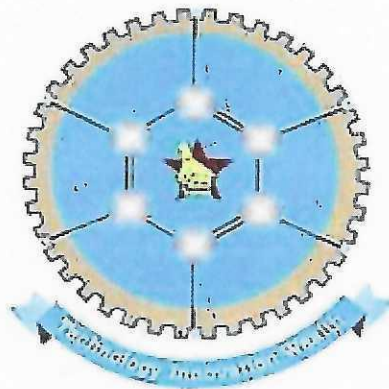


# **CHINHOYI UNIVERSITY OF TECHNOLOGY**



## **RISK MANAGEMENT POLICY**

## FORWARD

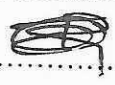
Chinhoyi University of Technology recognizes that risk management is an integral part of good corporate governance and is committed to establishing an organizational culture that ensures risk management is embedded in University activities and business processes. An effective risk management contributes to the successful achievement of the University's strategic and operational objectives.

This policy supports the University's risk management processes by setting out the principles for fostering a "risk-smart" culture across the University and it also specifies the risk management responsibilities. Risks at Chinhoyi University of Technology and its Strategic Business Units as well as other business units are going to be managed operationally in accordance with this policy.

Prof. David Simbi (VICE CHANCELLOR)

Signed  Date 24 Nov. 2024

Ms. Theresa R. Muwani (RISK COMMITTEE CHAIRPERSON)

Signed  Date 25 January 2024

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### **3. INTRODUCTION**

The mandate of Chinhoyi University of Technology as enshrined in the Chinhoyi University of Technology Act (Chapter 25:23) is to specialize in the generation of technological knowledge systems that should inspire its products to become wealth creators through entrepreneurship and innovation.

Effective risk management is necessary for competent strategic decision-making and the conduct of efficient, effective and robust business processes that allow the University to take up opportunities while meeting required standards of accountability, compliance, probity and transparency. Sound management practices based on expertise, innovation and contingency planning can reduce high inherent risk exposures to acceptable levels.

### **4. PURPOSE**

4.1 Chinhoyi University of Technology has developed Risk Management Policy to:

- Support effective decision-making that is guided by the University's mission and vision;
- Develop a culture of risk awareness whilst maintaining a culture of innovation and realization of opportunities within Chinhoyi University of Technology;
- Ensure compliance with risk management processes that are mandated by government;
- Integrate and align risk management systems with the University's activities and business processes;
- Ensure a consistent and effective approach to risk management;
- Encourage continuous review and improvement of the University's risk assessment and management processes;
- Align the University's planning, quality and risk management systems and their integration into all areas of the University's operations;



- Ensure robust academic and corporate governance practices and effectively manage risk while allowing innovation and development.

## 5. OBJECTIVES

5.1 The objectives of the Risk Management Policy are to:

- Ensure that corporate risks are taken into account when making strategic management decisions;
- Ensure the management of operational risk is integrated into standard management and accountability processes and
- Develop an environment where staff members assume responsibility for managing risks.

## 6. PRINCIPLES

6.1 This policy is based on the principles of:

**Commitment** – the University is committed to the identification and effective management of risk

**Disclosure** –The University will identify and document material risks in a systematic manner and take appropriate action to manage these risks.

**Improvement** – The University will apply the improvement cycle of plan, implement, review, improve (PIRI) to the implementation of risk management.

## 7. SCOPE

The Risk Management Policy applies to Chinhoyi University of technology as a whole, its controlled entities, all staff members and students.

## 8. DEFINITIONS

8.1 Chinhoyi University of Technologies has adopted the definitions on risk management;

- **Risk** – “the culture, processes and structure that are directed towards realizing potential opportunities whilst managing adverse effects.”
- **Risk management process** – the systematic application of management policies, procedures and practices to the tasks of communicating establishing the context, identifying, analyzing, evaluating, treating, monitoring and reviewing risk.
- **Residual risk** – the risk remaining after implementation of risk treatment.
- **Risk appetite** – the degree of risk on a broad-based level that a company or other entity is willing to accept in pursuit of its goals.
- **Inherent risk**- the state of risks before the implementation of risk treatment

## 9. RISK MANAGEMENT MODEL

9.1 The risk management model (figure 1 below) outlines the University's approach to risk management and integrates the risk management principles and risk management processes.



Figure 1: Risk management model

9.1.1 Risk management principles support the effective management of risk across the University and its Strategic Business Units. The University's Risk Management must:

- Be aligned to the University's mission and vision
- Be embedded within its operations, processes and systems
- Have clear accountability, ownership and governance
- Be systematic, transparent and consistently applied
- Include effective consultation and communication
- Consider the context (both the internal and external environment)
- Support evidence-based decision-making and
- Facilitate continual improvement

9.1.2 Risk management model consists of the following steps:

**Identify:** Identify the risk events that may prevent or delay the achievement of the University's strategic goals and objectives.

**Analyze/Assess:** Outline the causes, impacts and existing treatments in order to assess the consequences and likelihood of the risk and determine the risk rating.

**Treat:** implement both existing and future treatment in order to prevent and or/ mitigate the risk.

**Monitor:** continually monitor and evaluate the risks treatments in order to maintain the effectiveness and appropriateness of the University risk management.

**Report:** provide regular reports and updates in order to assure the University and key stakeholders that the risks are being appropriately managed and treated

## 10. EXPECTATIONS

- All staff and students of Chinhoyi University of Technology and its controlled entities shall comply with Risk Management Policy and regulatory requirements.
- The Risk Manager on behalf of the Vice Chancellor shall coordinate an annual University-wide Enterprise risk assessment.
- Schools, departments and sections shall be aware of the risk areas that need to be controlled within their areas of responsibility and will ensure that the Vice Chancellor is informed of emerging risk areas.
- Heads of schools, departments and sections shall manage the risks associated with their areas and will document their risk management processes. Heads will report any



- unacceptably high emerging or residual risks to their supervisor. Heads will, if they deem it necessary terminate an activity that is assessed as an unacceptably high risk.
- The Risk Manager on behalf of the Vice Chancellor will coordinate, at minimum an annual risk assessment of entities which are owned by the University
  - Contingency plans will be developed and tested to ensure the continuity of key business processes and information technology systems.
  - A critical incident response plan will be maintained for the University and its controlled entities. This will be coordinated and maintained by the department of Works and Estates.
  - All significant projects and activity proposals, including commercial activities, will include a business plan incorporating risk analysis that will be kept up to date.
  - All individuals will act with regard to the well-being and safety of themselves and others in the University community.

## **11. ROLES AND RESPONSIBILITIES**

### **11.1 University Council**

- The authority of the University is vested in the University Council as provided by section 10 (1) of the Chinhoyi University of Technology Act Chapter (25:23) and the University Council is expected to take a leading role in :
- Overseeing risk management and risk assessment across the University ( including, if necessary taking reasonable steps to obtain independent risk reports of entities in which the university has an interest but which it does not control or with which it has entered into joint venture)
- Promoting a culture that supports strategically driven decision-making within the framework of public accountability.
- Setting the standards and expectations of staff with respect to ethical conduct and probity
- Determining the risk appetite of the University and the University's attitude to risks with respect to particular major issues
- Approving major policies in relation to risk management
- Approving major decisions affecting the University's risk profile or exposure

- Approving and monitoring systems of control and accountability for the University (including in relation to controlled entities)
- Approving significant University commercial activities
- Establishing policies and procedural principles for the University consistent with legal requirement and community expectations.

### **11.2 Risk Management Committee**

Risk management committee are responsible, on behalf of the council for:

- Providing risk oversight within Chinhoyi University Of Technology and its SBUs
- Ensuring that staff in the University and its SBUs are trained to be risk conscious and play a part in the prevention of risks.
- Helping the University and its SBUs in crafting and reviewing Risk Management Policies which will guide all staff and stakeholders in their day to day operations
- Overseeing the establishment and implementation of a risk management framework
- Providing monitoring and evaluation of the effectiveness of the risk management strategies in the University and its SBUs.
- Ensuring that an appropriate risk reporting structure is established to facilitate timeous reporting of risks to Management and to Council.
- Advising Council and Management on principal business risks and assessing the appropriate of mechanisms in place to identify, prevent and minimize business risks.
- Ensuring that there are adequate resources to support the Chinhoyi University of Technology and its SBUs in carrying out risk management functions and responsibilities
- Ensuring that appropriate systems are established to identify and report on areas of potential business risk in sufficient time in order for remedial actions to be taken.
- Drawing proposals for recommendation to Council so that they may become Resolutions of Council.

### **11.3 Vice Chancellor**

The Vice-Chancellor, as the Chief Executive Officer of Chinhoyi University of Technology, is accountable to Council for Risk Management and responsible for ensuring the:



- Development and implementation of operational policies and procedures for risk management
- Identification and management of the strategic risks faced by the University including the provision of information to the University Council and or its Committee.
- Identification and appropriate management of operational risks throughout the University
- Recommendations and directions of the University Council, the Zimbabwe Council for Higher Education and the University Risk Manager with respect to risk management are acted upon.
- Maintenance of an effective system of risk control, and an effective risk management program
- Provision of adequate information in a timely manner to the Risk Management Committee and the University Council, on the status of risks and controls and the actions in regard to the recommendations and directions referred to in (d) above.
- Existence of performance standards for the implementation to risk management policies and procedures.
- Annual review of the performance of budget centers, strategic business units and controlled entities in relation to the implementation of risk management policies and procedures; and
- Review of policies and procedures on a regular basis to ensure they remain effective and appropriate.

#### **11.4 Heads of Departments, Sections and Managers of Strategic Business Units**

Heads of departments, sections and managers of strategic business units of the University, are responsible for incorporating risk management into their standard management practices by:

- Identifying and determining appropriate actions to address operational risks within their area of responsibility in accordance with University policies and procedures.
- Developing and maintain a register of material risks.
- Implementing actions with respect to risk management as directed by the Vice-Chancellor.
- Reporting on the management of significant emerging or residual risks and

- Ensuring the inclusion of risk management responsibilities in duty statements, induction, professional development and performance management processes for all staff of the University and its controlled entities.

### **11.5 Risk Management Unit**

The role of Risk Management Unit is to provide advice on the implementation of the University Risk Management Policy and to monitor the effectiveness of the policies and procedures for managing risk in the University. The Risk manager will report to the Risk Management Committee on the effectiveness of risk controls implemented to manage fraud, corruption and maladministration risks.

## **12. RISK APPETITE AND CATEGORIES**

Chinhoyi University of Technology's risk appetite or risk tolerance is the degree to which the University is prepared to accept risk.

The University Council has determined that the Chinhoyi University of Technology will be an innovative institution that maintains a low-risk profile. The University is expected to be able to identify and manage the risks associated with activities and opportunities in an effective manner.

### **12.1 The key challenges are to:**

- Ensure ethical and effective governance practices including responsible stewardship of resources and realization of opportunities while allowing innovation and
- Avoid the creation of risk-averse corporate culture by correct assessment and management of risks

The University's risk appetite will often be different at an activity level from that at a whole of institution level. The University's whole of institution appetite risk in the following risk categories is:

#### **(a) Health, safety and environment**



The University's appetite for risks related to health, safety and the environment is **very low**. Chinhoyi University of Technology puts the well-being of people and the environment above all other considerations.

**(b) Values, ethics and institutional reputation**

The University's appetite for risks related to values, ethics and institutional reputation is **very low**. Chinhoyi University of technology will not compromise its reputation and values by either short term or long term expediency.

**(c) Business continuity**

The University is **very low** with respect to the operation of key University systems. These systems are understood to underpin the ongoing delivery of critical services to a scale and quality necessary for the University to compete in a rapidly changing environment.

**(d) Quality**

Within this category, the University risk appetite is **low**. The University recognizes that the quality of its services is fundamentally linked to its reputation and financial status. It is with this understanding that the University expects accountability and continuous improvement at all levels within the institution, including the personal level.

**(e) Financial**

The University's appetite for financial risks is **modest**. Chinhoyi University of Technology recognizes its financial strength as being critical to its future. Financial risks and rewards are to be weighed against both short and long-term strategic and operational priorities.

**(f) Compliance**

Within this risk category, the University risk appetite is **low**. As a good corporate citizen, the University seeks to comply with relevant statutory requirements to the best of its endeavors. This statement is made with the understanding that the seriousness of particular compliance requirements may vary depending upon the requirement with the risk categories listed above.

The University will look to satisfy compliance requirements in the simplest and most effective way possible.

### **13. PERFORMANCE**

The University Council, principally through the Risk Management Committee (and, where relevant, other committees) will monitor and evaluate the University's performance in relation to risk management. This will be informed by an annual assessment facilitated by the Risk Management Unit covering;

- The effectiveness of the implementation of risk management policies and procedures across the University and its controlled entities
- The awareness of heads of departments and staff of their responsibilities, including appropriate professional development and performance management in relation to risk management.
- The existence of risk management plans for all major activities, including all commercial activities.
- The identification of risk management responsibilities in duty statements, induction, professional development and performance management processes for all staff of the University and its controlled entities.
- The prevalence of the corporate risk assessment.

### **14. AUTHORITY**

The Vice-Chancellor's delegated executives and delegated managers may approve risk management procedures and guidelines that are not inconsistent with this policy.

### **15. REVIEW**

This policy will be reviewed as and when necessary.