

**CHALLENGES IN THE IMPLEMENTATION OF THE INSTITUTIONAL RISK
MANAGEMENT POLICY FRAMEWORK IN THE MINISTRIES OF THE
NATIONAL GOVERNMENT OF KENYA**

BETTY KISAKA AMULYOTO

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTERS OF
BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF
NAIROBI**

NOVEMBER, 2014

DECLARATION

This project is my own original work that has not been presented for award of a degree in any university.

Signed.....

Date.....

BETTY KISAKA AMULYOTO.

D61/67624/2011

This project has been submitted with my approval as the university supervisor.

Signed.....

Date.....

CAREN ANGIMA

LECTURER, DEPARTMENT OF RISK AND INSURANCE

SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

DEDICATION

I dedicate this work to my loving grandchildren Princess and Fazil who always encouraged me and gave me the required companionship during my studies.

ACKNOWLEDGEMENTS

First and foremost, I thank my Lord and Savior Jesus Christ who has given me life and health to be able to undertake this study. Secondly, I thank my supervisor Caren Angima for being patient and helpful in shaping this production. I also thank my moderators Dr Ndemo and Dr Munyoki for their valuable input. I thank the academic and non-academic staff for their facilitation and enablement. I also thank my faithful colleagues Christopher, Allan and Agnes not to forget my untiring friends who formatted and edited my work Susan and Felistas and all those colleagues who we interacted with in working groups. May the almighty bless and flourish you abundantly.

TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENTS	iv
TABLE OF CONTENTS	v
LIST OF ABBREVIATIONS AND ACRONYMS	viii
LIST OF FIGURES	ix
LIST OF TABLES	x
ABSTRACT	xi
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the Study	1
1.1.1 Concept of Strategy.....	2
1.1.2 Risk Management Strategy	3
1.1.3 Institutional Risk Management Policy Framework	4
1.1.4 The Ministries of National Government of Kenya	4
1.2 Research Problem	6
1.3 Research Objective	7
1.4 The Value of this Study	8
CHAPTER TWO: LITERATURE REVIEW	9
2.1 Introduction.....	9
2.2 Theoretical Foundations.....	9
2.3 Risk Management Strategy	11
2.4 Institutional Risk Management Policy	12
2.5 Challenges in Risk Management Implementation	12

CHAPTER THREE: RESEARCH METHODOLOGY	17
3.1 Introduction.....	17
3.2 Research Design.....	17
3.3 The Population of this Study.....	17
3.4 Data Collection	18
3.5 Data Analysis	18
CHAPTER FOUR: DATA ANALYSIS, FINDINGS, INTERPRETATIONS AND DISCUSSIONS.....	20
4.1 Introduction.....	20
4.2 Response Rates	20
4.3 General Information.....	20
4.3.1 The age of the Respondent’s and their Education Level	20
4.3.2 The Respondent’s Position and Duration in Civil Service	21
4.4 Issues on Institutional Risk Management Policy Framework.....	22
4.4.1 Starting of IRMPF Roll out in the Ministries	22
4.4.2 Agency in Implementation of IRMPF	23
4.4.3 Respondent’s role in the IRMPF roll out.	24
4.4.4 Level of IRMPF Implementation.....	25
4.4.5 Possession of Treasury Circular No 3/2009 and Guidelines 2011.	26
4.4.6 Understanding the Concept of IRMPF	27
4.4.7 Progress Documents Produced by Ministries on IRMPF roll out.....	28
4.5 Challenges the Ministry Experience in the IMPF roll out.	29
4.6 Source of Information for Preparation of Risk Based Annual Work Plan.	30
4.7 Suggestions on how the IRMPF roll out can be Improved	31

CHAPTER FIVE: SUMMARY , CONCLUSION AND RECOMMENDATIONS .	32
5.1 Introduction.....	32
5.2 Summary	32
5.3 Conclusion	33
5.4 Recommendations of the Study	33
5.5 Limitations of this Study.....	33
5.6 Recommendations for Further Studies.....	34
5.7 Recommendations for Policy and Practice.....	34
REFERENCES.....	35
APPENDICES	38
APPENDIX 1: QUESTIONNAIRE FOR TOP MANAGEMENT	38
APPENDIX 2: QUESTIONNAIRE FOR MANAGEMENT (HODs).....	40
APPENDIX 3: QUESTIONNAIRE FOR ASSURANCE PERSONNEL.....	42

LIST OF ABBREVIATIONS AND ACRONYMS

AC	: Audit Committee
COSO	: Committee of Sponsoring Organizations of the Tread Way Commission.
CS	: Cabinet Secretary
ERM	: Enterprise Risk Management
GDP	: Gross Domestic Product
GOK	: Government of Kenya
IIA	: Institute of Internal Auditors
IRMPF	: Institutional Risk Management Policy Framework
KV 2030	: Kenya Vision 2030
PFMA	: Public Finance Management Act
PS	: Principal Secretary/ Permanent Secretary
VRIN	: Valuable, Rare, Inimitable and Non Substitutable

LIST OF FIGURES

Figure 4. 1: Respondents' Role in IRMPF Roll Out.....	24
Figure 4. 2: Level of IRMPF Implementation	25

LIST OF TABLES

Table 4. 1: Age and Level of Education of the Respondents.....	21
Table 4. 2: Respondent’s Position and Duration in Civil Service	21
Table 4. 3: Whether Roll Out of IRMPF in the Ministries had Started	22
Table 4. 4: Agency in Implementation of IRMPF	23
Table 4. 5: Possession of Treasury Circular No 3/2009 on IRMPF & Guidelines, 2011.	26
Table 4. 6: Understanding the Concept of IRMPF	27
Table 4. 7: Document/Reports Produced in IRMPF roll out	28
Table 4. 8: Challenges the Ministry Experience	29
Table 4. 9: Source of Information for Risk Based Annual Work Plan	30

ABSTRACT

The study was undertaken on the 18 ministries of the national government as per the Executive Order No 2/2013. These ministries play a key role in the economy by creating an enabling environment and providing basic facilities that spur economic growth and national development. The ministries are entrusted with vast resources to enable them deliver their specific mandates that together contribute to the Kenya Vision 2030, a blue print for national development. However, in pursuit of their mandates, they encounter risks that lead to poor performance as reported in the Kenya Economic Survey 2000-2013 hence the need for the Institutional Risk Management Policy Framework (IRMPF). The IRMPF was launched in the national government vide Treasury Circular No 3/2009 however five years down the line, the effectiveness of the IRMPF implementation has not been felt. The study therefore sought to identify the challenges encountered in the implementation of the IRMPF in these ministries. The study was a census on all the 18 ministries with a target population of 54 senior officers sampled on a purposive basis of three officers from each ministry. Primary data was sourced using questionnaires and secondary data was sourced using desk reviews. Data analysis was done using the Statistical Package for Social and Scientists (SPSS). The study established that the IRMPF roll out had commenced only in some ministries however, the progress was not remarkable as only 10 percent indicated that they had the IRMPF in place. All the ministries confirmed having several challenges across the board. Management buy in and leadership skills, scheduling and sequencing of activities, value creation by corporate parenthood, change management and dilemma of strategic choice were a common experience to all the ministries. The study concludes that the IRMPF implementation was not properly understood by the key players. Strategies and models to guide the implementation were also lacking. It also lacked a feedback mechanism to inform on the challenges for appropriate corrective actions. The study recommends a re-engineering of the IRMPF roll out by the National Treasury by sensitizing the top management and ensuring that the programme is guided and monitored. Other studies should establish the quality of documents and reports produced.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

A risk is defined as the uncertainty that occasions a loss Rejda, (2008) or a lost opportunity which if exploited could have improved the chances of the organization achieving its objectives and goals (Hilson, 2010). Organizations like living organisms are open ended systems that are dependent on the environment for inputs and serve the environment with their products (Bertalanffy, 1972). This dependency exposes organizations to risks from the internal and external environments. From the internal environment, business structures create systemic risks if not compatible with the business goals and objectives while the people that the organization interacts with can cause behavioral risks (Harich, 2012) .Other risks could be regulatory, technological and environmental.

Nocco and Stulz, (2006) states that the practice of risk management begun two decades ago and was limited to hedging for interest rates and insurance. However, as businesses evolve, risks have also multiplied and expanded to cover Enterprise Risk Management (ERM).The study of risk management is based on three theories; the contingency theory (Scott, 2009) says that risks arise from internal and external factors that impact on the organization. The resource based view (Wernerfelt, 1984) holds that the unique resources and capabilities of a firm are what determine its competitiveness and its ability to select and apply risk management strategies. Thirdly the agency theory (Wolter, 1987) observes that organizations are faced with problems of value creation for shareholders because of

agency conflict. Due to these risks, the ministries of the national government are not able to optimize with the available resources in pursuit of their specific mandates. This calls for organizations to develop portfolios of risks impacting their operations from which risks are prioritized and appropriate plans put in place for proper management of the same.

The ministries of the national government are entrusted with public resources to provide core services and basic facilities essential in creating an enabling environment for economic activities that spur national development and growth. However the increase in the risk profiles of these ministries has placed an extra duty of care on them which has necessitated the introduction of IRMPF as a risk management tool.

1.1.1 Concept of Strategy

A strategy is a vehicle for communication and coordination within an organization in its pursuit towards the achievement of its goals and objectives. A strategy is likened to radar for a ship which gives single mindedness of goals, unity of purpose and long term focus. It adds value to processes by creating effectiveness and efficiency. It involves top management decisions, huge amount of resources, addresses issues of long term propensity, future oriented, have multi business consequences and require assessment of the external environment (Pearce II & Robinson, 2009).

The design school of thought Sapienza, (2006) holds that strategy is formulated through a rational analysis of the organization then communicated and implemented throughout the organization. On the other hand, Scholes and Johnson (1997) holds that there are two forces that influence the choice of strategy. These are the external environment and the internal factors. They also argue that a strategy should first be operationalized then

institutionalized. Operationalization refers to developing operational plans and tactics through which the concept of strategy is implemented while institutionalization means embedding the strategy into the institutions of the organization (the culture, leadership, support systems processes and policies). However, the management must be aware that selection of a good strategy is no guarantee of its successful implementation because the processes can be flawed (Ansoff and Mc Donell, 1990).

1.1.2 Risk Management Strategy

Risk management is defined as a process that identifies loss exposures faced by an organization and selects the most appropriate techniques for treating them (Rejda, 2008) The Committee of Sponsoring Organizations of the Tread way Commission (COSO) identifies eight steps in a risk management process as; assessment of the internal environment, objective setting, event identification, risk assessment, risk response, control activities, information communication and monitoring activities. Nocco and Stulz, (2006) says risk management can be approached one at a time or all risks managed in a coordinated strategic framework hence an Enterprise Risk Management.

Risk management can be approached on two platforms, as risk control and risk financing (Trieschman, 2005). Risk controlling refers to choices of risk elimination, avoidance or mitigation while risk financing refers to a structured plan by the management to set aside capital to meet the cost of risk insurance, external risk transfer, retained or self-insurance, risk mitigation programs, cost of consultancies and the cost of missed opportunities. Since risk treatments have far fetching implications, it is therefore imperative that management justify each choice of strategy by a cost benefit analysis.

1.1.3 Institutional Risk Management Policy Framework

Institutional Risk Policy Management Framework (IRMPF) refers to a common language and guidance for clear direction on enterprise risk management with comprehensive structures and instructions to inform and guide all policy implementers. It provides; the definition of risk, the role of governance on risk management, the purpose for the policy and objectives, policy statement, policy scope, the structures and the roll out model to be applied. It also includes the responsibilities for each player, risk reviews dates, communication and reporting structures, significant risks and their definitions and the roll out plan (McNaull, 2004). According to COSO framework, risk management seeks to; align risk appetite to business strategy, enhance risk response decisions, reduce operational surprises and losses, identify and manage multiple cross-enterprise risks, seize opportunities, reduce incidences of fraud and corruption .It also establishes accountability and enforces compliance with laws and regulations.

1.1.4 The Ministries of National Government of Kenya

There are 18 ministries of the national Government of Kenya (GOK, 2013) responsible for implementing national programs and activities that ultimately contribute to the achievement of KV2030 goals and objectives (Sri, 2012). To enhance performance, these ministries have developed five year strategic plans and signed annual performance contracts however the performance has remained poor as portrayed by low GDP levels reported in the Economic Survey of Kenya 2001-2013. It is therefore necessary to determine the challenges in implementing the risk management program with a view of mitigating these challenges.

There are six players in the roll out of IRMPF in these ministries, the National Treasury responsible to develop the public Acts that protect, guide and control public assets and funds. It also oversees the setting up of Audit Committees (AC) in the ministries .The Audit Committees which provide oversight over the risk management in the ministries. There also the top management composed of the Cabinet Secretary (CS) the Principal Secretary (PS) and the Director of Administration who approve the risk management policy, set risk appetite levels, provide leadership and mobilize resources for the implementation of the risk management programmes. Then, the risk compliance officers who oversee compliance with the laws and regulations then the Heads of Departments who are the risks owners and finally the internal and external auditors' the assurance personnel (National Treasury, 2009).

The National Treasury launched the IRMPF vide Treasury Circular No 3/2009 whose aim is to minimize hindrances towards the achievement of the mandates of the individual ministries that ultimately contribute towards the KV2030 national goals and objectives .The piloting was done on the Ministry of Local Government and through the lessons learned and recommendations made, the legal backing through the Constitution 2010, the Guidelines 2011 and the Public Finance Management Act 2012 were put in place. However, despite all these well laid programs, the implementation of the IRMPF has not been felt in these ministries.

A lot of changes have taken place, for instance the devolution of government in 2013 restructured the ministries from 42 to 18 whereby, the Ministry of Local Government was dissolved and the ministry of Mining was introduced. The Permanent Secretaries in the old ministries were dropped and Principal Secretaries (PSs) appointed instead. Cabinet

Secretaries (CSs) were also appointed in executive capacity for the first time in Kenya (Kenya Laws, 2012). These changes have caused a lot of turbulence in the functioning of these ministries hence the need for this survey.

1.2 Research Problem

Risk Management is a valuable tool when integrated in the strategic plan of an organization as it increases the chances of that organization achieving its objectives by minimizing the negative impact that hinder performance (COSO., 2004) To succeed in risk management, organizations need to align the risk management strategy to the organization's strategic plans, goals and objectives across the board. It also requires top management to take risk ownership, set risk appetites, identify alternative risk management strategies and select the most appropriate amongst them.

Every ministry has unique portfolio of risks depending on the purpose for its existence. The external environments pose factors like the Political, Economic, Socio- Economic, Technological, Environmental and Legal (PESTEL) which pose unique risks. Internally, organizational structures pose systemic risks while the people dimensions pose behavioral risks (Branch, 2002) these varied risk portfolios have necessitated the introduction of risk management programmes which is the focus of this study.

To establish the extent to which risk management has been researched on, five reviews were done. The first review was the risk management program on the impact of climate change by the Australian Government (Australian Government, 2001). This study was undertaken by four parties who established that climatic change affects economic performance, social behavior, infrastructure and other human aspects. The study sought

to bring awareness and understanding to affected parties so that they could capture these threats in their strategic planning. A study on the State Department of Police Service, Ministry of Interior and Coordination of National Governments (Maina, 2013) established that reputation risk is a major hindrance to effective service delivery.

A study by (Kamau, 2010) on Commercial Banks in Kenya revealed that only credit risk has received due attention amongst the portfolio of risks in the banking sector across the board. Okello, (2010) studied Sacco's in Nairobi and established that although risk management policies were in place, they were neither understood nor were they being implemented. A review on the study of State Corporations in Kenya (Abuya, 2008) revealed that although board committees were in place they did not understand their roles and the employees had not been sensitized on the risk management philosophy.

From the foregoing, it is evident that risk management in the public sector is still a grey area requiring more attention. The research on risk management in the ministries of the national government is insignificant. Therefore the question that still remains unanswered is what challenges are the ministries in the national government facing in the Implementation of the Institutional Risk Management Policy Framework?

1.3 Research Objective

The objective of this study was to determine the challenges encountered in the implementation of the Institutional Risk Management Policy Framework in the ministries of the National Government.

1.4 The Value of this Study

The theorist group will find this study useful by having a basis for undertaking deeper studies on gaps identified because the reviews have shown that there is insignificant coverage on this subject. County government researchers will also find the study relevant and useful by having access to this literature and information that is not currently available at the county governments’.

The practitioners will benefit by accessing the solutions suggested from this study. This report will save them time and money that would have been incurred in performing a similar study because the study has captured valuable information from key participants that would not be easy under ordinary circumstances.

The policy makers will find the study useful in applying the outcomes to improve existing policies or to address stalled policy formulation processes. The wider public will also benefit by avoiding pitfalls highlighted in this study and make risk management programmes more effective and efficient.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter covers literature reviewed from books, journal articles and published studies. The scope includes theoretical foundations, risk management strategy, the institutional risk management policy and challenges in the risk management implementation process.

2.2 Theoretical Foundations

This section covers three theoretical foundations of the study which are the Resource Based View (RBV), the Contingency Theory and the Agency Theory. These theories are complementary to each other. The practice of risk management begun two decades ago and was limited to hedging for interest rates and insurance claims however, as businesses evolve, risks have multiplied and risk management has also expanded to cover operational risk, reputational risk and most recently the Enterprise Risk Management (Nocco and Stulz, 2006)

The Resource Based View

Resources are inputs or factors that enable a firm perform operations (Grant, 1995).The advocate of RBV (Wernerfelt, 1984) says that organizations have competitive advantage only when they possess unique resources and capabilities. The theory argues that instead of firms focusing on external forces to predict competitive strategies, they should instead

focus internally and focus on the management and development of unique resources and capabilities that will provide sustainable competitive advantage and also serve as a barrier for competition. These factors are capital, equipment, individual employee skills, patents, finance and talented managers which should be Valuable, Rare, Inimitable and Non substitutable (VRIN). By synergistic combination and integration of these resources, a firm should rise to a position of competitive advantage. The theory also emphasizes the need to involve all parties in the strategy implementation and equipping them with adequate information, knowledge and relevant skills.

The Contingency Theory

In the contingency theory of organizations Scott, (2009) cites four factors that impact organizations to arise risks. These are the technology, the organizational structures, the environment and the effectiveness of management processes. Technology is evolutionary and poses threats of obsolesce to organizations that do not adjust accordingly. He argues that to remain relevant and competitive, organizations must apply new technology and adjust accordingly. Organizational structures refer to finances and human resources, equipment, physical structures and networks amongst others. It is argued that these structures should be responsive and adaptive to the changing environments. The environmental factors that impact organizations are best described as Political, Economic, Social, Technological and Environmental and Legal (PESTEL) model. Top management must therefore be aware of these factors and continually use appropriate models like the Strengths, Weaknesses Opportunity and Threats (SWOT) analysis tool to scan the environments to determine the risks arising there from and establish how they are impacted and plan for the appropriate risk management strategies.

The Agency Theory

The major objective of businesses is to maximize shareholder value creation which should be the focus for management (Wolter, 1987). However, management as agents for shareholders has also individual interests to protect that may lead to a conflict of interest in decision making. This conflict of interest should be considered during the selection of risk management strategies. Senge, (1990) concurs that organizations where people continually expand their capacity to create results they truly desire, where new and expansive pattern of thinking are nurtured, where collective aspirations is set free and where people are leaving to see the whole together are they that succeed in implementing new strategies

2.3 Risk Management Strategy

McNaull, (2004) recommends a five step risk management strategy as follows; identify the objectives and goals of the organization, identify the risks in the management processes, measure the risks, determine the risk owners, determine and assess the existing controls , assess the impact and likelihood of the risk taking account of existing controls, treat the risks and keep monitoring. Rejda, (2008) cites two major risk treatments as risk control and risk financing. However, before a risk treatment is selected, action plans must be put in place which stipulates proposed actions and priorities, time plans, resource allocations, roles and responsibilities of all parties involved, performance measures and the reporting and monitoring requirements.

Risk control is an internal undertaking by management that leads to avoidance, prevention and loss reduction mechanisms towards identified risks. Risk avoidance is

achieved when the activity with the risk is dropped or contracted out. Risk prevention is achieved by having strong controls that deter risk activities from happening. Finally loss reduction is achieved by sharing the risk with other parties like insurance companies. Risk financing is encountered when the option for specific risk management has a financial implication. It includes taking of insurance covers, the cost of putting up appropriate structures to mitigate risk for instance, the cost of consultants, cost of training staff. The cost of a lost opportunity is also a risk financing aspect. Every option that requires financing should be subjected to a cost benefit analysis because of the budget limitations in organizations (Trieschman, 2005).

2.4 Institutional Risk Management Policy

COSO, (2004) states that an institutional risk management policy is a comprehensive formal document from the top management to its employees providing its commitment to risk management as a core management function. It sets out the policy purpose, policy objectives, policy statement and the policy details. It details how the risk management will be implemented, by whom, when, how, resources available and the benefit of doing. It also sets out the responsibilities of each cadre of management in the risk management process. It also clarifies the communication and reporting structures during the risk management process.

2.5 Challenges in Risk Management Implementation

Risk management must be applied using a defined strategy appropriate for the risk and in line with the organization's goals and objectives. Organizations have multiple risks therefore management must develop portfolios of risks and sift out only those that have significant impact on the achievement of their goals and objectives. Some of the common

challenges in the management of institutional risks are budgetary constraints, management buy in and leadership skills, competence of change agents and organizational competency, scheduling and sequencing of activities, staff involvement in strategy formulation, value creation by corporate parenthood, change management and the dilemma of strategic choice.

Budgetary Constraints

Budgetary constraints are major and common limitations in strategy implementation processes across the board. This has been the cause of the formation of strategic alliances in the business world. Guiseppe, (2014) argues that the choice of a strategy by an organization is majorly informed by availability of adequate budget which should be taken care of during the planning phase. To address this concern, firms started to form strategic alliances to complement the resource requirements. Provision of adequate budgets is therefore a key determinant in the choice and implementation of risk financing strategies (Trieschman, 2005).

Management Buy in and Leadership Skills

Kotler, (1995) argues that change cannot succeed without having at least 75 percent of the employees having a buy in of the change .However; employees cannot participate without guidance from the leadership. It was observed that organizations that develop comprehensive risk management strategies with employee participation are likely to win their loyalty and commitment into active participation and commitment Senge, (1990). Leadership skills are learned as need arises therefore, organizations that succeed in strategy implementation must also invest adequately in training its leadership.

Competence of Change Agents and Organizational Competence

A researcher beyond the emergent Graham, (2011) argues that successful strategy implementation in organizations depends on the quality of the people who implement the change. The competency of the change agents and organizational change competence are complementary. A change agency competence is described as culture that expects change, reacts with understanding, and possesses perspectives tools and techniques to make seamless efforts to make change as part of normal business. Hiatt, (1998) describes organizational competency as Awareness, Desire, Knowledge, Ability and Reinforcement (ADKAR) which refers to collective values that identify an organization's structures and capabilities that enable it to perform uniquely. Prahalad, (1990) says organizational competency is a means by which an organization clarifies its core competencies and builds them in the mindset of its employees.

Scheduling and Sequencing of Activities

Arguments have been advanced as to whether strategy or structure should come first in strategy implementation. Chandler, (1962) argued that strategy should precede structure after studying the way organizations were being affectedly market forces after World War I. He viewed organizations as having flexible structures that are responsive to external forces. On the other hand Rayn, (2008) in a divergent view argues that strategy follows structure because it is structure that supports strategy and that whatever an organization does, it is defined by its structures and that structures can only support strategies according to their capability .On processes Litwin, (1992) observed that without analyzing the interrelatedness of processes in an organization, implementation of

change is bound to fail where a core process is not considered. (Lewin, 1947) advocated for a brutal approach to the past where the old structures must be unfrozen before new change can be planted and frozen instead. Therefore policy makers must discern these challenges and provide realistic action plans.

Staff Involvement in Strategy Formulation Process

Pearce II & Robinson (2011) observed that strategy formulation is a complex process and that most organizations do not involve their staff adequately because of the other responsibilities they handle. He argues that, inadequate involvement of staff in strategy formulation can make it difficult for them to implement it effectively as they will try to learn it on the job which could lead to negative impact on their operational responsibility. Strickland, (2007) says successful strategy implementation requires every manager to think through the process critically asking himself what he should do to get the process accomplished and how to involve all the staff in the implementation process.

Value Creation by Corporate Parenthood

Corporate parenthood arise due to centralization and generalization of procedures in the government set up, Scholes and Johnson, (1997) cites bureaucratic fog of hierarchies that delay, add costs and hinder business unit responsiveness. He argues that a parent company could provide executives with a financial safety net such that they are not answerable for the performance of their organizations. With such arrangements management may not be committed to the risk management program.

Change Management

There is a strong relationship between strategy and change. Two schools of thought have emerged about change management. Sapienza, (2006) argues that change is behavioral anchored and that when management, employees and stakeholders participate in initiating change, their attitudes, values and behavior will change. Lewin, (1947) argues that change is determined by the context and the forces around the organization. He argues that when organizational structures change, the organization will have to be adaptive to the new change. Change can also be vision led or problem led. When it is vision led, the top management take ownership and if problem led then, the problem statement must be developed by the project owners but whatever school of thought, planned scientific change requires proper selection of application models and frameworks.

Dilemma of Strategic Choice

Yabs, (2007) argues that strategic objectives should always be aligned to the organizational goals and objectives. He outlines the development of strategies for national development starting with identifying the objectives of the firm, scanning the environment, selection of the alternative strategies from grand strategies, determine factors affecting selection and come up with an appropriate strategy. However, Yabs established that risk managers face challenges of knowledge about the alternative strategies available and the implication of each choice. He observed that risks treatments come are determined by the strategic choice such that if the choice is flawed, the repercussions can be serious in with fetching repercussions. Therefore risk managers should be properly trained and be knowledgeable in the selection of the strategic choices.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the procedures and methods that were adopted in carrying out the study. They comprise of the research design, population, data collection procedures and data analysis methods.

3.2 Research Design

The study was carried out through cross-sectional survey on 18 ministries of the national government. Kothari (2004) cites this as the best approach to investigate cross cutting factors on an area of study that addresses social and behavioral sciences. Government ministries are centrally controlled in terms of government policies on resource allocations however, they have individual identities by the nature of their mandates and their location therefore their experience in the IRMPF would have common issues.

3.3 The Population of this Study

The 18 ministries of the national government formed the population of this study. This was a complete enumeration of all the ministries of the national government hence a census inquiry (Kothari, 2004). The population existed in three strata in these ministries which are the, top management who are policy makers, management who are heads of department's key in the delivery of the mandate of the ministry and assurance personnel represented by the internal auditors.

3.4 Data Collection

The study used both primary and secondary data. Primary data was collected using questionnaires that had both open ended and closed end questions. The data was both qualitative and quantitative and the questionnaires were dropped and picked from the respondents. Primary data was collected from three respondents from each ministry who were identified using a purposive sampling (Mugenda Mugenda, 2003) describes it as a technique that allows a researcher to use cases that have the required information with respect to the objectives of the study.

The researcher identified one respondent from each of the three strata in the ministries. The first stratum was the top management represented by the Cabinet Secretary (CS), the Principal Secretary (PS) or the Director of Administration (DA). The second stratum was composed of Heads of Departments (HODs) guided by the HOD whose process is core in the delivery of the mandate of the respective ministry. The third group of respondent were the internal auditors who are assurance providers with direct involvement in the risk management programme. Secondary data was collected using desk reviews from internal reports.

3.5 Data Analysis

Data analysis is a process of inspecting, cleaning, transforming and modeling data with the aim of discovering useful information, supporting decision making and conclusion (Kothari, 2004). Data analysis was done using content analysis for qualitative data that was compared with the theoretical approaches. Quantitative data was analyzed using the Statistical Package for Social Scientists (SPSS) and the outcome was presented in form of

percentages, frequencies, charts, graphs and descriptive analysis which is preferred for statistical and descriptive data (Kothari., 2004)

CHAPTER FOUR

DATA ANALYSIS, FINDINGS, INTERPRETATIONS AND DISCUSSIONS

4.1 Introduction

This chapter focuses on the data analysis, findings, interpretation, discussions and result presentations. The presentation of the data analysis, findings, interpretations and discussions and results was based on the sequence of the research objective.

4.2 Response Rates

The researcher targeted 54 senior officers holding strategic positions in the ministries of the National Government. The researcher managed to administer the questionnaires to all the targeted respondents where 45 officers responded and returned the questionnaires. This constituted to 83 percent response rate. Mugenda and Mugenda (2003) indicated a respondent rate of 50 to 70 percent rate is sufficient for a study and therefore a response rate of 83 percent for this study is acceptable.

4.3 General Information

4.3.1 The age of the Respondent's and their Education Level

The study sought to know the respondent's age and their level of education

Table 4. 1: Respondent’s Age and Level of Education.

Age of Respondents	Frequency	Percentage
30 Years and above	40	89
Below 30 years	5	11
Total	45	100
Highest level of Education	Frequency	Percentage
Graduate degree and above	33	73
Below University	12	27
Total	45	100

Source: Author (2014)

From the findings, 89 percent of the respondents indicated that they were over thirty years of age while 16 percent indicated that they were below thirty years. On education level 73 percent indicated they had attained degree level and above while 27 percent had education below graduate level. This implies that the respondents had capacity to understand and provide useful information for the study.

4.3.2 The Respondent’s Position and Duration in Civil Service

The study sought to know the respondent’s position and duration in the civil service.

Table 4. 2: Respondent’s Position and Duration in Civil Service

Respondent’s Position	Frequency	Percentages
Top management	14	32
Heads of Department	16	35
Assurance personnel	15	33
Total	45	100
Duration in Civil Service	Frequency	Percentage
More than 5 years	36	80
Less than 5 years	9	20
Total	45	100

Source: Author (2014)

From the findings, 32 percent of the respondents indicated that they belonged to top management, 35 percent Heads of Departments while 33 percent indicated they were assurance providers. On the duration in the civil service, 80 percent indicated they had served more than 5 years while 20 percent indicated they had served less than 5 years. This implies that the respondents have been in the civil service long enough and are well positioned to respond adequately to the requirements of this study.

4.4 Issues on Institutional Risk Management Policy Framework

This section covers the respondents' individual information and issues about the roll out of the institutional risk management policy framework in the eighteen ministries of the national government .

4.4.1 Starting of IRMPF Roll out in the Ministries

The study sought to investigate whether the ministries have started to roll out the IRMPF

Table 4. 3: Whether Roll out of IRMPF in the Ministries had Started

Started to Roll out IRMPF in the Ministries	Frequency	Percentages
Yes	30	64
No	20	36
Total	45	100

Source : Author (2014)

From the findings, 64 percent of the respondents indicated that their ministries had started to roll out IRMPF while 36 percent indicated they had not started to roll out the IRMPF. This implies that the IRMPF roll out is not uniform. The fact that some ministries had not started confirms that there are challenges in the IRMPF roll out in the

ministries of the national government and they may not have developed a risk management policy contrary to COSO, (2004) which states that an institutional risk management policy is a comprehensive formal document from the top management to its employees providing its commitment to risk management as a core management function without which the communication and reporting structures during the risk management process cannot be effective.

4.4.2 Agency in Implementation of IRMPF

The respondents were requested to indicate their agents in the implementation of the IRMPF.

Table 4. 4: Agency in Implementation of IRMPF

Agency in Implementation	Frequency	Percentages
Staff	25	55
External Consultants	3	7
The National Treasury	18	40
Total	45	100

Source: Author (2014)

From the findings, 55 percent indicated that staff were the agents in the IRMPF roll out in their ministries, 7 percent indicated external consultants while 40 percent indicated that the National Treasury were their agents in the IRMPF roll out programme. This implies that ministries were to a large extent relying on their staff in the implementation of IRMPF who may not have capacity and time to implement it effectively. This is in line with the argument of (Senge, 1990) who said leadership skills are learned as need arises

therefore organizations that succeed in strategy implementation must also invest adequately in training its leadership

4.4.3 Respondent's role in the IRMPF roll out

The study sought to investigate the role of the respondents in the IRMPF roll out.

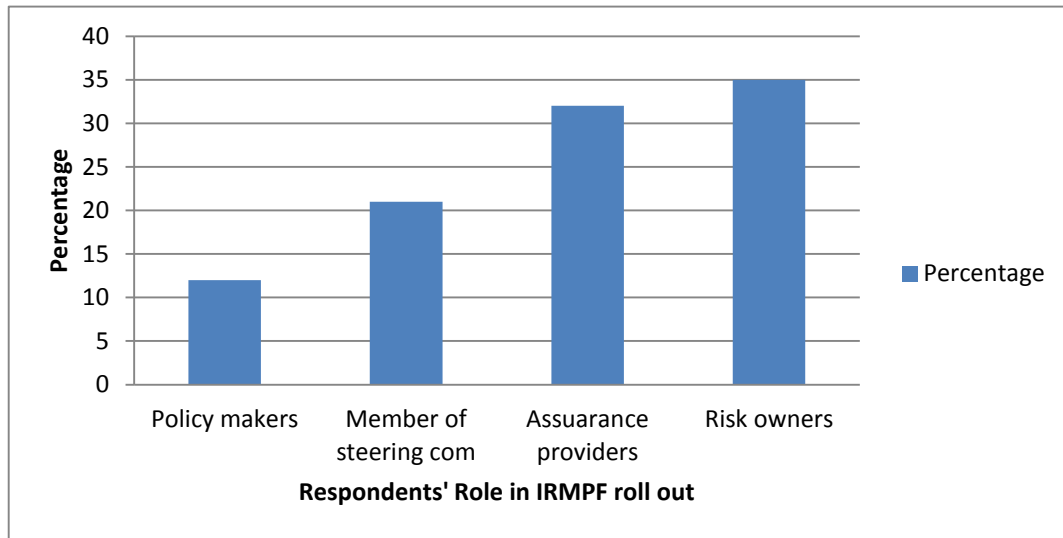


Figure 4. 1 Respondents' Role in IRMPF Roll Out

Source: Author (2014)

From the finding, 12 percent of the respondents indicated that their role was policy making, 21 percent were members of the steering committee, 32 percent indicated they were assurance providers and 35 percent indicated that they were risk owners in the IRMPF roll out. This implies that there are identified players in the roll out of IRMPF in the ministries of the National Government of Kenya. This was in line with Kotler (1995) who argued that change can not succeed without having at least 75 percent of the management having a buy in of the change.

4.4.4 The Level of the IRMPF Implementation

The respondents were requested to indicate the level of IRMPF implementation in their ministries.

4.4.4 Level of IRMPF Implementation

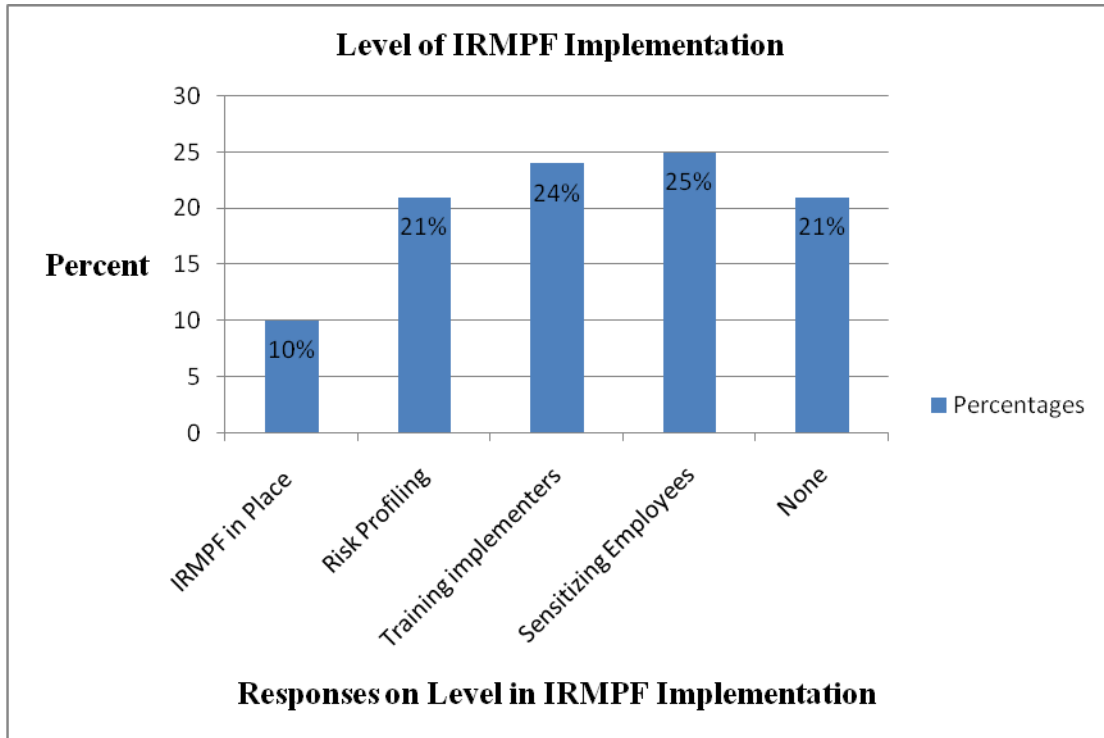


Figure 4. 2 Level of IRMPF Implementation

Source: Author (2014)

From the findings, 25 percent of the respondents indicated they were in sensitization level, 24 percent of the respondents indicated that they were training implementers, while 21 percent of the respondents indicated that the IRMPF implementation was at risk profiling level, 20 percent indicated none meaning it had not started and 10 percent of the respondents indicated that the IRMPF implementation was in place. This implies that

implementation of the Institutional Risk Management Policy Framework in the ministries of the national government is facing a lot of challenges. This is confirmed with the Economic Survey reports which showed that the ministries of the national government of Kenya responsible for implementing national programs and activities were performing poorly as per the GDP reports hence affecting the achievement of KV2030 goals and objectives.

4.4.5 Possession of Treasury Circular No 3/2009 and Guidelines 2011.

The respondents were requested to indicate whether they had Treasury Circular No 3/2009 on IRMPF and Guidelines, 2011

Table 4. 5: Possession of Treasury Circular No 3/2009 on IRMPF and Guidelines, 2011

Possession of Treasury Circular No 3/2009 on IRMPF and Guidelines	Frequency	Percentages
Yes	3	82
No	8	18
Total	45	100

Source: Author (2014)

From the findings, 82 percent of the respondents indicated that they had Treasury Circular No 3/2009 on IRMPF and Guidelines 2011 while 18 percent indicated that they did not have Treasury Circular No 3/2009 on IRMPF and Guidelines. This implies that those ministries who haveno circular and the guidelines are hampered from the IRMPF

implemetation. It also implies that the IRMPF roll out is not monitored and evaluated centrally.

4.4.6 Understanding the Concept of IRMPF

The study sought to establish whether the respondents understood the concept of IRMPF.

Table 4. 6: Understanding the Concept of IRMPF

Understanding the Concept of IRMPF	Frequency	Percentages
Yes	10	22
No	35	78
Total	45	100

Source: Author (2014)

From the findings, 78 percent indicated that they did not understand the concept of IRMPF while only 22 percent indicated that they understood the concept of IRMPF. This implies that despite the high level of education and the high positions of the respondent's the majority of them lacked understanding of the concept of IRMPF hence affecting its implementation .The findings concurred with Graham, (2011) who found that successful strategy implementation in organizations depends on the quality of the people who implement the change, the competency of the change agents and organizational change competency. A change agency competence is described as culture that expects change, reacts with understanding, and possesses perspectives tools and techniques to make seamless efforts to make change as part of normal business. Hiatt, (1998) describes organizational competency as awareness, desire, Knowledge, Ability

and Reinforcement (ADKAR) which refers to collective values that identify an organization's structures and capabilities that enable it to perform uniquely.

4.4.7 Progress Documents Produced by Ministries on IRMPF roll out.

The respondents were requested to indicate the document/ reports produced by their ministry in the IRMPF roll out.

Table 4. 7: Document/Reports Produced in the IRMPF roll out

Progress Documents	Frequency	Percentages
IRMPF in place	10	22
Risk Profile	12	26
Minutes of Preliminary meetings	11	24
None	12	26
Total	45	100

Source: Author (2014)

From the findings, 10 percent of the respondents indicated they had risk policy frameworks in place, 26 percent indicated that they had risk profiles in place, 24 percent This indicated that they had minutes of preliminary meetings while 26 percent had no reports This clearly shows that there were no sufficient documents or reports that could confirm implementation of IRMPF in the ministries which confirms that they have multiple challenges hampering its implementation.

4.5 Challenges the Ministry Experience in the IMPF roll out.

The study sought to establish the challenges the ministries experienced in the IRMPF roll out.

Table 4. 8: Challenges the Ministry Experience

Challenges the Ministry Experience in the IRMPF roll out	Frequency		% of Yes
	Yes	No	
Budget constraints			
Management buy in and leadership skills	40	5	88
Competency of change agents and organizational competency	37	8	82
Scheduling and sequencing of activities	33	12	74
Value creation by corporate parenthood	32	13	70
Change management	31	14	68
Dilemma of strategic choice	27	18	61

Source: Author (2014)

From the findings the respondents confirmed the existence of challenges as follows; budget constraints 88 percent, management buy in and leadership skills 82 percent, scheduling and sequencing of activities 74 percent, value creation by corporate parenthood 70 percent change management 68 percent and dilemma of strategic choice 61 percent. These findings confirm a high existence of big challenges in the IRMPF roll out which concur with Yabs (2007) who established that risk managers face challenges of knowledge about the alternative strategies available and the implication of each choice. He also observed that risk treatments are determined by the strategic choice and if the choice is flawed, the repercussions can be serious with fetching repercussions.

The other challenges were cited as lack of clarity on how the IRMPF implementation fitted with existing operations, lack of monitoring and evaluation mechanisms and lack of rewards and sanctions. This implies that risk management is not aligned with the organization’s goals and objectives which is in agreement with Guiseppe (2014), who observed that organizations have multiple risks necessitating management to develop portfolios of risks and sieve out only those that have significant impact on the achievement of their goals and objectives.

4.6 Source of Information for Preparation of Risk Based Annual Work Plan.

The assurance providers were requested to indicate where they sourced information for their risk based annual work plans.

Table 4. 9: Source of Information for Risk Based Annual Work Plans

Source of information for risk based annual work plans	Frequency	Percentages
Management risk profiles	2	13
Self-initiative with management participation	5	34
Self-initiative	8	53
Total	15	100

Source: Author (2014)

From the findings, 13 percent stated that they sourced information from the management risk profiles, 34 percent said from self-initiative with management participation and 53 percent indicated that from the auditor’s self-initiative alone. This implies that most ministries had not developed risk profiles hence necessitating the auditors to develop them by self initiative during risk based planning. To some extent this approach agrees

with Senge (1990) who stated that organizations that develop comprehensive risk management strategies with employee participation are likely to win their loyalty and commitment into active participation and commitment. However it also implies that risk management programmes are not fully developed in the ministries hence confirming existence of challenges in the IRMPF roll out.

4.7 Suggestions on how the IRMPF roll out can be Improved

The respondents were requested to suggest how the IRMPF roll out can be improved in the ministries. From the findings, respondents indicated that the top management should be sensitized by the National Treasury and they be made aware of the implications and consequences of failure to implement the programme. They also said the National Treasury should carry out awareness programmes, and set aside sufficient budget for the IRMPF roll out. This concurred with Guiseppa, (2014) who argues that the choice of a strategy by an organization is majorly informed by availability of adequate budget and Trieschman (2005) who stated that adequate budgets is a key determinant in the choice and implementation of risk financing strategies.

CHAPTER FIVE

SUMMARY , CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of findings, conclusions and recommendations for further research. The purpose of this study was to determine the challenges encountered in the implementation of the Institutional Risk Management Policy Framework in the ministries of the National Government. The summary of major findings, conclusions and recommendations were based on the research objective

5.2 Summary

The study established that IRMPF implementation was in place but only some of the ministries had started the implementation. Some were at sensitizing employees and training level, others at risk profiling level and a few cited having the IRMPF in place. The study identified multiple factors affecting the implementation of the Institutional Risk Management Policy Framework in the ministries of the National Government which were budget constraints, management buy in and leadership skills, scheduling and sequencing of activities and value creation by corporate parenthood, change management and dilemma of strategic choice challenges are experienced in the IRMPF roll out in the ministries. The study established that management sourced the information for risk based annual work plan from the internal auditor's self-initiative with management participation contrary to a situation where the IRMPF is in place. The study revealed that top management had not been sensitized by the National Treasury therefore the concept of the IRMPF was not properly understood hence affecting its implementation.

5.3 Conclusion

The study concludes that to make remarkable progress risk management must be applied using a defined strategy appropriate for the identified risks. The strategy must also be in line with the organization's goals and objectives.

Risk management should be incorporated in the strategic planning process. The study concludes that organizations have multiple risks therefore management must develop portfolios of risks and sieve out only those that have significant impact on the achievement of their goals and objectives.

5.4 Recommendations of the Study

The study recommends that top management be sensitized by the national treasury and risk owners be trained by a reputable firm for the entire national government. Also monitoring and evaluation mechanism be put in place to provide feedback for prompt corrective action. The study also recommends adoption of a pilot approach on a specific department in each ministry before covering the entire ministry.

5.5 Limitations of this Study

Due to time constraints, the researcher was not able to get response from the CS and the PS who are the top most players in the IRMPF implementation. The researcher was also not able to ascertain the models and the strategies applied by those who responded as having the IRMPF in place. The study did not also assess the impact and the effectiveness of the IRMPF where it was indicated as being in place.

5.6 Recommendations for Further Studies

This study therefore recommends further studies to establish the empowerment of the implementers , the quality of the records/ reports produced and the strategies and models applied in the IRMPF roll out on the ministries of the national government .The study also recommends further studies on the impact of the Institutional Risk Management Policy Framework in enhancing performance and motivating employees.

5.7 Recommendations for Policy and Practice

The study recommends the alignment of this process to the Constitution 2010 and the PFM Act 2012 which give it mandate, authority and the sanctions. The IRMPF should also be aligned to the ministry's strategic planning with specific time lags. Finally the Treasury should reengineer this process by sensitizing top management and empowering them to perform. The practitioners should endeavor to align the risk management strategies to their specific mandates and goals and determine the full requirements before engaging in the roll out.

REFERENCES

- Abuya, D. (2008). *Strategic Risk Management Practises Among State Corporations in Kenya*. Nairobi. Unpublished MBA Project , University of Nairobi.
- Ansoff and Mc Donell. (1990). *Implanting Strategic Management ,Second Edition*. New York: Printice Hall.
- Australian Government, A. (2001). *Risk Management Framework: Guide for Business and Government*. Australia: G O A.
- Bertalanffy, L. (1972). *General Sysems Theory*.New York : McGraw Hill
- Branch, K. (2002). Participative Management and Employee and Stakeholder Involvement. *Journal of Management*.
- Chandler, A. (1962). *Strategy and Structure. Chapters in the History of the American Industrial Enterprise*. America: Cambridge :MT Press.
- COSO. (2004). *Enterprise Risk Management -Integrated Framework*. New York: Publisher- Institutte of Internal Auditors International.
- COSO. (2012). Strategic Risk Management : A Premier for Directors. *Enerprise Risk Oversight; The Role of the Board of Directors*, (pp. 1-20)
- Government of Kenya (2013). *Executive Order No 2/2013*. Nairobi: Government Printer.
- Graham, K. (2011). The Perfect Hire : A Tactical Guide to Hiring, Developing and Retaining Top Sales Talent. *Journal of Management*.
- Grant, P. (1995). *The Growth of a Firm*. New York: John Wiley.
- Guiseppe, S. (2014). Theory of Resource Complementarirt and Partner Selection. *Journal of Management*.
- Harich, J. (2012). *Root Cause Analysis.Ecosysytems Services Partnership. Portland,Oregon US*. Portland, Oregon US.
- Hiatt, J. (1998). *Model for Change in Business,Government and our Community*. New York: Amazon.
- Hilson, D. (2010). Technology Management Resources for Busines Leaders. *Executive Brief*.
- Kamau, P. (2010). *Adoption of Risk Management by Commercial Banks in Kenya*. Nairobi. Unpublished MBA Project , University of Nairobi.

- Kenya Laws. (2012). *The Public Finance Management Act*. Nairobi: National Council of Law Reporting.
- Kothari, C. (2004). *Research Methodology: Methods and Techniques*. New Delhi: New Age International Publishers.
- Kotler, P. (1995). *Leading Change*. Boston: Printice Hall.
- Lewin, K. (1947). *Change Management Model*. New York: McGraw Hill.
- Litwin, B. (1992). *Unraveling the Dynamics of Change*. Germany.
- Maina, A. (2013). *Reputation Risk Management Practices and Service Delivery in Kenya Police Service*. Unpublished MBA project , University of Nairobi.
- McNaull, P. (2004). *Risk Management Policy*. Heriot University.
- Mugenda and Mugenda. (2003). *Research Methods*. Nairobi: University Press.
- National Treasury I.A. (2009). Nairobi: Government Printer.
- Nocco and Stulz. (2006). Enterprise Risk Management: Theory and Practice. *Journal of Applied Corporate Finance Vol 18 No 4*.
- Okello, P. (2010). *A Survey of Risk Management Practicess by Saccos in Kenya*. Nairobi. Unpublished MBA project , University of Nairobi.
- Pearce II & Robinson. (2009). *Strategic Management : Formulation, Implementation and Control*. New Delhi: The Mc Graw -Hill Companies.
- Prahalad, C. (1990). The Core Comptetence of the Corporation. *Havard Business Review*, 1-15.
- Rayn, K. (2008). Advisors on Leadership, Leadership Development ,Cultural Change and Creative Problem Solving. *Enterprise Risk Management* .
- Rejda G. (2008). *Principles of Risk Managment and Insurance*. New York: Pearson Education.
- Sapienza, P. (2006). Does Culture Affect Economic Outcomes. *Journal of Economic Perspectives*, 23-48.
- Scholes, H. and Johnson, P. (1997). *Exploring Coporate Strategy*. UK: Printice Hall.
- Scott, D. (2009). *Contingecy Theory of Organizatiions*. USA: Sage Publishers.
- Senge, P. (1990). *The Art and Practise of Learning Organizations*. New York: Free Press.
- Sri, S. B. (2012). *Kenya Vision 2030*. Nairobi: The Government Printer.
- Strickland, A. (2007). *Strategic Management :Concepts and Cases*. McGraw- Hill.

- Trieschman, G. (2005). *Risk Managment and Insurance 12th Edition*. Ohio USA: Thomson South- Western.
- Wernerfelt, B. (1984). A Resource -Based View of the Firm. *Strategic Managment Journal* Vol. 5, 171-180.
- Wolter, A. (1987). *A Shareholder Value and Agency Theory Based Compensation Systems*. New York: GRIN Verlag.
- Yabs, J. (2007). *Strategic Management Practices in Kenya; Applications and Cases*. Nairobi: Lelax Global Ltd.

APPENDICES

APPENDIX 1: QUESTIONNAIRE FOR TOP MANAGEMENT

Ministry.....

Part A: Implementation of Institutional Risk Management Policy Framework (IRMPF). Please tick as appropriate.

1. Do you have the Treasury Circular No 3/2009 on IRMPF implementation & Guidelines 2011?

- a. Yes b. No

2. Have you started to roll out the IRMPF in your ministry?

- a. Yes b. No

3. Do you understand the concept of IRMPF?

- a. Yes b. No

4. What is your role in the IRMPF roll out?

- a. Policy Maker b. Risk owner d. Assurance provider

5. Who is your agency in the IRMPF implementation?

- a. Staff b. External Consultant c. The National Treasury d. None

6. At what level of the IRMPF implementation are you?

- a. IRMPF in place b. Departmental Risk Profile in place
c. Training implementers d. Sensitizing employees e. Not started

7. What documents/reports has your ministry produced in the IRMPF roll out?

- a. IRMPF b. Departmental Risk profile
b. Minutes of preliminary meeting d. None

8. Which of these challenges have you experienced in the IRMPF roll out?

(Tick as applicable and explain below)

- a. Budget constraints
- b. Management buy in and leadership skills
- c. Competency of change agents and organizational competency
- d. Scheduling and sequencing of activities
- e. Value creation by corporate parenthood
- f. Change management
- g. Dilemma of strategic choice
- h. Others (specify).....
.....
.....

i. Explanations:
.....
.....
.....

9. Please provide suggestions on how the IRMPF roll out can be improved

.....
.....

Part B- Personal Information of the Respondents (tick as applicable)

- 1. Age
 - a. > 30 Years
 - b.< 30Years
- 2. Level of Education
 - a. University and above
 - b. Below University
- 3. Position
 - a. Cabinet Secretary
 - b. Permanent Secretary
 - c. Director of Administration (DA)
- 4. Duration in Civil Service
 - a. > 5Years
 - b. < 5 Years

- b. Management buy in and leadership skills
- c. Competency of change agents and organizational competency
- d. Scheduling and sequencing of activities
- e. Value creation by corporate parenthood
- f. Change management
- g. Dilemma of strategic choice
- h. Others (specify).....
.....
.....
.....

- i. Explanations:
.....
.....
.....

8. Please provide suggestions on how the IRMPF roll can be improved
.....
.....
.....

Part B- Personal Information of the Respondents (Tick as applicable)

- 1. Age.
 - a. > 30 Years
 - b. < 30 Years

- 2. Level of Education
 - a. University and above
 - b. Below University

- 3. Position
 - a. Head of department
 - b. Other (specify)

- 4. Duration in civil service
 - a. > 5 Years
 - b. < 5 Years

APPENDIX 3: QUESTIONNAIRE FOR ASSURANCE PERSONNEL

Ministry.....

Part A: Implementation of Institutional Risk Management Policy Framework (IRMPF) Please tick as applicable.

1. Do you have Treasury Circular No 3/2009 on IRMPF implementation and Guidelines 2011?
 - a. Yes
 - b. No

2. Have you started to roll out the IRMPF in your ministry?
 - a. Yes
 - b. No

3. Do you understand your role in the IRMPF implementation?
 - a. Yes
 - b. No

4. Who is your agency in the IRMPF roll out?
 - a. Staff
 - b. External Consultant
 - c. National Treasury Staff

5. What is your role in the IRMPF roll out?
 - a. Policy maker
 - b. Risk owner
 - c. Assurance provider
 - b. Member of Steering Committee

6. At what level of IRMPF implementation are you?
 - a. IRMPF in place
 - b. Risk profiling
 - c. Training implementers
 - d. Sensitizing Employees
 - e. Not started

7. What document/Reports on the IRMPF roll out has your ministry produced?
 - a. IRMPF in place
 - b. departmental risk profiles
 - c. training implementers
 - d. sensitizing employees
 - e. Not started

8. Which of these challenges has your ministry experienced in the IRMPF roll out?
(Tick as applicable and explain below)

- a. Budget constraints
- b. Management buy in and leadership skills
- c. Competency of change agents and organizational competency
- d. Scheduling and sequencing of activities
- e. Value creation by corporate parenthood
- f. Change management
- g. Dilemma of strategic choice
- h. Others (specify).....
.....
.....
.....

i. Explanations:
.....
.....
.....

9. Where do you source information for your risk based annual work plan?

- a. Self-initiative
- b. Self-initiative with management participation
- c. From management risk profiles

10. Please provide suggestions on how the IRMPF roll out can be improved.
.....
.....
.....

Part B: Information of the Respondents (tick as applicable)

1. Age
 - a. > 30 Years
 - b. < 30 Years

2. Level of Education
 - a. University and above
 - b. Below University

3. Position
 - a. Head of Unit
 - b. Other (specify).....

4. Duration in civil service
 - a. > 5 Years
 - b. < 5 Years