			

23	Ensure optimal institutional efficiency and effectiveness of CMA	-> Institutional Service Delivery, Operational Efficiency and Sustainability	->Continuous Performance and Risk reporting on PPRMIS	Coordination of Risk management to ensure that risks that may have an active or passive hindrance to the achievement of the Authority's strategic, compliance, legal and operational objectives are managed to levels within the Board's risk appetite.	Failure of internal processes and systems i.e. damage to physical assets, system failures 12 Failure to embed risk management in the business operations 12	Continuously review and implement the risk management framework in place 100 %	Coordination of Risk management to ensure that risks that may have an active or passive hindrance to the achievement of the Authority's strategic, compliance, legal and operational objectives are managed to levels within the Board's risk appetite.	The Quarter 1 2019 -20 Corporate Performance and Risk reports were presented to the Board Audit Committee for review and guidance on November 6th and thereafter a report was tabled to the Full Board on Nov 11th 2019.
24	To ensure a robust, facilitative and responsive policy and regulatory framework for capital market development and efficiency	-> Optimal Product and Services Uptake and Market Deepening	->Revised plan developed	Enhance Strategy implementation and Performance Evaluation	Failure to fully implement the 10 Year Capital Market Master Plan 16	Mid-term review of the Capital Market Master Plan to align to the current environment and future aspirations 5 %	100 % implementation of 2019-2020 CMMP work plan	The comprehensive mid-term review will be undertaken in the next financial year and has been included in the work plan and budget. The Mid-term review of the CMMP will commence with receipt of internal views and thoughts and later industry contribution.

25	To ensure a robust, facilitative and responsive policy and regulatory framework for capital market development and efficiency	-> Optimal Product and Services Uptake and Market Deepening	->Report on list of countries we should pursue to have DTA's with	Enhance the responsiveness and enforceability of the policy regulatory framework to improve investor experience	Delayed implementation of the 2018-23 Strategic Plan 16 Failure to fully implement the 10 Year Capital Market Master Plan 16	Review the effectiveness of the current Double Taxation Agreements Kenya has and propose new set and model for Double Taxation Agreements 20 %	100 % implementation of 2019-2020 CMMP work plan	The review was completed in the 2017/2018 financial year. The final report was discussed in the 16th Working Group 4 meeting held on 23 August 2018. No progress so far.
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# RISK ANALYSIS


## Overview

Impact	Catastrophic 5				SRPT/R/5	SRPT/R/16
	Major 4			SRPT/R/8 SRPT/R/14 SRPT/R/6 SRPT/R/4 SRPT/R/3	SRPT/R/7 SRPT/R/1 SRPT/R/2	
	Moderate 3					
	Minor 2					
	Insignificant 1					
		Rare 1	Unlikely 2	Likely 3	Highly Likely 4	Almost Certain 5
Likelihood						


No	Risk	Score	Ref No
1	Burnout caused by juggling many projects and Authority activities..	25	SRPT/R/16
2	Poor Project development, roll out and management	20	SRPT/R/5
3	Strategy execution delay arising from reliance on external funding partners.	16	SRPT/R/7
4	Delayed implementation of the 2018-23 Strategic Plan	16	SRPT/R/1
5	Failure to fully implement the 10 Year Capital Market Master Plan	16	SRPT/R/2
6	Failure to embed risk management in the business operations	12	SRPT/R/8
7	Unstructured design and planning of projects	12	SRPT/R/14
8	Delayed monitoring of Authority's Performance & Risk	12	SRPT/R/6
9	Failure of internal processes and systems i.e. damage to physical assets, system failures	12	SRPT/R/4
10	Failure to Meet PC Targets	12	SRPT/R/3

## Detailed Status of Departmental Risks

#	Description	Current Rating	Prior Rating	Risk Drivers	Risk Management Strategy Undertaken	Effect of Risk to Authority	Action to be Undertaken	Person Responsible
1	Strategy execution delay arising from reliance on external funding partners.	16 (4*4) 	20 (4*5)	<ul style="list-style-type: none"> <li>- Increased emphasis on the effects of the delays in projects kick off on the Authority's deliverables.</li> <li>- Delayed support and funding from relevant partners</li> <li>- Non-adherence to project management guidelines</li> </ul>	<ul style="list-style-type: none"> <li>- Continued liaison between external partners and internal coordination teams to ensure efficient and effective planning and execution of projects</li> <li>- Intervention with PS NT by the CE on the need to expedite the specific projects that are running behind.</li> <li>- Noting lessons learned from existing consultancies to learn how to do the next ones better.</li> </ul>	<ul style="list-style-type: none"> <li>- Lack of proper planning for projects based on the delays in project kick off for externally funded projects.</li> <li>- Fatigue of resources from waiting on projects that do not kick off.</li> <li>- Resources being stretched to accommodate timelines that have been delayed.</li> <li>- Delay in the Authority achieving its work-plan and objectives.</li> <li>- Getting outdated solutions</li> <li>- Lack of ownership causes projects not to adhere to the project management guidelines and cause a possibility of lack of delivery within the defined constraints.</li> </ul>	<ul style="list-style-type: none"> <li>- Planning and proper coordination to ensure the projects are implemented efficiently to eliminate strategy execution delay.</li> <li>- Exertion of pressure on PIU and different vendors to ensure there are no further delays to the projects implementation.</li> <li>- Application of lessons learnt in current and future projects.</li> </ul>	Team Leader Strategy Risk & Performance

2	Poor Project development, roll out and management	20 (5*4) 	12 (4*3)	<ul style="list-style-type: none"> <li>- Inadequate resources</li> <li>- On-boarding many projects with competing priorities.</li> </ul>	<ul style="list-style-type: none"> <li>- Escalation to the CE and senior management on the impact the delay in roll out of FSSP funded projects has caused to resource planning and management.</li> <li>- Resource planning activities have taken place to ensure that the projects are delivered within the stipulated timelines</li> </ul>	<ul style="list-style-type: none"> <li>- Inefficient Resource allocation and utilization</li> <li>- Delayed implementation and execution of the Authority's work-plan and strategic objectives.</li> </ul>	<ul style="list-style-type: none"> <li>- Linking resource and activity planning to ensure the inadequate resources are effectively utilized to ensure the running projects do not fail.</li> <li>- Engaging with CE, Directors and Senior management to guide on project resource planning</li> </ul>	Team Leader Strategy Risk & Performance
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3	Burnout caused by juggling many projects and Authority activities..	25 (5*5) 	20 (4*5)	<ul style="list-style-type: none"> <li>- Too many projects competing for the same resources.</li> <li>- On-boarding many projects with competing priorities.</li> <li>- Lack of Balancing of work among resources in the Authority.</li> </ul>	<ul style="list-style-type: none"> <li>- Exertion of pressure on PIU and different vendors to ensure there are no further delays to the projects implementation.</li> <li>- Engagement with vendors to outline the detailed project plans to enable efficient resource planning.</li> <li>- Resource and projects activity balancing to ensure resources are not too far stretched.</li> </ul>	<ul style="list-style-type: none"> <li>- Demoralized project team members due to increased workload leading to project under-performance.</li> </ul>	<ul style="list-style-type: none"> <li>- In the teams that have been formed, there shall be an emphasis going forward on resource balancing as a mitigation measure. Roles and responsibilities defined to ensure efficiency. Completion and rollout of the project management module will also assist in this.</li> <li>- Proper project management practices to ensure the on boarded projects do not fail or delay beyond the set constraints due to juggling too many projects.</li> <li>- Carrying out project management risk mitigation measures to ensure projects do not under perform.</li> </ul>	Team Leader Strategy Risk & Performance
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4	Failure to fully implement the 10 Year Capital Market Master Plan	16 (4*4) ← ● →	16 (4*4)	<ul style="list-style-type: none"> <li>- Lack of financial resources</li> <li>- Low prioritization of CMMP activities due to resource constraints</li> <li>- Failure to implement CMMP activities by relevant stakeholders e.g. CBK, NSE, CDSC, NT etc.</li> <li>- Government circulars curtailing certain expenditure e.g. capital expenditure, recruitment etc.</li> </ul>	<ul style="list-style-type: none"> <li>- Obtained donor support to activities</li> <li>- Lobbying the Government and other stakeholders to prioritize CMMP activities; This was highlighted during the PC negotiations in terms of NT convening the Steering Committee</li> <li>- Appropriate planning, commitment and execution to ensure availability of financial resources and capacity.</li> </ul>	<ul style="list-style-type: none"> <li>- Reputational Risk; Underdeveloped market; Failure to achieve MSCI Emerging market status for Kenya by 2023</li> <li>- Failure to achieve MSCI Emerging market status for Kenya by 2023; Reduced financial resources</li> <li>- Failure to achieve MSCI Emerging market status for Kenya by 2023</li> </ul>	<ul style="list-style-type: none"> <li>- Continuous monitoring of CMMP Performance; Leveraging networks to support funding; Leveraging technology to effectively monitor performance</li> <li>- Leveraging networks to support funding</li> <li>- Lobbying the Government and other stakeholders to prioritize CMMP activities</li> <li>- Proactive engagement requests with government to seek exemptions from the Circulars where necessary</li> </ul>	Team Leader Strategy Risk & Performance , Chief Executive
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5	Failure to Meet PC Targets	12 (4*3) ← ● →	12 (4*3)	<ul style="list-style-type: none"> <li>- Unrealistic targets set during negotiations</li> <li>- Insufficient resources</li> </ul>	<ul style="list-style-type: none"> <li>- Continuous monitoring to ensure implementation;</li> <li>One on one awareness to staff on the importance of setting realistic targets;</li> <li>Enhance negotiations with the Performance Contracting department during PC negotiations</li> <li>- Appropriate planning to ensure efficient resource utilization; Development partners support i.e Kenya Investment Mechanism (KIM), FSSP &amp; FSDA.</li> </ul>	<ul style="list-style-type: none"> <li>- Failure to achieve PC targets attracting ramifications from Government</li> <li>- Loss of credibility</li> </ul>	<ul style="list-style-type: none"> <li>- Effective negotiations ;</li> <li>More precise monitoring of PC implementation</li> <li>- Realistic Budget Projections; Appropriate planning to ensure efficient resource utilization; Development partners support i.e Kenya Investment Mechanism (KIM), FSSP &amp; FSDA.</li> </ul>	Team Leader Strategy Risk & Performance
6	Failure of internal processes and systems i.e. damage to physical assets, system failures	12 (4*3) ← ● →	12 (4*3)	<ul style="list-style-type: none"> <li>- System outages</li> <li>- New technologies</li> </ul>	<ul style="list-style-type: none"> <li>- Continuous monitoring of systems and processes and Back up systems by IT;</li> <li>Escalation of identified issues to the system developers for resolution</li> <li>- Continuous monitoring of systems and processes and Back up systems by IT</li> </ul>	<ul style="list-style-type: none"> <li>- Delay in performance monitoring; Non performance</li> <li>- Improved performance</li> </ul>	<ul style="list-style-type: none"> <li>- Backup database systems</li> <li>- Continuous monitoring of systems and liaising with IT Security to ensure that there are no system outages</li> </ul>	Team Leader Strategy Risk & Performance

7	Delayed monitoring of Authority's Performance & Risk	12 (4*3) ← ● →	12 (4*3)	<ul style="list-style-type: none"> <li>- Inadequate feedback from Internal stakeholders</li> <li>- Inadequate skills, competence and experience in risk management</li> <li>- System outages</li> <li>- Lengthy processes curtailing timely approval of the Corporate Work plan and Performance Contract</li> </ul>	<ul style="list-style-type: none"> <li>- Continuous engagements with internal stakeholders</li> <li>- Continuous engagements with risk champions</li> <li>- Continuous monitoring of systems and processes and Back up systems by IT; Escalation of identified issues to the system developers for resolution</li> <li>- Continuous and coordinated discussions with department and teams culminating to the approval of the Corporate Work plan</li> </ul>	<ul style="list-style-type: none"> <li>- Failure to achieve Strategic Objectives; Failure to meet PC targets</li> <li>- Failure to achieve Strategic Objectives</li> </ul>	<ul style="list-style-type: none"> <li>- Adequate engagement with internal stakeholders</li> <li>- Continuous engagements with risk champions and holding capacity building sessions</li> <li>- Backup database systems</li> <li>- Strict adherence to the set Work Plan; Commence development of the Annual Corporate Plan early; Proactive engagements with relevant stakeholders to expedite approvals</li> </ul>	Team Leader Strategy Risk & Performance
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8	Delayed implementation of the 2018-23 Strategic Plan	16 (4*4) ← ● →	16 (4*4)	<ul style="list-style-type: none"> <li>- Financial Constraints</li> <li>- Inadequate capacity by the Authority to effectively execute activities culminating to the achievement of the MSCI Emerging market status for Kenya by 2023.</li> <li>- Non-adoption of the Strategic Plan by staff</li> </ul>	<ul style="list-style-type: none"> <li>- Appropriate planning to ensure currently available resources both human and financial are optimized; Mobilization of external funds from development partners.</li> <li>- Staff capacity is enhanced through the Learning &amp; Development programmes</li> <li>- Monitoring timely implementation of Strategic Plan activities; Alignment of Corporate Work plan to individual ACRs</li> </ul>	- Failure to attain the MSCI Emerging Market status for Kenya by 2023	<ul style="list-style-type: none"> <li>- Align the budgeting and Annual Corporate Work plan development processes</li> <li>- Continue implementing the staff learning and development programmes .</li> <li>- Staff sensitization forums to ensure that the Plan is fully- understood &amp; enhance its adoption and subsequent implementation; Align the 2019-20 Corporate Work plan with individual ACRs</li> </ul>	Team Leader Strategy Risk & Performance , Chief Executive
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9	Lack of buy in from stakeholders and users of the Project, Performance and Risk Management Information System.	8 (4*2) ← ● →	8 (4*2)	<ul style="list-style-type: none"> <li>- Lack of involvement of the end users in the Project.</li> <li>- Outlook of too many information systems being rolled out in the Authority.</li> <li>- Continual improvement of PPRMIS to enhance efficiency and effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>- Risk champions, HODs and senior management have been involved in several stakeholder sessions throughout the development of the risk and project management modules of the PPRMIS.</li> <li>- There has been continuous improvement of the system since roll-out.</li> </ul>	<ul style="list-style-type: none"> <li>- Lack of embracing the technology.</li> <li>- Wasted efforts and Authority's resources.</li> </ul>	<ul style="list-style-type: none"> <li>- Continued stakeholder engagement and continual improvement post roll-out of the PPRMIS.</li> <li>- Continual improvement of the PPRMIS to ensure workload on users is not increased.</li> </ul>	Team Leader Strategy Risk & Performance
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10	Unstructured design and planning of projects	12 (4*3) ← ● →	12 (4*3)	<ul style="list-style-type: none"> <li>- Sensitization of Performance &amp; Risk Champions</li> <li>- Lack of understanding the CMA project management methodology.</li> <li>- Lack of appreciation of the value addition the methodology will bring about.</li> <li>- Lack of a collaboration framework to facilitate handling of external projects within CMA.</li> <li>- Inadequate senior management/ executive support.</li> <li>- Competing priorities making it hard to fully implement the project management methodology.</li> <li>- Inadequate staff involvement during project conceptualization and execution.</li> </ul>	<ul style="list-style-type: none"> <li>- Sensitization of Performance &amp; Risk Champions</li> <li>- Advisory being offered by the department on ongoing projects on a need basis.</li> <li>- The Strategic projects unit is the liaison department with external funding partners such as World Bank and FSDA.</li> <li>- Support from senior management on project management according to the guidelines.</li> <li>- Projects continually executed based on project management guidelines.</li> <li>- Staff who are project team members involved from project inception. Sensitization of project team members on their roles and expected deliverables</li> </ul>	<ul style="list-style-type: none"> <li>- Projects not being executed according to the Project Management Guidelines.</li> <li>- Uncoordinated and unstructured communication, review and feedback with the funding partners.</li> <li>- Project not delivered within the set constraints.</li> </ul>	<ul style="list-style-type: none"> <li>- Sensitization of Performance &amp; Risk Champions</li> <li>- Retraining of staff on the methodology to be carried out during the roll out of the project management module.</li> <li>- Continuation of coordination of external funding partners through the unit.</li> <li>- Continued support from senior management on proper project management principles.</li> <li>- Projects continually executed based on project management guidelines.</li> <li>- Staff who are project team members to continue to be involved from project inception.</li> </ul>	Team Leader Strategy Risk & Performance
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11	Failure to embed risk management in the business operations	12 (4*3) ← ● →	12 (4*3)	<ul style="list-style-type: none"> <li>- Lack of Management Ownership</li> <li>- Weak risk culture</li> <li>- Inadequate skills, competence and experience in risk management among staff</li> <li>- Ineffective/ inefficient ERM functionality, reporting and decision making</li> </ul>	<ul style="list-style-type: none"> <li>- Management involved in the approval of Departmental Risks</li> <li>- Continuous monitoring and use of the PPRMIS system and linkage of risks to performance; Continuous engagement with risk champions</li> <li>- Capacity building of the Department continued with various training interventions e.g. Trainings</li> <li>- Continued improvement of the PPRMIS</li> </ul>	- Failure to deliver the Authority mandate	<ul style="list-style-type: none"> <li>- Management will continue to be engaged on risk management</li> <li>- Continued roll out and enhancement of the PPRMIS</li> <li>- Continued capacity building of the risk champions</li> <li>- Continued improvement of the PPRMIS</li> </ul>	Team Leader Strategy Risk & Performance
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OPPORTUNITY ANALYSIS

Overview

Impact	Transformational 5					SRPT/O/14
	Major 4			SRPT/O/13 SRPT/O/10	SRPT/O/9 SRPT/O/12	SRPT/O/15
	Moderate 3					
	Minor 2					
	Insignificant 1					
		Rare 1	Unlikely 2	Likely 3	Highly Likely 4	Almost Certain 5
		Likelihood				

No	Risk	Score	Ref No
1	Continuous Monitoring of the CMMP Portal to track implementation of the Master Plan	25	SRPT/O/14
2	Continuous monitoring of PPRMIS to track implementation of the Authority's Strategic papers & projects and monitor risks	20	SRPT/O/15
3	Integration of risk analysis and reporting into operational processes	16	SRPT/O/9
4	Partnerships with other stakeholders and development partners	16	SRPT/O/12
5	Streamlining the project monitoring and control regime.	12	SRPT/O/13
6	Enhancement of staff awareness on risk management	12	SRPT/O/10

## Detailed Status of Opportunities

#	Description	Current Rating	Prior Rating	Risk Drivers	Risk Management Strategy Undertaken	Effect of Risk to Authority	Action to be Undertaken	Person Responsible
1	Continuous Monitoring of the CMMP Portal to track implementation of the Master Plan	25 (5*5) 	25 (5*5)	- Continuous engagement with complementary institutions such as NT, to implement activities that are under their mandate.	- Revamping the CMMP Portal; Ensuring continuous update of the Portal	- Increased credibility	- Ensure CMMP Portal information is accurately & fully updated	Team Leader Strategy Risk & Performance , Chief Executive
2	Continuous monitoring of PPRMIS to track implementation of the Authority's Strategic papers & projects and monitor risks	20 (4*5) 	16 (4*4)	- Continuous engagement with relevant stakeholders both internal & external to implement activities that are under their mandate	- Ensuring continuous update of the system	- Efficient and effective monitoring of risks, project implementation and performance management	- Ensure information on PPRMIS is accurately & fully updated	Team Leader Strategy Risk & Performance , Chief Executive

3	Integration of risk analysis and reporting into operational processes	16 (4*4) ← ● →	16 (4*4)	<ul style="list-style-type: none"> <li>- Operationalization of risk treatment measures within functions</li> <li>- Automation of the risk management process</li> </ul>	<ul style="list-style-type: none"> <li>- Continuous monitoring and evaluation of risk management activities implementation through interdepartmental/ directorate, RMC and Board reporting Alignment of risk reporting to performance reporting</li> <li>- The PPRMIS was rolled out and Quarter 1, 2019/20 reporting was undertaken in the system.</li> </ul>	<ul style="list-style-type: none"> <li>- • Reduced risk incidences</li> <li>• Enhancement of staff awareness on risk management</li> <li>- • Reduced risk incidences</li> <li>• Enhancement of staff awareness on risk management</li> </ul>	<ul style="list-style-type: none"> <li>- • Risk management will continue to be integrated to operations to make positive strides towards making risk management a part of the Authority's daily business imperative</li> <li>- The system will continue to be improved based on feedback received from the risk team</li> </ul>	Team Leader Strategy Risk & Performance
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4	Partnerships with other stakeholders and development partners	16 (4*4) ← ● →	16 (4*4)	<ul style="list-style-type: none"> <li>- Good track record.</li> <li>- Stakeholder engagements.</li> <li>- Good corporate image.</li> <li>- Demonstrable success and value in Authority's initiatives</li> <li>- New products that are attractive to most of our partners; REITS, CIS, Derivatives, ETFs, ABS etc</li> </ul>	<ul style="list-style-type: none"> <li>- The Authority has embraced continual improvement mechanisms through monitoring of the SP, PC and ISO QMS.</li> <li>- The Authority continues to engage with various stakeholders on possible partnerships.</li> <li>- The Authority continues to work hard to maintain a strong corporate image.</li> <li>- The Authority has embraced continual improvement mechanisms through monitoring of the SP, PC and ISO QMS.</li> <li>- The Authority rolled out a team to deal with Market Deepening and uptake with effect from 8th July 2019. This aims to enhance product uptake.</li> </ul>	<ul style="list-style-type: none"> <li>- Interest from external stakeholder to partner with the Authority to enable realization of our strategic objectives and plan.</li> <li>- Proper allocation and utilization of external funds for projects.</li> <li>- Interest from external stakeholder to partner with the Authority to enable realization of our strategic objectives and plan.</li> <li>- Improved performance track record of the Authority.</li> <li>- Improved product uptake.</li> </ul>	<ul style="list-style-type: none"> <li>- Continued embracing of continual improvement activities.</li> <li>- Continued engagement with various stakeholders on possible partnerships.</li> <li>- Maintenance of a strong corporate image.</li> <li>- Continued embracing of continual improvement activities.</li> <li>- Market Deepening Team to continue implementing its mandate.</li> </ul>	Team Leader Strategy Risk & Performance
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5	Streamlining the project monitoring and control regime.	12 (4*3) ← ● →	12 (4*3)	<ul style="list-style-type: none"> <li>- Having a functional project management methodology.</li> <li>- Some projects that have not yet adopted a structured Project methodology</li> <li>- Gaps in Projects management within CMA.</li> </ul>	<ul style="list-style-type: none"> <li>- PPRMIS was developed and is currently being leveraged to monitor Performance and Risk</li> <li>- Project advisory by the unit on a need basis.</li> <li>- Project team members made aware of their roles in project execution.</li> </ul>	<ul style="list-style-type: none"> <li>- Projects executed in an efficient and effective manner.</li> <li>- Projects completed within the defined constraints.</li> <li>- Projects executed in an efficient and effective manner.</li> </ul>	<ul style="list-style-type: none"> <li>- Completion and roll out of the project management module of the PPRMIS.</li> <li>- Re-strategizing by the unit on how to ensure oversight of all the projects within the Authority to enable effective monitoring and evaluation. &amp;</li> <li>- Completion and roll out of the project management module of the PPRMIS. Refresher training on the project management guidelines during roll-out.</li> </ul>	Team Leader Strategy Risk & Performance
6	Enhancement of staff awareness on risk management	12 (4*3) ← ● →	12 (4*3)	<ul style="list-style-type: none"> <li>- Staff sensitization and involvement in ERM Framework development and implementation</li> </ul>	<ul style="list-style-type: none"> <li>- Continuous sensitization of the Performance &amp; Risk champions ; The Board was also sensitized on Performance and Risk management frameworks</li> </ul>	<ul style="list-style-type: none"> <li>- Reduced risk incidences</li> </ul>	<ul style="list-style-type: none"> <li>- Sensitization of other staff on PPRMIS to be undertaken in Quarter 2</li> </ul>	Team Leader Strategy Risk & Performance

