ENTERPRISE RISK MANAGEMENT (ERM) POLICY

S. No	Version	Revision Date	Author	Areas Revised	Scope	Document Owner
1.	1.0.0	25-08-2015	Nicholas Kibera	Initial	RPKL	Risk

1. Purpose of Policy

1.1   The Enterprise Risk Management (ERM) policy sets out the overall philosophy, principles, requirements and responsibilities for a sound approach to risk management required within Kenya. The aim of this policy is to:

1.1.1   Provide a framework within which management can implement a pro-active and integrated Enterprise Risk Management (ERM) process;

1.1.2   Instill a risk management culture of accountability by disclosing and mitigating risks throughout Kenya; and

1.1.3   Ensure that the risk management efforts of Kenya are optimized and standardized.

2. Scope

2.1   All Real People business operations in Kenya.

3. Statement of policy

3.1   Real People is committed to the management of risks in order to achieve our vision, key objectives and to protect our core values as defined in SCRIPT.

3.2   The Real People Board (through its Risk and Audit Committee) is committed to ensuring that risk is managed effectively via an on-going process of identifying, evaluating and managing significant risks and opportunities to meet the business objectives.

3.3   The management of risk is the responsibility of management at each and every level of the organization.

4. Policy review

4.1   As the field of risk management is innovative and dynamic, this policy document is expected to change over time.

4.2   It is expected that this document and the methods and concepts used within it, will be reviewed and updated annually.

5. Definitions

5.1   Risk – the potential that an event, action or inaction will threaten Real People's ability to achieve its business objectives.

5.2   Risk assessment – systematic identification and measurement of risks. It also includes the review of risk tolerances, the evaluation of existing mitigation/controls and the acceptance or treatment of residual risk.

5.3   Risk appetite - defines the boundary between acceptable and unacceptable levels of risk within Kenya. Kenya's risk appetite will be determined by the board together with senior management.

6. Risk Management Principles

6.1   Risk management is everyone's responsibility, from the Board of Directors to individual employees. Each is expected to understand the risks that fall within the limits of their accountabilities and is expected to manage these risks within approved risk tolerances

6.2   Real People will manage its significant risks through a top-10 risk profile (dash board) view that optimizes between risk and return. We will accept the appropriate level of risk to meet our business objectives.

6.3   Real People business units and departments are expected to undertake risk assessments at least once on an annual basis.

6.4   Enterprise Risk Management will be integrated into major business processes such as strategic planning, business planning, operational management to ensure consistent consideration of risks in all decision making

6.5   Local risk management policies and processes will be consistent with this corporate policy and its framework.

7. Responsibility and Accountability

7.1   Board of directors

7.1.1   Ultimate oversight responsibility for Real People's risk management.

7.1.2   It establishes the guidelines for Real People's risk management framework and key principles, particularly as articulated in this Risk Policy.

7.1.3   The Board of directors discharges its key risk management responsibilities through the Audit and Risk Committee

7.2   Executive management committee (ExCo)

7.2.1   Responsible for integrating risk into day to day activities of business

7.2.2   Directly responsible for identification, managing and reporting of critical risks

7.2.3   Implementing action plans to manage identified risks

7.2.4   Encouraging adoption of risk management within the business units

7.3   Risk function

7.3.1   Responsible for setting policies and strategies for risk management

7.3.2   Promoting risk awareness culture within Real People

7.3.3   Designing and reviewing systems and processes for risk management for adequacy

7.3.4   Establishing and coordinating internal risk policies, risk indicators and dashboards for each unit of the business

7.3.5   Developing risk response policies, strategies, processes and procedures

7.3.6   The risk and compliance function regularly reports risk matters to the CEO, ExCo
             and Audit & Risk Committee of the Board.

7.4   Internal Audit

7.4.1   Responsible for providing independent assurance of the effective operation of
             Kenya's risk management framework.

7.4.2   This involves the validation of methodology application, policy compliance and
             control adequacy.