Risk Management Responsibilities

MUA has adopted the 'three-lines-of-defence' model where ownership for risk is taken at all levels in the Group. This model is widely adopted by financial services companies globally. It clearly sets out the risk management responsibilities across the business and is consistent with the current regulatory risk-based approach, encompassing corporate governance, processes and controls.

The Risk Management Committee (RMC) - Group level

- · Acknowledges and reviews all the risks facing the organization.
- · Evaluates and prioritizes those risks and review the policies and strategy recommended for managing the risks.
- Oversees compliance with the policy, internal control systems and procedures for reporting unusual or high-risk transactions.
- Reviews the management's reports detailing the adequacy and overall effectiveness of the group's risk management function.
- Is accountable for the Group's Business Continuity Management's (BCM) capability and its effectiveness and shall be responsible to give advice, guidance and management oversight on the overall BCM programme.

The Local Risk Committee - East African subsidiaries level

- Ensures that the implementation of the Risk Management Framework is occurring in a systematic, timely and effective manner.
- · Reviews, monitors, recommends and reports to the Board on the risk management aspects.
- Encourages and facilitates the development of a risk management culture within the Company.
- Facilitates Senior Management and the Board to make informed decisions that have risk management considerations.
- · Reviews the Risk Management Strategy on a regular basis.
- · Escalates critical risks to the Board.
- · Reviews and approves the Risk management policies and Charter of the company.





STRATEGY, RISK APPETITE & POLICY





Operational Management, Decision-Making Staff, Business Units

DOING AND RECORDING

Delegated authority to:

- Develop and implement internal controls within the key processes of operational clusters according to risk appetite statement
- Manage risk
- · Escalate new risk



Risk Management and Compliance

INTERNAL VERIFICATION

Objective oversight of risks. Key activities include:

- Designs and deploys the overall risk management and compliance frameworks
- Develops and monitors policies and procedures
- Monitors adherence to framework and strategy



Risk Committee & Audit Committee Internal & External Audit

INDEPENDENT VERIFICATION

Independent and objective assurance over the effectiveness of corporate standards and business compliance:

 Independent assurance that the risk management process is functioning as designed and identifies improvement opportunities

Assurance: management based

1st line of defence

Assurance: risk and legal based

2nd line of defence

Assurance: independent based

3rd line of defence