

Denny H Kalyalya: Practical aspects of the risk management implementation process

Opening remarks by Dr Denny H Kalyalya, Deputy Governor Operations, Bank of Zambia, at the Risk Management Workshop for Risk Liaison Officers, Alternates and Risk Coordinating Officers, Lusaka, 15 May 2008.

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- The Director – Risk Management
- Ladies and Gentlemen

I wish to welcome you all to this second series of workshops organized by the Risk Management Department. This series of workshops is intended to help us all understand the practical aspects of the risk management implementation process as we proceed to apply it to our respective departments.

The sessions you are going to have today and tomorrow focus on the first two stages in the risk management process i.e. the Context Establishment and Risk Identification stages. I am made to believe that, during the course of this year, you shall gather again to deal with the practical aspects of the other three critical stages in the approved risk management process, namely Risk Analysis, Risk Evaluation and Risk Treatment. As you participate in these workshops, it is important to bear in mind that senior management attaches great importance to the implementation of the risk management framework.

Ladies and Gentlemen:

These workshops have come against a backdrop of implementation teething problems. Departments had difficulties in understanding the initial guidance given by the Risk Management Department in its efforts to facilitate the implementation of the risk management framework. It is senior management's hope that the facilitation that will be given in these workshops will go a long way in addressing the identified teething problems.

It is extremely important that you all realize from the very outset that you will be the anchors for the success of this process for your respective departments. For this reason, it is imperative that you understand in full the processes that will be discussed in this workshop. Senior management's expectation is that you will acquire the necessary tools to enable you facilitate the proper completion of the Context Establishment and Risk Identification exercises within your respective departments.

Ladies and Gentlemen:

Allow me to give you a brief background on the implementation of the Risk Management Framework at the Bank of Zambia. You will recall that starting in October 2006 through April 2007, the Risk Management Department embarked on a programme of sensitizing all the members of staff and the Board of Directors on the establishment of the risk management framework at the Bank. Given that these workshops had coverage of 99% of all Bank of Zambia staff, I am more than confident that most of you were participants in those workshops. The end of this series of workshops, marked the end of Phase I of the implementation programme of the Risk Management Framework at the Bank.

Following the end of the risk sensitization workshops the next stage required the implementation of the framework in the business areas. As mentioned earlier, the Bank faced a number of teething problems in the implementation process of the first stages of the framework with departments having some difficulties in following written guidance that was being given by the Risk Management Department. As one of the possible solutions to this, senior management agreed to the Risk Management Department's suggestion that Phase II of the risk management framework implementation process also be effected through

workshops, targeting the Risk Liaison Officers who are, by definition, the critical anchors of the approved risk management framework. This background therefore justifies the gathering that we have here today.

Ladies and Gentlemen:

Your group, as Risk Liaison Officers, Alternates and Risk Coordinating Officers, occupies and plays a very important role in the governance structure of the Risk Management Framework. You may wish to note that your group plays a function of a “critical link” between staff from your respective departments and the Head of Department who is, by definition, the Risk Manager. For this reason, the importance of your responsibilities should be very clear and need not be overemphasized. For those who might have forgotten their roles, I wish to encourage you to re-familiarize yourselves with the Risk Management and Business Continuity Management (BCM) Policies, where your respective responsibilities are clearly spelt out.

Having said this, the workshop you are attending today and tomorrow has the following key objectives:

- i. to explain the practical aspects of “Context Establishment” and the “Risk Identification” processes so as to ensure that you fully understand these initial, but critical steps, in the risk management process so as to enable you to assist your respective departments to complete these important stages of the process; and
- ii. to remind you of your role and responsibilities, as Risk Liaison Officers, Alternates and Risk Coordinating Officers, in the Risk Management Framework.

Ladies and Gentlemen:

Allow me to reiterate what I said during the risk sensitization workshops – the success of the Bank of Zambia Risk Management Framework will in a large measure depend on how well this process will be understood and how well its implementation at departmental level will be facilitated by you. As Risk Liaison Officers, Alternates and Risk Coordinating Officers for your respective departments, you will be expected to not only provide leadership and guidance to your respective departments on risk management matters, but you will also be required to play a catalytic role in the whole risk management process. As the proverbial saying goes, the buck for managing the risks in your respective Departments stops at you! The Risk Management Department’s role will remain confined to the coordination and facilitation of the Bank-wide risk management activities.

In conclusion, I wish to urge you all to take a keen interest in the deliberations of this workshop. As officers at the frontline of risk management in the Bank, you are expected to be conversant with the risk management process that is being implemented at the Bank, and there is no better platform to provide that opportunity than now! To this end, the programme of that this workshop is organized in such a way as to be highly interactive. Therefore, I urge you to feel free to ask as many questions as possible.

With these few words, it is now my singular honor and privilege to declare this workshop officially open.

I thank you.