



Risk Management Manual

Transparency International Zambia



Declaration

This document shall govern the Risk Management Processes and Procedures of Transparency International Zambia, effective this.....day of..... in the year.....and will remain in force until such time that the Board of Directors advise otherwise.

Signed:.....

Mrs. Priscilla Nkandu Chikonde, Chapter President

Signed:.....

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Signed:.....

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Document Control

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1.0 INTRODUCTION

Risk Management helps an organisation to identify, evaluate, analyze, monitor and mitigate risks that threaten the achievement of the organisation's strategic objectives. Transparency International Zambia (TI-Z) as an organisation may face a number of risks arising from internal and external factors that may affect achievement of its objectives—whether they are strategic, operational, or financial. The effect of this uncertainty on program objectives can be a positive risk (opportunities) or a negative risk (threats). TI-Z recognizes the uncertainties that come with operating in a global environment, and understands the risks it is exposed to, the threats to its effective achievement of its objectives, goals and vision. In cognizance of these risks, Transparency International Zambia has developed this Risk Management Policy, which contains an elaborate annual risk management plan and internal controls which are intended to help counter threats and weaknesses, and take advantage of the strengths and opportunities.

2.0 PURPOSE

The purpose of the Risk Management Policy is to provide guidance regarding the management of risks, support the achievement of organisational objectives, protect staff and business assets and ensure financial sustainability.

This policy is a tool, which guides management and staff at Transparency International Zambia in the identification, assessment, ranking and prioritization of risks in their order of severity, followed by coordinated and economical application of resources to eliminate/minimize, monitor, and control the probability and/or impact of the identified risks or to maximize the realization of opportunities.

3.0 RATIONALE

Successful organizations integrate effective governance structures and processes with performance-focused risk management and internal control at every level of an organization and across all operations. Proper risk management and internal control assist organizations in making informed decisions about the level of risk that they want to take and implementing the necessary controls to effectively pursue their objectives. Risk management and internal control are therefore important aspects of an organization's governance, management, and operations.

4.0 RISK MANAGEMENT POLICY AIMS AND OBJECTIVES

The main objective of this risk management policy is to assure uncertainty does not deflect TI-Z from achieving program and project goals. Specifically, the policy aims to:

- Safeguard the achievement of program objectives and goals by having contingencies for negative eventualities.
- Timely planning for threats and weaknesses in the programming.
- Identify strengths and opportunities as basis to mount counter actions against the notable risks.

5.0 SCOPE OF THE RISK MANAGEMENT POLICY

The policy is a blanket-guiding document for the whole organization with regards to the management of risks while recognizing and harnessing the inherent opportunities. It provides for the inclusion in the program document of the main risks associated with each program and the mitigation strategies. The policy will be implemented by management, with the support of all staff, Board, members and all other stakeholders who, by virtual of their mandate come into contact with the property of TI-Z. The practical execution of risk management will follow a continuous cycle:

5.1 Identification: Management will utilize "Risk Registers" to capture financial, operational, technical, social-political and compliance threats. Management will conduct bi-annual reviews of the operational environment from the risk conscious point of view, and where appropriate will update the risk register with new risks determined, or remove those that will have been eliminated completely.

5.2 Assessment: Management will conduct periodic assessment to transform uncertainties into measurable insights using qualitative tools like "Risk Heat Maps" and quantitative tools like "Probability of Default" (PD) or "Loss Given Default" (LGD).

5.3 Response: Management will choose between four classic strategies: Avoidance (exiting high-risk ventures), Transfer (insurance or hedging), Mitigation (tighter controls), or Acceptance (tolerating risk within set limits).

5.4 Monitoring and Review: Management will use "Key Risk Indicators" (KRIs) and digital dashboards to track known risks. Management will further conduct quarterly internal and external audits to validate that the risk frameworks are functioning as intended.

6.0 IMPLEMENTATION AND MONITORING

The implementation of this policy rests on management and staff at TI-Z who will be allocated specific responsibilities with regards to managing their programs. The implementation of this policy will be continuously monitored for purposes of drawing lessons and improving the risk management strategy. As threats and opportunities change over time, the content of this policy especially the risk management plan will continuously be revised. Program officers charged with various responsibilities will monitor how the policy is performing and report to management with respect to how they organization should respond to changing risks and opportunities.

7.0 RISK MANAGEMENT CYCLE

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8.0 AMENDMENT OF THE POLICY

This policy may be amended and adjusted to reflect the changing nature of threats and opportunities.

The policy is supposed to be responsive to changes in the operating environment.

RISK REGISTER AND MITIGATION PLAN

Risk category	Risk	Triggers	Mitigation measures	Probability	Impact	Management Actions
Technical	Inadequate collaboration/partnership with key stakeholders	Duplication, uncoordinated efforts and implementation of activities	Ongoing stakeholders' mapping and dialogue towards forging partnerships	Low	Medium	Quarterly review of stakeholders' mapping recommendations
			Continue monitoring the operational environment and signalling to ED/HoP possibilities of duplication and providing recommendations	Low	Medium	
	Citizens' loss of confidence/trust in anti-corruption institutions and	Unwillingness by community leadership and target communities to participate in anti-corruption interventions	Forge partnerships with community leadership and involve target communities during the design and development of implementation plans	Medium	High	Quarterly review of stakeholders' mapping recommendations
	skepticism to participate in anti-corruption interventions	Citizens' loss of interest to report suspected corruption	Sensitisation on the importance of citizens taking action against corruption and provision of alternative mechanisms for reporting corruption	Medium	High	Tailor information and IEC materials to stakeholders' needs
			Continuous advocacy for law reforms and anti-corruption strategies that would guarantee protection of whistleblowers	Medium	High	Ensure evidence based advocacy
	Scepticism from and unwillingness by targeted public and private institutions to collaborate with CSOs	Limited responsiveness to Requests for collaboration.	Emphasise constructive engagement and dialogue as well as enhancing consultation with target institutions	Medium	High	Formalize partnerships with Government
				Medium	High	Emphasize constructive engagement and dialogue with target institutions
		Target public and private institutions' level of commitment to CSOs interventions (level of representatives delegated to participate in anti-corruption interventions)	Incentivise target public and private institutions by demonstrating TI-Z work's value add to their core mandate and contributing to their visibility	Medium	High	Change the narrative around anti-corruption (<i>naming and shaming only applied in exceptional cases</i>)
Operational	Rapidly changing operational context.	Contextual and sectoral changes in issues	Strengthen programme oversight and quality control processes	Medium	Medium	Ensure programme quality control, oversight, reflective and adaptive management
		Impact of political and government decisions on TI-Z work	Incorporate reflective and adaptive management in programme meetings	Medium	Medium	

		'Early warning detected from monthly programme reviews'		Medium	Medium	
	Disruption of work programme due to COVID-19 Pandemic	Pronouncement of guidelines by MoH	Continuously revise and implement the COVID-19 mitigation plan	Low	Medium	Establish COVID-19 mitigation protocols as a permanent and routine measure
			Conduct some activities virtually	Low	Medium	
			Reschedule activities whenever possible	Low	Medium	
	Inability to fully implement the strategy due to funding restrictions	Donor support largely covers a percentage of operational costs, posing operational challenges	Own offices to reduce operational costs through rental charges	Low	Medium	
	Disruption of work due to power outages	Ineffectiveness of the solar system and frequent loss of power	Ensure effective maintenance and monitoring of the solar system	Low	Medium	Invest in alternative energy solutions.
	Inadequate institutional equipment and fittings	Delayed implementation due to inadequate equipment/fittings	Maintain and monitor the assets register	Low	High	Monitor the assets register based on the recommendations and red flags and take mitigation measures
			Make provisions for asset replacements.	Low	High	
	Weak internal controls	Fraud or misappropriation of funds	Improve Internal financial systems and audits	Low	High	Financial risk monitoring and mitigation
	Inadequately resourced strategy	Incapacity to fully execute the strategy	Continuously implement the resource mobilisation strategy	Medium	High	Establishment of the resource mobilisation strategy and review of progress of resource mobilisation
Financial		Inadequately resourced organisation	Continuously implement the resource mobilisation strategy	Medium	High	
	Sustainability Risk	Donor Dependency	Diversify funding sources, creation of local implementing and funding alliances	Medium	High	
	Economic risk (Inflation)	Exchange loss	Periodic review of the currency performance, costs and rates	Medium	High	Identify expected impact and take mitigation measures
			Continuous monitoring of the money market and prices changes	Medium	High	
Social, Political	Shrinking civic space	Radical change in policy direction and priorities concerning non-state actors' participation in governance and development processes.	Monitor government's commitment to civil rights and citizen participation in governance	Medium	High	Monitor the operational environment and take mitigation measures
			Establish citizens' watch platforms and collect citizens' feedback	Medium	High	

Reducing CSOs, media freedom and intolerance to dissenting views

Consider employing confrontational advocacy depending on the situation.

Medium

High

The Traffic-Light Scoring System

The traffic light scoring system will be used to score the probability and impact of the risks identified to TI-Z's work as low, medium and high by shading the cell in the relevant colour to demonstrate the rating as shown below;

Low
Medium
High