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RISK MANAGEMENT POLICY

As Approved by the FIRST Council on 31st October, 2014

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FOREWORD

The contribution of Risk Management Policy in the achievement of MoCU goals and objectives cannot be overemphasized. The main objective of Risk Management Policy is to serve as a guide through which MoCU can handle its **pre** and **post** loss situations. Further, the Policy aims at supporting the systematic achievement of MoCU objectives.

History indicates that institutions which embraced well-focused risk management policies have managed to be competitive. Indeed, one of the reasons for dismal performance of many institutions despite their well-articulated visions and missions, objectives and core values is their inability to formulate and implement comprehensive risk management policies on one hand and their inability to address risk management practices holistically. Gauged in this context Risk Management Policy at University has been guided through various policies, operational manuals, Regulations and Guidelines. However, the present policies and guidelines do not explicitly give guidance on ways to address important gaps which are found in the Risk Management system. Despite MoCU efforts to prepare policies and guidelines for its various operations, risk management is not mentioned in any of these guidelines. Furthermore, the guidelines as inputs to mitigating some institutional risks, they are not properly coordinated. All these short-comings are to a great extent caused by inadequate guiding risk management framework.

In order to facilitate enhanced risk management activities within a clear institutional risk management framework, a well-articulated Risk Management Policy that would match the realities of today has been formulated. This Policy constitutes a milestone geared towards providing a framework through which linkage, coordination and harmonization of existing and new mechanisms will support other policies and initiatives to achieve the University Mission and Vision. Through the implementation of this policy, University will be able to address the challenges of business risks, technological innovations and globalization.

In broad terms, this policy emphasizes that risk management at the University should be directed towards identification and prioritization of loss exposures on the basis of their possibility of occurrence and their possible severity. Further, the policy is geared towards identifying the techniques to mitigate these loss exposures, the techniques that University will use to assess its risk profile, how risk management activities will be reported and assignment of responsibilities within MoCU operating units.

It is worth noting that the formulation of this Policy involved a number of individuals. On behalf of MoCU, I would like to give my sincere thanks to all those who contributed in one way or another to the formulation of this Policy.

Ag. Prof. Faustine K. Bee (PhD)

VICE CHANCELLOR

ABBREVIATIONS

| | | |
|----------|---|---|
| HIV/AIDS | - | Human Immuno Virus/ Acquired Immuno Deficiency Syndrome |
| ICT | - | Information and Communication Technology |
| MoCU | - | Moshi Co-operative University |
| RCO | - | Risk Compliance Officer |
| SUA | - | Sokoine University of Agriculture |

DEFINITION OF KEY CONCEPTS

- Framework** : Refers to a set of principles and ideas that one uses when forming a decision, decisions or judgments or system of rules and laws, agreements that establish the way something operates in business.
- Loss Exposure** : Any situation or circumstance in which a loss is possible, regardless of whether a loss occurs.
- Loss Frequency** : The probable number of losses that may occur.
- Loss Severity** : The probable size of the losses that may occur.
- Risk** : Refers to uncertainty concerning the occurrence of a Loss
- Risk Management** : Systematic process for the identification and evaluation of loss exposures faced by an organization or individual and for the selection and implementation of the most appropriate techniques for mitigating such exposures.
- Risk Management Framework:** Refers to a particular set of principles or ideal that one bases his/her behaviour, judgments or attitude towards risk.

1.0 INTRODUCTION

1.1 Background to the Policy

It is imperative that organizations do operate in risk-embedded environments at local and global level. The University as well survives in business environment where risk cannot be undermined in smooth achievement of objectives.

With the current institutional reforms possibilities to risk exposures tends to widen. All over the University has been handling risk management processes in a informal way, whereby the processes were not coordinated and integrated.

The risk management policy intends to formalize, coordinate and integrate management of risk profile. The policy also aligns risk management activities in a documented way to the aspiration of the University Strategic Plan.

Risk Management at the University intends to cover risk at local and global context with emphases on strategic, operational, financial and market risks. Risk associated with human capital, ICT, cross cutting issues, work ethics and intellectual property rights are equally accounted in this policy.

1.2 Overview of Moshi Co-operative University

Moshi Co-operative University (MoCU) came into being as a result of upgrading the status of the former Moshi University College of Co-operative and Business Studies (MUCCoBS) into full flagged University through a letter dated 15th day of July, 2014 from Tanzania Commission for Universities (TCU). The University will then be granted a Charter that was made under section 25(2) of the Tanzania Universities Act No. 7 of 2005 (Cap. 346 of the Laws of Tanzania).

MoCU is located in Moshi Municipality and has a Campus at Kizumbi in Shinyanga region. In addition, the University operates 13 Regional Offices located in Kilimanjaro, Tanga, Shinyanga, Mwanza, Dodoma, Tabora, Kigoma, Mbeya, Iringa, Ruvuma, Coast, Mtwara and Singida regions.

The University conducts a range of residential and distance learning programmes such as tailor-made programmes, field training, research, consultancy and community services.

The University teaches and produces experts in co-operative development and management, accounting and auditing, procurement, marketing, finance, banking and microfinance; law, and community development.

1.3 Vision and Mission Statements

1.3.1 Vision statement

The vision of the University is *“A centre of excellence in co-operative education and practice”*.

1.3.2 Mission statement

The mission statement of the University is *“To provide quality education, training, research and advisory services to enhance co-operative development”*.

1.4 Core Values

In fulfilling the Vision and Mission, the University will be guided by the following core values; *cooperation, objectivity, pursuit of excellence in service delivery, integrity and accountability, courtesy to all, and social responsibility*.

1.5 The Objects and Functions

The objects and functions of the University among others shall be to:

- (a) Offer residential programmes ranging from certificate to postgraduate levels, distance learning programmes, tailor-made programmes, field training, research, consultancy and advisory services;
- (b) Conduct research in areas of co-operative development and business in a participatory manner;
- (c) Disseminate knowledge on co-operative development and business studies generally to the public by way of print and electronic media, seminars, workshops and symposia;

- (d) Offer advisory services to co-operative stakeholders and the public at large in matters relating to co-operative development, business and community development; and
- (e) Disseminate research findings to the community for poverty alleviation and building of national economy.

2.0 SITUATIONAL ANALYSIS

2.1 Coordination and Management of Risk Management

The Internal Audit Department is responsible in appraising overall operational efficiency and effectiveness, and ensuring safeguarding of assets and proper records keeping, it is mandated to coordinate risk management activities at MoCU. However, under the present staff position for this unit to accomplish this responsibility, a Risk and Compliance Officer (RCO) shall be employed. The incumbent will have knowledge in finance and risk management.

The Internal Audit Department, therefore, is well placed to act as the principal advisory organ to the management on all matters pertaining to risk management and coordination of risk management activities at MoCU.

Currently, MoCU is experiencing a fast growth in the number of staff (both academic and administrative) students' enrolment, departments, use of Information and Communication Technology (ICT) and ownership of valuable properties, which increase the possibility of loss exposures.

2.2 Existing Policy, Guidelines and Procedures

The University has a number of operational policies and guidelines some of which have been adopted from MUCCoBS and are in different stages for review in order to suite and address MoCU operational requirements. These include:

- 2.2.1 Up the ladder (SUA's up the ladder) Third edition, 2008;
- 2.2.2 Research and Publication and Procedures Policy, 2007;
- 2.2.3 Consultancy Policy and Procedures, 2007;
- 2.2.4 HIV/AIDS Policy, 2008;
- 2.2.5 Gender Policy, 2008;
- 2.2.6 Training and Funding Guidelines for Academic staff, 2008;

- 2.2.7 Scheme of Service for Academic Staff, 2008;
- 2.2.8 Students Accommodation Policy, 2009;
- 2.2.9 Students Affairs and Services Policy and Operational Procedures, 2009;
- 2.2.10 Students Rules , 2009;
- 2.2.11 Housing Policy and Regulations, 2010;
- 2.2.12 Human Resources Management Policy, 2010;
- 2.2.13 Staff Regulations, 2010;
- 2.2.14 Code of Ethics, 2010;
- 2.2.15 Financial Regulations, 2010;
- 2.2.16 Internal Audit Manual, 2010;
- 2.2.17 Library Policy and Procedures, 2010;
- 2.2.18 Library Rules and Regulations, 2010;
- 2.2.19 Information and Communication Technology (ICT) Policy, 2010;
- 2.2.20 General Guidelines for Postgraduate Studies, 2010;
- 2.2.21 The General University Examination Regulations, 2011;
- 2.2.22 Archives Policy and Guidelines, 2011;
- 2.2.23 Schemes of Service for Administrative Staff, 2011;
- 2.2.24 Sports Policy, Draft; and
- 2.2.25 Draft Clients Service Charter.

2.3 Challenges Relating to Loss Exposures

Notwithstanding the above elements, a number of challenges still remain. These include:

- 2.3.1 Inadequate appreciation to recognize loss exposures;
- 2.3.2 Inadequacy in integrating different operational units in addressing the loss exposures;
- 2.3.3 How to put a framework for identifying loss exposures;
- 2.3.4 Lack of prioritization and strengthening coordination of the roles of different operational units to address the loss exposures;
- 2.3.5 How to manage work Ethics; and
- 2.3.6 Scarce resources to meet other ever growing loss exposures.

Finally, there are challenges related to work ethics. Whereas this situation can be attributed to historical factors, a look at the extensive reforms that have occurred in other areas such as those in the operating environment over the last three decades can explain the lack of commensurate reforms on how the associated loss exposures shall be managed.

3.0 THE OVERVIEW OF RISK MANAGEMENT POLICY

3.1 Policy Statement

The University recognizes that risk management is an integral part of sound management practice and is committed to establish an organizational culture that ensures risk management that is embedded in all University activities and business processes.

The University shall continue to manage risks as a routine part of its academic, administrative and business planning processes. Identified risks will be planned for and managed, taking into account of the broader University objectives and priorities. Risks will be managed operationally in accordance with this policy and with risk management processes established by the University.

3.2 Policy Issues

The Risk Management Policy seeks to have in place procedures for identifying loss exposures, procedures to use in measuring and analyzing the identified loss exposures. The policy will be used in selecting the appropriate techniques for mitigating the loss exposures, methods for risk financing, and procedures for implementing, monitoring and evaluating the risk management programmes regularly.

The focal areas of this policy include:

- 3.2.1 Strategic risk management, leadership and institutional framework;
- 3.2.2 Identification, analyzing, measuring and prioritization of loss exposures;
- 3.2.3 Risk management framework for measuring and analyzing the loss exposures;
- 3.2.4 Selection of appropriate techniques for mitigating the loss exposures;
- 3.2.5 Human resource development and administration;

- 3.2.6 Work ethics and intellectual property rights;
- 3.2.7 Planning, finance and development;
- 3.2.8 Collaboration, partnership and networking;
- 3.2.9 ICT activities; and
- 3.2.10 Cross-cutting issues.

3.3 Scope of the Risk Management Policy

The Risk Management Policy applies to the University as a whole, its controlled entities and all staff. The Risk Management Policy is of paramount importance to MoCU its development and continued survival. Its implementation embraces elements of particular interest and relevance, and it applies to the following:

- 3.3.1 The Council, Management, Faculties, Directorates, Institutes, Centres, Departments, professional associations, Trade Unions and other operating Units;
- 3.3.2 All staff (contract terms part-time and permanent) who are in teaching, research, administration and the provision of any form of support to the core functions of MoCU; and
- 3.3.3 All infrastructure, governance/institutional set-up and information dissemination structures.

3.4 Rationale and Justification

The institutional reforms to full fledged University resulted into the formulation of various policies and guidelines which embraced the newly transformed institution (MoCU). The reforms entailed the revision of Vision, Mission, core values, objects and functions. These policies and guidelines focused on the smooth implementation of MoCU core activities of teaching, research, consultancy and advisory services singly or by working in collaboration with other stakeholders in the relevant operational units.

Unfortunately, the reforms have not been undertaken in tandem with the associated loss exposures resulting from the associated increase in number of staff, students, computer connectivity, and procurement activities, among others. On the other hand, the globalised world requires MoCU to create an enabling environment that

will facilitate active participation of all its operational units in improving their respective risk management activities.

Given the significant role of Risk Management Policy in MoCU well being, it is imperative that MoCU formulates a Risk Management Policy and fully integrates it into its strategic plan. This will ensure that the risk management activities are relevant and responsive to the risk management needs of MoCU.

In addition, as a response to its institutional reforms, the revised Vision commits MoCU to building a strong, dynamic, resilient and competitive training, research and advisory service provider which is risk-based driven and thus capable of generating and sustaining MoCU well-being and dynamic development.

3.5 Policy Objectives

The general objective of the Risk Management Policy is to provide guidance to all those charged with governance, academic and administrative staff as well as other key stakeholders/operational units in addressing present and future loss exposures which may inhibit MoCU' continued existence. The Policy thus aims at supporting the systematic achievement of MoCU objectives.

The specific objectives of the Risk Management Policy are to:

- 3.5.1 Ensure that the Council and management make informed about business decisions based on appropriate risk assessment;
- 3.5.2 Ensure that corporate risks are taken into account when making strategic management decisions;
- 3.5.3 Ensure that the management of operational risk is integrated into standard management and accountability processes;
- 3.5.4 Develop an environment where staff members assume responsibility for managing risks;
- 3.5.5 Ensure that risks are identified, prioritised and managed in a coordinated manner;
- 3.5.6 Ensure that strategic planning processes are improved as a result of a structured consideration of risk;

3.5.7 Ensure that the University complies with relevant legislations; and

3.5.8 Ensure that the University resources and reputation are safeguarded.

4.0 KEY AREAS ADDRESSED IN THE RISK MANAGEMENT POLICY

This policy focuses on ten areas of the University operations. Under/ in each of these areas, policy issues, objectives, statements and implementation strategies have been formulated for achieving the policy objectives.

4.1 Strategic Risk Management, Leadership and Institutional Framework

4.1.1 Policy Issue

Inadequately integrated leadership and Institutional Risk Management capacity to manage and guide risk management activities.

At MoCU, the typical leadership and governance of the risk management is structured under three levels. The **first** level constitutes a high-level mechanism for Risk Management Policy involving the Council foresight and MoCU strategic positioning. This is a mechanism which is often placed within the Council of MoCU. The Council is responsible for overall controlling, monitoring and evaluation of loss exposures.

The **second** level is constituted by the management. This forms MoCU' instrument which, in collaboration with other operational units, formulates policies, facilitates implementation of risk management programmes, regulates, monitors and evaluates the risk management activities and reports to the Council.

The **third** level is the risk management central coordinating Unit (The Internal Audit) and the risk owners. This also includes operational units that are often the performers of risk management activities which constitute the third level. These include Accounting and Finance, Human resources, Faculties, Departments, Directorates, Procurement, Admissions and Examinations, Administrative Services, Estates, Marketing and Public Relations, ICT and Dispensary which are responsible for carrying out risk management activities.

4.1.2 Policy Objective

The Policy objective is to establish effective risk management, coordination, guidance and foresight mechanism through an integrated risk management framework.

4.1.3 Policy Statement

MoCU shall:

- (a) Establish foresight mechanism in the overall Risk Management Policy forecast and strategic positioning;
- (b) Harmonize the roles of different operational units in coordinating risk management activities; and
- (c) Carry out a review of the operational unit policies where they exist and in order to foster efficiency and productivity.

4.1.4 Implementation Strategies

Strategies for implementing the above policy objectives and statement will include to:

- (a) Promote and enhance risk management awareness among MoCU staff and students;
- (b) Encourage adherence to the implementation of the Policy among staff and students; and
- (c) Define specific roles for the various operational units.

4.2 Identification, prioritization, analyzing and measuring loss exposures

4.2.1 Policy Issue

Lack of clear mechanism for identifying, analyzing, measuring and prioritizing loss exposures

The ever-changing operational environment which includes the increase in number of staff (both academic and administrative), students and ICT connectivity, exposes MoCU to various loss exposures.

The current risk management coordination and management lacks the unified outlook and foresighting mechanism. The Internal Audit Department which is

responsible for risk management plays a marginal role in relation to risk management activities conducted in other operational units.

The Internal Audit Department, in its present structure, level of funding and staffing has inadequate capacity to discharge its mandate. As such, there is a need to review the existing framework which established that department and review it in relation to other operational departments and put in place a new Risk Management framework that will enhance risk management activities, foresighting, and effective coordination, awareness creation in risk management, monitoring and evaluation of loss exposures. The proposed review should include reforming and financially supporting the Internal Audit Department to effectively discharge its mandate.

MoCU has put in place a number of governance instruments aimed at managing its loss exposures. In spite of this, the effectiveness and efficiency of the risk management process in MoCU is low due to, among other things, ineffective mechanism to identify measure and analyze the loss exposures.

Through this policy, MoCU has to establish a mechanism that will be used to identify measure, analyze and prioritize the loss exposures and put in place implementation strategies, monitoring and evaluation mechanism within MoCU Risk Management Framework. In accomplishing these mechanisms, MoCU will adopt a participatory approach that guarantees inclusiveness and ownership across all levels of operations.

The identification and priority setting will take into consideration the frequency and severity of the loss, available human, physical and financial resources, areas of competitive advantage as well as MoCU continued existence as it impacts on human welfare and the community at large.

4.2.2 Policy Objectives

- (a) Creating a mechanism for identifying, prioritizing, measuring and analyzing loss exposures and periodically reviewing and identifying the appropriate combination of techniques to mitigate the losses; and

- (b) Aligning risk management, implementation, monitoring and evaluation as well as reporting to the Council through the Audit Committee.

4.2.3 Policy Statements

MoCU shall:

- (a) Establish mechanisms for setting up short, medium, and long-term procedures for identifying and prioritizing loss exposures in line with MoCU objectives;
- (b) Ensure that priority setting is inclusive and based on frequency, severity, market conditions and overall societal needs;
- (c) Facilitate putting in place a framework for measuring and analyzing loss exposures and carrying out periodic review;
- (d) Support and fund risk management activities that enhance MoCU well-being as well as those which are of national importance; and
- (e) Strengthen the Internal Audit Department by employing a Risk and Compliance Officer/expert so that it can effectively discharge its mandate of risk management, coordination, promotion, monitoring and evaluation, risk management audit as well as data and information management.

4.2.4 Implementation Strategies

- (a) Establish mechanisms for setting up short, medium, and long-term procedures for identifying and prioritizing loss exposures in line with MoCU' objectives; and
- (b) Encourage regular reviews of loss exposures within and among MoCU operational units in order to identify emerging loss exposures.

4.3 Risk Management Framework

4.3.1 Policy Issue

Lack of a well-defined and integrated risk management framework for ensuring that loss exposures are identified, measured, analyzed, prioritized and timely mitigated

While MoCU has been undertaking risk management strategies which include formulation and implementing various governance instruments which in one way or another are aimed at managing risks by either avoiding, preventing, reducing or retaining risk exposures, the same has not been undertaken as a comprehensive and

integrated system. Further, coordination and collaboration among MoCU operational units is not comprehensive enough and not well-embracing.

The Risk Management Framework will guide MoCU in forming decisions or judgment. The Framework, therefore, will guide MoCU in classifying the various loss exposures according to their frequency and severity. The Framework shall also be useful in determining which risk management method should be employed. The framework or guidance shall assist the Council in arriving at informed decisions. The framework shall allow for the variations that are found in every individual since each situation is likely to be different. The framework can at the same time accommodate a rapidly changing environment. Pursuant to the above, this Risk Management Policy provides guidance and spells out mechanisms as to how to identify loss exposures, prioritize, and determine the appropriate risk management techniques based on their loss frequency and loss severity.

4.3.2 Policy Objectives

- (a) Establishing effective mechanism that will ensure the identification, measuring, analyzing and prioritizing the loss exposures;
- (b) Establishing an efficient and effective system for managing the loss exposures on the basis of their frequency and severity;
- (c) Ensuring that all MoCU operational units collaborate with each other so as to have an integrated system to manage the identified loss exposures; and
- (d) Ensuring that the Internal Audit Department takes the lead in ensuring that good governance principles, which include ethical behaviour, are observed.

4.3.3 Policy Statements

MoCU shall:

- (a) Facilitate putting in place a Framework that will be used to identify, analyze and prioritize loss exposures;
- (b) Develop and enforce mechanisms for setting standards for different loss exposures from time to time;

- (c) Encourage other operational units to establish linkages with the Internal Audit Department; and
- (d) Ensure that priority setting is inclusive and based on needs.

4.3.4 Implementation Strategies

- (a) Encourage collaboration among operating units which will enable the identification, measuring, analyzing and prioritizing loss exposures;
- (b) Encourage and support the Internal Audit Department to play its leading role in risk management processes;
- (c) Design and disseminate loss exposures treatment mechanism materials; and
- (d) Design and conduct training programmes on identification and prioritization of loss exposures.

4.4 Selection of Risk Exposure and Mitigation Techniques

4.4.1 Policy Issue

Lack of a clear mechanism for selecting the appropriate techniques for mitigating the risk exposures

MoCU has been implementing several combinations of techniques to mitigate its loss exposures to date. However, the procedures lack a clear guidance in selecting the appropriate combination among the available techniques. The failure to have in place a clear guide can be attributed to several factors, including absence of expertise in risk management, lack of awareness in risk management and inadequate participation of all operational units/stakeholders in risk management.

Individuals are to be encouraged to implement risk management strategies within their jurisdictions. It is possible for MoCU to have a clear system/approach of selecting the appropriate set/combination of techniques to mitigate the loss exposures MoCU is exposed to. In the long run, this will enable MoCU not only to reduce its **pre** and **post** loss management but also avoid/reduce crisis management situations.

Further, it is important that the instituted mechanisms should allow and facilitate awareness creation in risk management related activities.

4.4.2 Policy Objectives

- (a) Ensuring that there is a clear guidance in selecting the appropriate combination of techniques to mitigate the loss exposures; and
- (b) Ensuring that the guidance is reviewed from time to time to take care of changing nature of loss exposures.

4.4.3 Policy Statements

MoCU shall:

- (a) Facilitate putting in place mechanisms required for selecting the appropriate combination of techniques to mitigate/manage loss exposures;
- (b) Develop and enforce mechanisms for awareness creation system and implementation of risk management activities;
- (c) Encourage other operational departments/units to establish linkages with the Internal Audit Department to engage in risk management activities;
- (d) Design a system to have all stakeholders articulate the steps involved in the risk management processes; and
- (e) Develop a mechanism for continuous popularization of risk management activities and its role in the well-being of MoCU through various fora.

4.4.4 Implementation Strategies:

- (a) Establish mechanisms for selecting the appropriate combination of techniques to mitigate / manage the loss exposures; and
- (b) Develop a mechanism for continuous assessment of the available techniques to mitigate the loss exposures with regard to their suitability.

4.5 Human Resource Development and Administration

4.5.1 Policy Issue

Ineffective mechanism to orientate staff and students in risk management

By their nature, risk management activities require highly dedicated and trustworthy workforce. Development of such manpower requires a long-term, well-

thought and coordinated training, deployment programmes and motivation. Risk management activities also need to set targets in line with operating environment.

Despite the fact that the Directorate of Human Resource Development and Administration is doing a commendable job in relation to issues relating to recruitment, retirement, compliance with government laws and regulations, still there is need to have in place a system of screening staff as regards their suitability in the jobs/positions they are currently occupying.

Besides, development of human resource needs to go in tandem with the development of necessary arrangements which will ensure observance of job-related injuries or short-comings/undesirable incidents experienced by workers such as: safety measures, theft, dishonesty and termination of employees.

4.5.2 Policy Objectives

- (a) Establishing and implementing a human resource development programme focusing on short, medium and long-term risk management needs;
- (b) Create a conducive working environment that will inculcate a culture of being honest;
- (c) Establish mechanism for regular manpower audit aimed at assessing the suitability of every employee in the position she/he is holding; and
- (d) Creating an environment that ensures adherence to labour and labour-related laws as well as security measures.

4.5.3 Policy Statements

MoCU shall:

- (a) Put in place a mechanism for ensuring that the right people are recruited and placed in the right positions; and
- (b) Put in place a mechanism for ensuring that job-related laws and regulations are complied with.

4.5.4 Implementation Strategies

- (a) Establish easily retrievable loss exposure disaggregated data;
- (b) Encourage staff and students to network on loss exposures;
- (c) Establish training programmes on risk management;
- (d) Promote recruitment and retention of good workers; and
- (e) Promote change management among the workers.

4.6 Work ethics and intellectual property rights

4.6.1 Policy Issue

Inadequate mechanism to ensure that all staff adhere to work ethics and uphold intellectual property rights

Risk management activities are carried out in accordance with acceptable ethical requirements. Ethics in risk management take into account such matters as objectivity, transparency, integrity, accountability, plagiarism and falsification. Currently, there is variation in the extent to which work ethics management is institutionalized within MoCU.

Furthermore, management of ethics is uncoordinated, fragmented and accompanied by a weak ethical review system. Therefore, there is a need to strengthen and formalize the observance of ethical behaviour and intellectual property rights.

4.6.2 Policy Objectives

- (a) Strengthen ethical behaviour at MoCU in line with its core values; and
- (b) Strengthen strict adherence to copyright laws and intellectual property rights.

4.6.3 Policy Statements

MoCU shall:

- (a) Establish work ethics mechanism in all operational units;
- (b) Establish ethics review mechanisms in all operational units; and
- (c) Strengthen the Internal Audit Department capacity to monitor compliance with legislations governing ethical behaviour and copyrights in Tanzania, and other ethical requirements.

4.6.4 Implementation Strategies

- (a) Discourage all forms of unethical behaviour at all levels; and
- (b) Discourage all sorts of property and intellectual rights infringement.

4.7 Planning, Finance and Development

4.7.1 Policy Issue

Inadequate monitoring mechanism of MoCU funds

In its day to day working environment MoCU pays out and receives both local currency and hard currencies.

As a government owned institution it receives grants from the Government as well as development and operational activities. Further receive funds in the form of students' fees (local and hard currencies. Other activities involving funds are those related to borrowing from Banks and other financial institutions.

To ensure the smooth use of the funds a Funds Allocation Committee is in place which allocates funds available in the order of priority. The activities of the Funds Allocation Committee are complemented by the Tender Board. All these activities in their totality expose MoCU to a number of loss exposures.

The loss exposures include those related to Interest rates, Revenue, Liquidity, Financial, Operations and Environmental risks.

4.7.2 Policy Objectives

- (a) Ensure that proper records of revenue and expenditures are kept and done correctly and periodically reviewed, respectively;
- (b) Ensure proper use of allocated money and accountability by Vote holders;
- (c) Ensure that regulations and or guidelines related to finances are complied with;
- (d) Ensure that funds are out solely to genuine application to the benefit of the Institution;
- (e) Ensure that unnecessary waste of resource is minimized to an acceptable level;
- (f) Ensure that budgets are well prepared and adjusted accordingly; and
- (g) Ensure that there is regular monitoring of the implementation of budgets.

4.7.3 Policy Statements

MoCU shall:

- (a) Ensure a sound Receipting and Recording of the University Revenue;
- (b) Ensure that a mechanism is in place through which monies allocated to vote holders are fully accounted for;
- (c) Institute a mechanism that will ensure budget ceilings are observed/adhered to and that planned targets are achieved;
- (d) Create an elaborate system through which vote holders are held responsible for the funds allocated to their votes;
- (e) Motivate employees to adhere to the system of internal control and work ethics;
- (f) Institute a mechanism that will ensure timely collections of funds from debtors;
- (g) Institute a mechanism that will ensure hedging against price fluctuations and or interest rate changes;
- (h) Institute a mechanism that will ensure appropriate screening of borrowers of whatever nature;
- (i) Ensure that there is always an emergency funds to take care of the unforeseen; and
- (j) Ensure a mechanism is in place to ensure that payments are made for genuine purchases and or for services received.

4.7.4 Implementation Strategies

- (a) Mobilize resources for risk management activities;
- (b) Formulate mechanism that discourage mis-use of funds by vote holders;
- (c) Promote change in values and attitudes that hinder the smooth implementation of targets due to un-authorized / approved expenditure;
- (d) Encourage monitoring and Evaluation on the use of funds allocated to vote holders;
- (e) Identify all sources of funds for MoCU; and
- (f) Ensure budget ceiling are observed and virements are dully approved.

4.8 Collaboration, Partnership and Networking

4.8.1 Policy Issue

Inadequate collaboration among MoCU operational units so as to optimize the use of resources and increase efficiency

Staff within MoCU has limited interaction and collaboration between each other. This trend has led to inefficient use of both human and physical resources as well as poor sharing of knowledge and experiences. In order to optimize the use of these resources, it is important that an administrative framework is put in place to foster collaboration as well as sharing of some critical resources among MoCU operational units such as purchasing the same type of expensive equipment for different units which are in close proximity. In addition, where an activity requires a multi-disciplinary team and involvement of staff from other departments, there should be a mechanism to easily assemble such a team.

4.8.2 Policy Objectives

- (a) Establish and institutionalize an efficient system of partnership, networking and collaboration among operational units to avoid duplication; and
- (b) Create a favourable environment for cooperation and partnership in efficient and effective utilization of resources.

4.8.3 Policy Statements

MoCU shall:

- (a) Establish an administrative framework which will promote partnership, networking and collaboration across departments/operational units; and
- (b) Encourage departments to formulate their own risk management policies/guidelines and monitor the implementation of the same.

4.8.4 Implementation Strategies

- (a) Encourage collaboration among MoCU operating units in order to optimize the use of resources;

- (b) Establish and institutionalize an efficient system of collaboration among units to avoid duplication in the use of resource; and
- (c) Encourage operational units to identify and prioritize their own loss exposures and recommend mitigating measures.

4.9 ICT Activities

4.9.1 Policy Issue

Inadequate plans to take care of disasters such as systems failures or crashes, destruction of records, fraud, viruses and hacking

With the changing global economic landscape and the entry of new technologies in the market and the increasing computer connectivity, there is strong desire to have guidelines which will guard the institution against possible ICT related loss exposures. These risks include those related to viruses, systems failure and lack of disaster recovery mechanisms.

4.9.2 Policy Objectives

- (a) Increase capacity to deal with disaster management;
- (b) Create an appropriate environment for data recovery, restoration and backup; and
- (c) Create a mechanism for setting up and periodically reviewing the systems for updating.

4.9.3 Policy Statements

MoCU shall:

- (a) Institute a mechanism for ensuring that appropriate controls are in place and are operating as prescribed;
- (b) Ensure that appropriate disaster management programmes (including data recovery, offsite backup and restoration systems are in place);
- (c) Ensure that up to date hardware/software backup services are in place all the time; and
- (d) Ensure that staff with the requisite knowledge, skills and experience is employed to man the unit.

4.9.4 Implementation Strategies

- (a) Establish and institutionalize a mechanism for data recovery, offsite backup and business continuity plan;
- (b) Expose ICT staff to new ICT developments; and
- (c) Ensure that vital working tools in the ICT unit are in place.

4.10 Cross cutting Issues

4.10.1 Discrimination

4.10.1.1 Policy Issue

Discrimination among staff and or among students and other stakeholders

The Government has put in place policies, laws and regulations which discourage all sorts of discrimination whether gender, religious, race or ethnicity. However, there are still wide disparities within the population and at work places. There is therefore, a need to redress these disparities.

4.10.1.2 Policy Objectives

- (a) Take affirmative action in addressing all sorts of discrimination to any group including disadvantaged groups of people
- (b) Empower all segments of the workforce and students on all sorts of discrimination related acts.

4.10.1.3 Policy Statements

MoCU shall:

- (a) Ensure that all sorts of discrimination are discouraged; and
- (b) Ensure that there is equitable treatment for every individual.

4.10.1.4 Implementation Strategies

- (a) Promote change in values and attitude in addressing all forms of discrimination to disadvantaged groups of people; and
- (b) Empower all segments of the workforce and students on all forms of discrimination related acts.

4.10.2 Environment

4.10.2.1 Policy Issue

Inadequate adherence to laws related to the protection of the environment.

Human actions have been environmentally destructive leading to concerns about sustainable development despite a number of policies formulated by the Government on environmental issues.

However, adherence to these policies by MoCU has yet to be sustainable in order to have lasting impact.

4.10.2.2 Policy Objective

- (a) Increase the level of adherence to environmental laws and regulations in order to reduce the possibility of any legal action against MoCU for failure to do so.

4.10.2.3 Policy Statements

MoCU shall:

- (a) Abide by environmental policies, laws and regulations;
- (b) Ensure regular assessment and monitoring of environmental friendly activities;
and
- (c) Facilitate and promote risk management activities that have positive impact to the environment.

4.10.2.4 Implementation Strategies

- (a) Design and run awareness seminars on the laws related to the protection of the environment; and
- (b) Promote activities that are environmentally friendly.

4.10.3 Occupational risks and HIV/AIDS

4.10.3.1 Policy Issue

Increasing occupational risks for workers and spread of HIV/AIDS pandemic among staff and students

Staff and students are exposed to various occupational and behavioral risks which are associated with their activities and location. These include contracting HIV/AIDS and other infectious diseases. For students most of whom are single are finding themselves in a situation which make them vulnerable to contract the deadly disease. Costs to care for such people are now on the increase.

Other occupational risks can result into severe injuries, disabilities and loss of life which not alone will have a significant impact on MoCU well being but also the associated treatment and or compensation may be a sizable amount.

4.10.3.2 Policy Objective

Mitigate the risks associated with work related activities and immoral behaviour.

4.10.3.3 Policy Statements

MoCU shall continue to:

- (a) Create awareness on HIV/AIDS to staff and students;
- (b) Create awareness on the occupational risks associated with day to day activities;
- (c) Encourage staff to take precautionary measures to reduce work related risks;
- (d) Encourage students reduce risks related to un-ethical behaviour/conduct; and
- (e) Continue popularizing the risks associated with work and immoral behavior.

4.10.3.4 Implementation Strategies

- (a) Encourage staff and students to take pre-cautionary measures and adhere to ethical behaviour;
- (b) Continue conducting awareness campaigns on the disease and work related injuries; and
- (c) Provide protective gears to minimize work related risks and spread of HIV/AIDS.

5.0 IMPLEMENTATION, MONITORING AND EVALUATION

5.1 Policy Implementation

The implementation of this policy requires the development of set of procedures that will identify activities for addressing each policy statement, associated strategies, timeframe and responsible stakeholders.

5.1.1 Stakeholders in the Implementation Process

Key stakeholders in the process of implementation of this policy include Top Management, Faculties, Directorates, Institute, Centre and Departments. Stakeholders should encourage and support whistle blowing mechanism at their area of operations in timely reporting exposure to risks. Others are Professional Associations, Trade Unions and Quality Assurance Unit. It should be noted that the coordination for the implementation of the policy remains with the Internal Audit Department.

5.1.2 Tool for Implementation

Effective implementation of policies is subject to the preparation of Risk Management Manual. The manual provides risk management processes with regard to identification assessment, management and control potential events or situations that give reasonable assurance concerning the achievement of University objectives.

The manual also provide classes of risks as to whether high (almost certain), medium (possible), low (unlikely), and the acceptable (residual as a risk appetite of the University).

5.2 Policy Monitoring

The Risk Management Policy Coordination Unit (the Internal Audit Department) will make continuous monitoring and submit progress reports on the implementation of the policy to the Audit Committee of the Council. Loss exposures shall be identified, prioritized and made available to enable stakeholders at all levels to monitor and assess risk management activities on a regular basis.

5.3 Policy Evaluation

An evaluation of the outcome of this policy will provide information on the extent to which the policy is being implemented, and the progress being made in achieving the Risk Management Policy objectives. An overall policy evaluation will be undertaken after every **three** years. Overall policy evaluation will be undertaken by the Planning Unit.

5.4 Review and Revision of the Policy

In the event that any statement in the policy becomes outdated or a need to introduce new policy statements arises as a result of the changing University operating environment or any other reason, such policy statements shall be taken on board or modified as the University Council will direct.

6.0 COMMENCEMENT OF THE POLICY

The above policy provisions shall become operational immediately upon being approved by the University Council and shall remain valid and binding until when they are revoked by the authority entrusted with such powers and following laid down procedures.

However, given the changing environment under which the University operates, this document is subject to periodic reviews, additions, alterations and whenever there is any justifiable cause. The revised version of the document shall prevail.