

Caleb M Fundanga: Bank of Zambia Risk Management Framework

Opening remarks by Dr Caleb M Fundanga, Governor of the Bank of Zambia, at the Risk Management Framework Sensitisation Workshop for Board of Directors, Chisamba, 24-26 November 2006.

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- Chairperson
- Directors
- Ladies and Gentlemen

I wish to welcome you all to the first in the series of the Risk Management Framework Sensitisation Workshops organised by the Risk Management Department. As the Directors are, no doubt aware, the Board approved the establishment of a Risk Management function at the Bank of Zambia in February 2006. Following this approval, the Risk Management department was created to, among other duties, coordinate Bank-wide risk management activities, for which Heads of Departments remain primarily responsible.

In this regard, my vision is to move the Bank to a position where risk management becomes our way of doing things. This workshop, therefore, is one critical step towards achieving this vision. Directors would agree with me that Risk Management has always been part and parcel of the financial sector, and as financial industry authorities, central banks are no exception to this. The increasing pace of globalisation, largely, on account of advancements in Information and Communication Technologies (ICT), has provided an added impetus for institutions to strengthen their governance structures, including implementing enterprise-wide risk management strategies.

It is for this reason, therefore, that the Bank, like other world-class central banks, decided to position itself, in this fast-changing financial landscape, by incorporating risk management in its operations. In this regard, it gives me much pleasure to officiate at this workshop for the Board of Directors, whose objectives are twofold:

- i. to raise the Directors' awareness about the Bank of Zambia Risk Management Framework; and
- ii. by so doing, secure the Directors' unwavering commitment to embedding risk management culture in the Bank.

Going forward, Risk Management Department has lined up similar workshops targeting the various categories of staff ranging from the Executive to unionised staff. The workshops are designed in such a manner that they address both the strategic and practical issues involved in the risk management process.

Ladies and Gentlemen

It is not my intention to give a long speech, but allow me to urge the Directors to take this workshop seriously, for it is my expectation that at the end of this workshop, Directors will be better placed to not only understand the Bank of Zambia Risk Management Framework fully, but also provide guidance to the Bank on risk management issues.

In conclusion, I wish to thank you for finding time from your busy schedules to attend this workshop. I urge you to ask as many questions as you could possibly can, in order to get the best out of it, as well as make the workshop more lively and interactive.

With these few remarks, it is now my honour and privilege to declare the workshop officially open.

I thank you!