



Finnnet

Building a Better Tomorrow, Today



RISK MANAGEMENT, STRATEGY AND POLICY FORMULATION

PROGRAMME FOR PENSION FUNDS WORKSHOP

DATE: 11TH DECEMBER, 2025

PRIDE INN PARADASE , MOMBASA

GOVERNANCE . TRAINING . EMPLOYEE BENEFITS . TECHNOLOGY

If it is important to you,
YOU WILL FIND A WAY.
If not, you'll find an excuse.

— Ryan Blair

CPA SOSPETER THIGA, CMIRM



FINANCIAL SERVICES

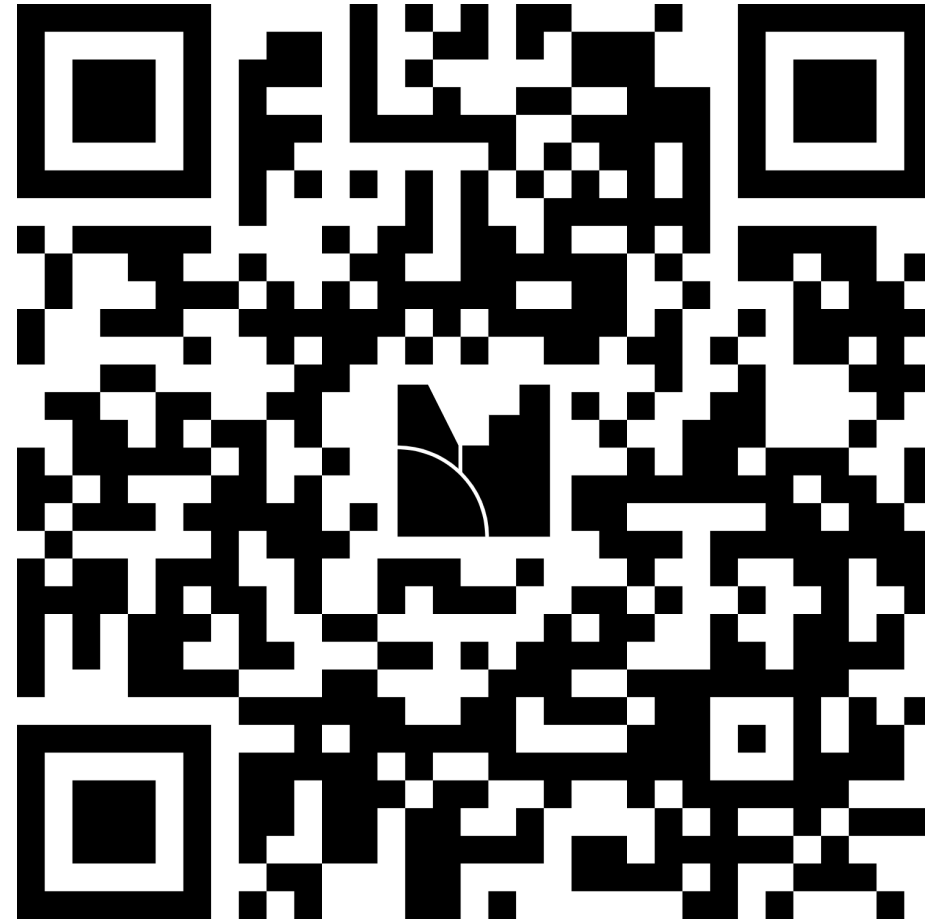


Icebreaker

Counting 1-35



Menti



Risk management is; the conversation you have at the Board meetings.

~Sospeter Thiga

Scenario

Picture this: you are planning to summit Mt. Kenya in a few months time. What would you do to prepare for this great conquest?



What is risk?

The effect of uncertainty on objectives.

~ISO 31000:2018

What is risk management?

Creating and Protecting Value.

~ISO 31000:2018

Scenario Analysis

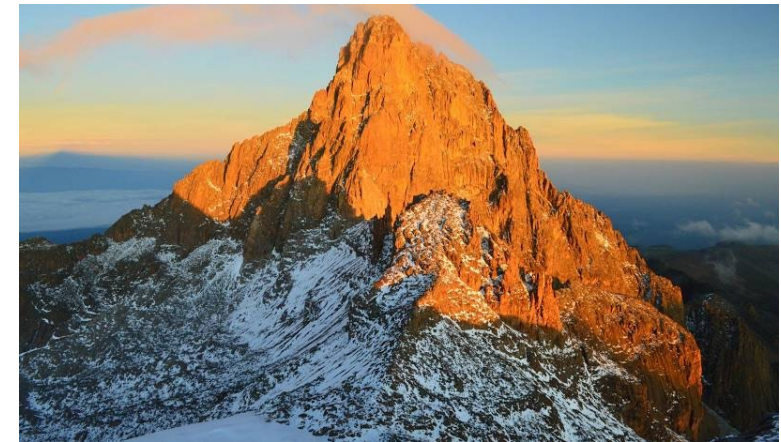
- Objective:?
- Uncertainties:?
- Value:?



Scenario Analysis

Inherent Rating

Uncertainty	Probability (1-5)	Weight (%)	Rating	Comments
Injury	4	20	0.8	
Frost Bite	3	10	0.3	
Altitude sickness	4	20	0.8	
Dehydration	2	10	0.2	
Death	2	40	0.8	
Risk Rating			2.9/5	Moderate



Scenario Analysis

Rating Scale

Scale Key	Rating
Very Low	1
Low	2
Moderate	3
High	4
Very High	5



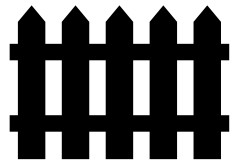


Risk Appetite

Risk appetite can be defined as the amount and type of risk an organization is willing to take to meet their strategic objectives.

IRM

RISK MANAGEMENT:



Risk Tolerance

Risk tolerance is the amount of acceptable deviation from an organization's risk appetite.

Tech Target





Risk Capacity

- The amount of risk an individual or organization can responsibly take on without jeopardizing their financial stability or other key objectives.
- It is determined by objective factors like income, assets, liabilities & debts, insurance coverage, dependents, and time horizon

IRM

Scenario Analysis

Appetite, Capacity & Tolerance

Scale Key	Rating
Risk Appetite	5
Risk Capacity	3.5
Risk Tolerance	4



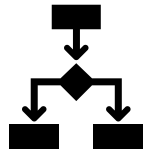
Scenario Analysis

Residual Rating

Uncertainty	Probability (1-5)	Weight (%)	Rating	Comments
Injury		20		
Frost Bite		10		
Altitude sickness		20		
Dehydration		10		
Death		40		
Risk Rating				



Core Principles of Effective Risk Management



Integrated



Structured &
Comprehensive



Customized



Inclusive



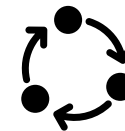
Dynamic



Best Available
Information

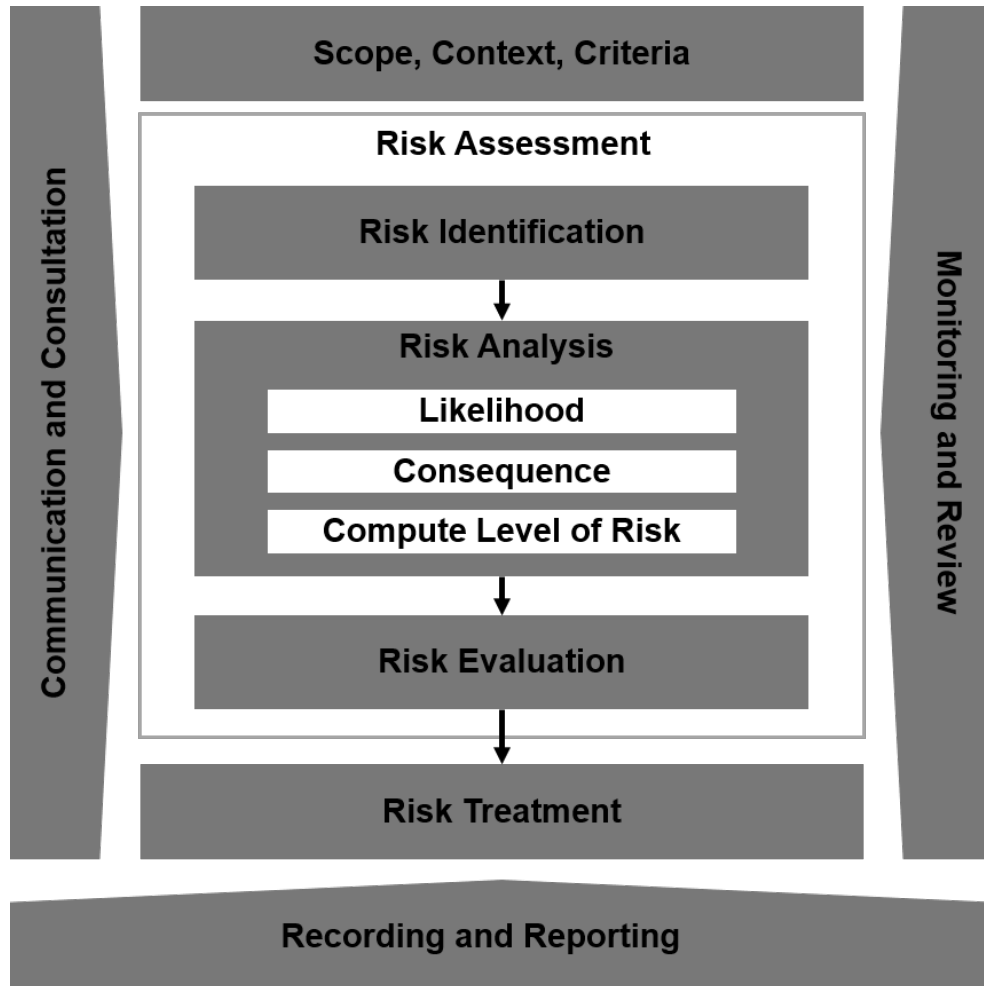


Human and
Cultural Factors



Continual
Improvement

RISK MANAGEMENT:



The Risk Management Process.

ISO 31000



The Risk Management Framework.

ISO 31000

Leadership and Commitment

- Leadership and commitment are at the core of the risk management framework.
- The Board has the ultimate responsibility over risk management.
- It is also referred to as Tone at the Top, and manifests through organizational culture.

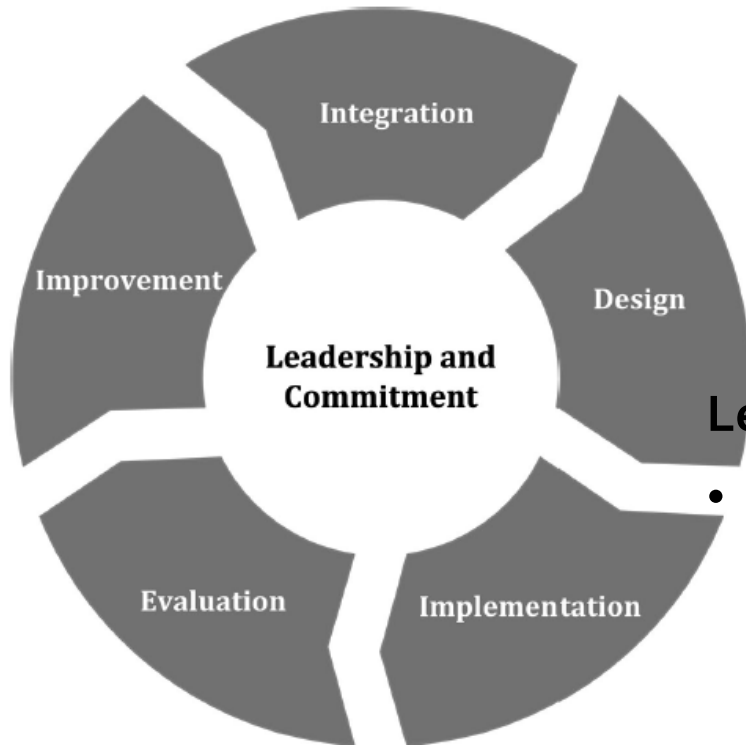


The Risk Management Framework.

ISO 31000

Leadership and Commitment

- The Board:
 - Approve the risk management policy,
 - Allocate resources for risk management,
 - Consider risks in every decision they make, &
 - Ensure formalization of risk management and its integration.
- **They require to be regularly apprised of risk management.**



The Risk Management Framework.

ISO 31000

Leadership and Commitment

- Senior Management:
 - Communicate the importance of risk management,
 - Design, implement and maintain risk management framework,
 - Hold staff accountable on risk management,
 - First line of defense and risk owners,
 - Align risk management to strategy and performance,
 - Record and communicate risks to the Board and stakeholders,

RISK MANAGEMENT:

Mike Nolan



RISK MANAGEMENT:

Features of a Risk Register

#	RMP No.	Status	Risk Source	Risk Event	Description	Root Cause	Risk Consequences	Threat or Opportunity	Existing control	Key Risk Indicators	Likelihood	Impact	Total Risk	Risk Matrix					Response Strategy		
1		Active	Internal					Threat			4	4	16.0	Likelihood	VH(5)						Mitigate
															H(4)				X		
															M(3)						
															L (2)						
															VL(1)						
																VL(1)	L (2)	M(3)	H(4)	VH(5)	
															Impact						

Icebreaker

- Solve the puzzle?
- ❖ DECI SION
- ❖ AGE **AGE** AGE
- ❖ oLD
- ❖ CYCLE CYCLE CYCLE
- ❖ nbSIDE
- ❖ GNIKOOL
- ❖ EcoNOMY





The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn.

— Alvin Toffler —

AZ QUOTES

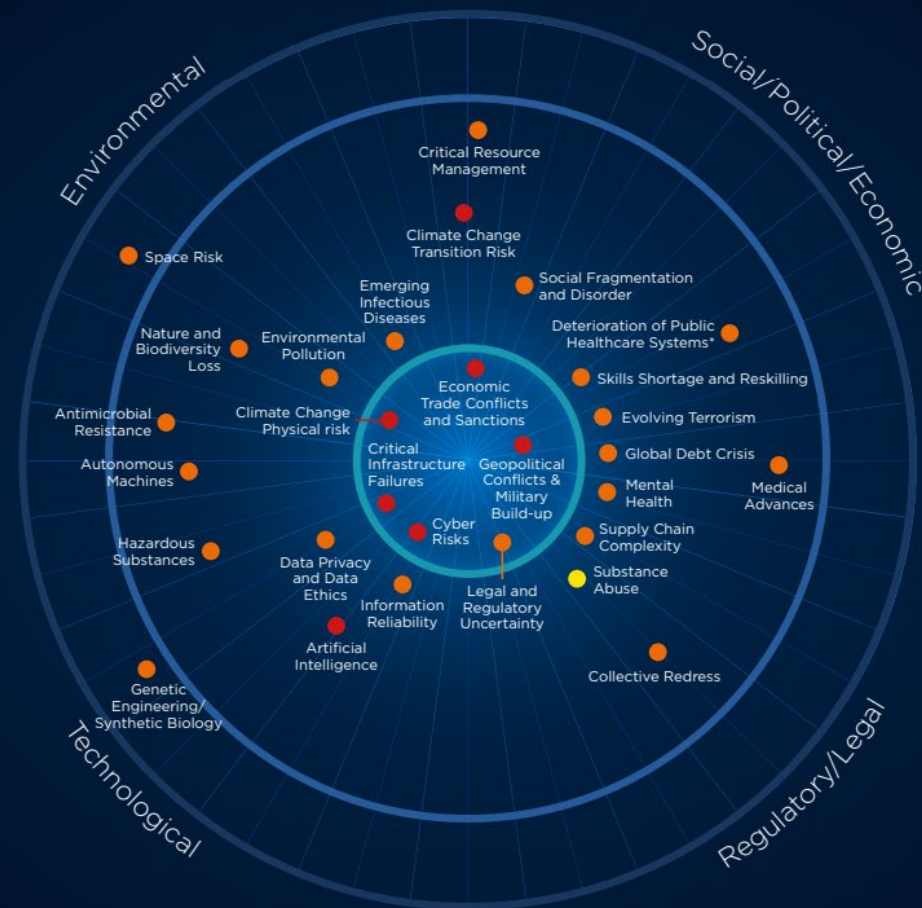
Global Horizon Scans & Risk Perception Reports

Horizon Scans

Emerging Risk Radar 2025

Trends

-  Ageing and Health
-  Economic Development
-  Environment and Climate
-  Shifting Geopolitical Landscape
-  Technological Development
-  Demographic and Social Change



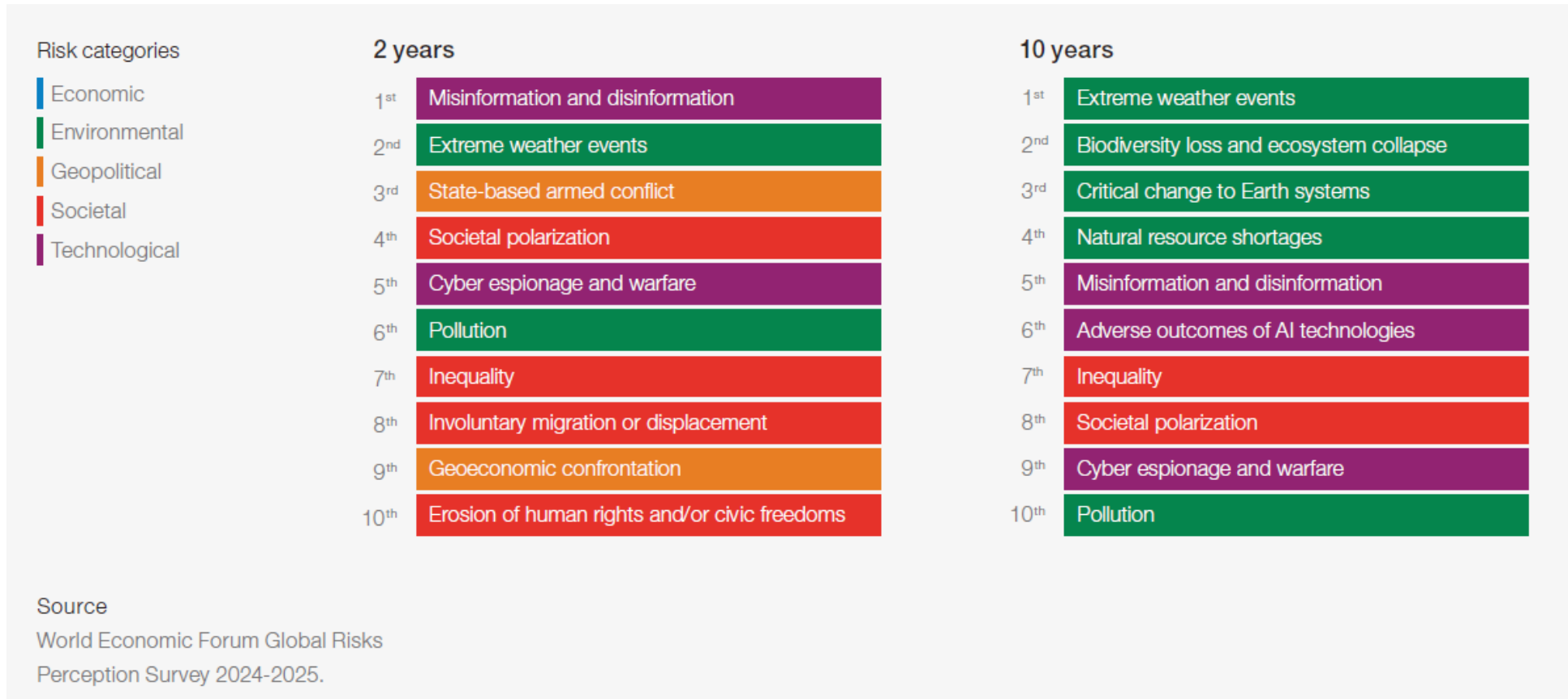
Key

- Impact Assessment:
 Bullet colour corresponds to potential impact of risk
- Risk category: High
 - Risk category: Medium
 - Risk category: Small
- Time Horizon:
- Significant impacts already seen on the insurance sector
 - First significant potential impacts on the insurance sector expected within 1-5 years
 - First significant potential impacts on the insurance sector expected within 5-10 years

* New risk in 2025

Courtesy of The CRO Forum @2025
https://www.thecroforum.org/wp-content/uploads/2023/07/ERI-Risk-Radar_2023-2.pdf

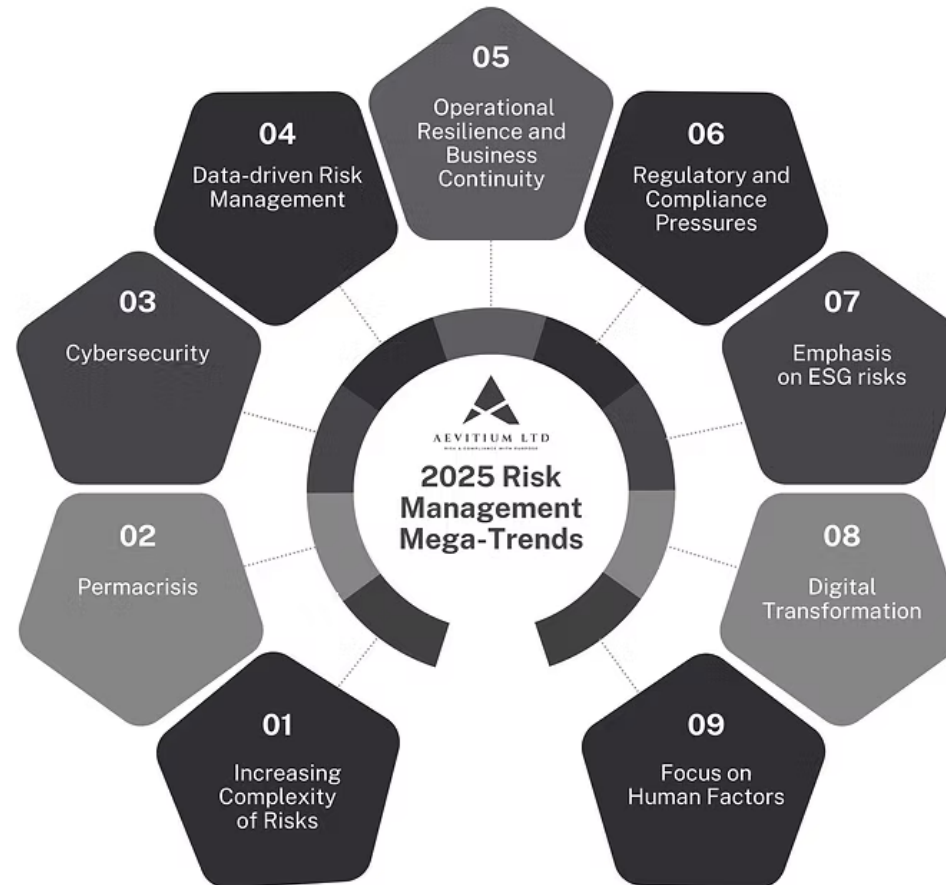
Horizon Scans



Courtesy of The WEF @2025

<https://www.weforum.org/publications/global-risks-report-2025/>

Horizon Scans



Courtesy of Aevitium Risk Megatrends

<https://www.aevitium.com/post/2025-risk-management-mega-trends?>

www.aevitium.com

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Horizon Scans



- | | | |
|-----------------------------|----------------------------|---------------------------------|
| 1 The G-Zero wins | 6 Iran on the ropes | <i>Red Herrings</i> |
| 2 Rule of Don | 7 Beggar thy world | Trump fails |
| 3 US-China breakdown | 8 AI unbound | Europe breaks |
| 4 Trumponomics | 9 Ungoverned spaces | Global energy transition stalls |
| 5 Russia still rogue | 10 Mexican standoff | |

Courtesy of Eurasia Group

<https://www.eurasiagroup.net/issues/top-risks-2025>



Horizon Scans



Courtesy of The IIA Risk in Focus Global Survey @2025

<https://www.theiia.org/globalassets/site/foundation/latest-research-and-products/risk-in-focus/2025/2025-africa-report-en-riskinfocus.pdf>

Horizon Scans

Global top 10

EMERGING RISKS
ACCORDING TO EXPERTS IN 2024



EXECUTIVE SUMMARY

Courtesy of AXA Emerging Risks 2024

<https://axaxl.com/fast-fast-forward/articles/axa-future-risks-report-2024>

AXA FUTURE RISKS REPORT 2024

Horizon Scans: Discussion

How do these global concerns affect/impact our organizations?

Case Study: Metropolitan Sacco is now Insolvent

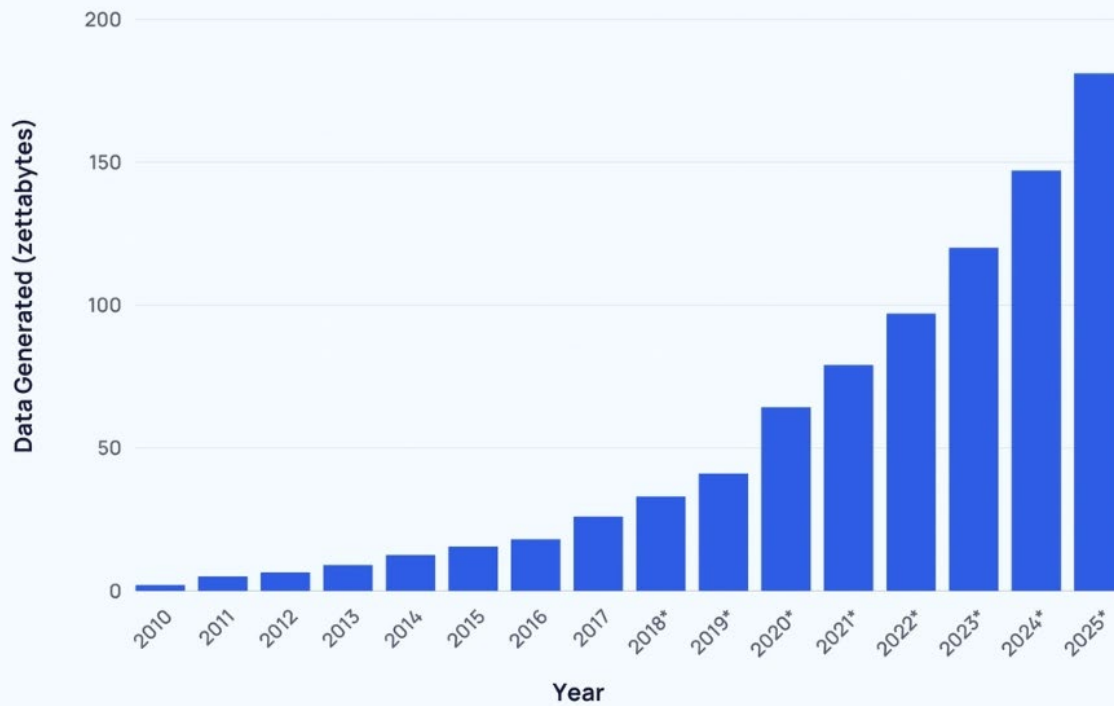
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Emerging Global Trends

Current Trends

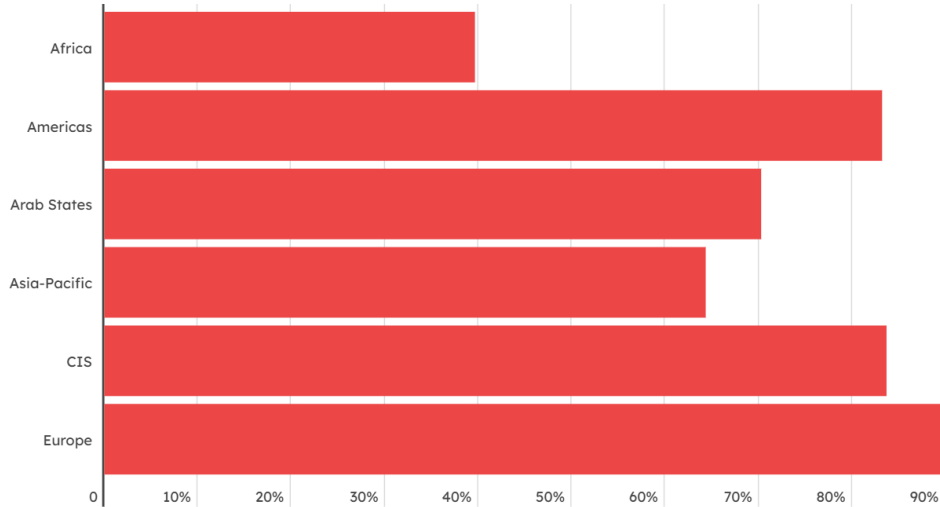
Global Data Generated Annually



According to the latest estimates, 402.74 million terabytes of data are created each day

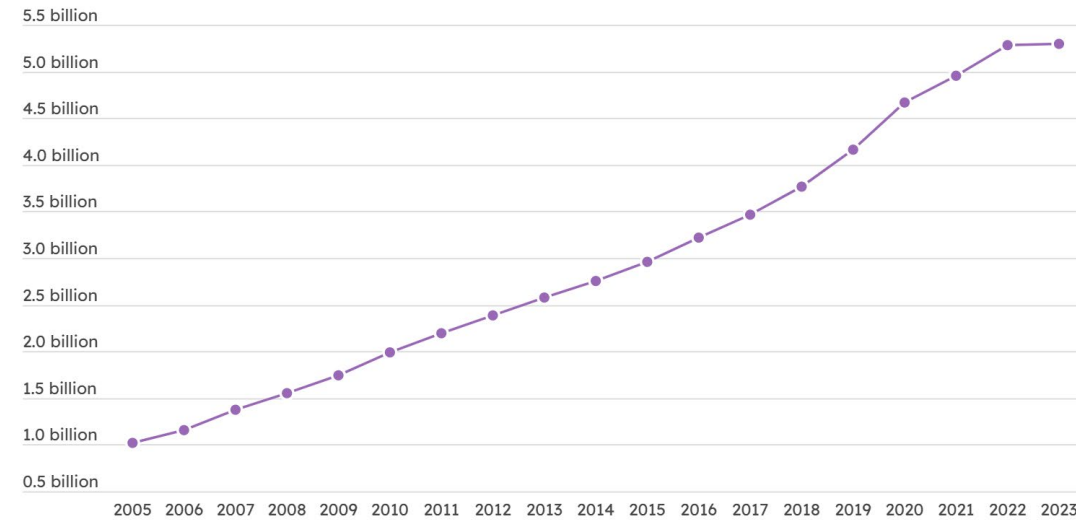
Current Trends

Internet Penetration by Region



How Many People Use the Internet

(Worldwide, 2005 - 2023)



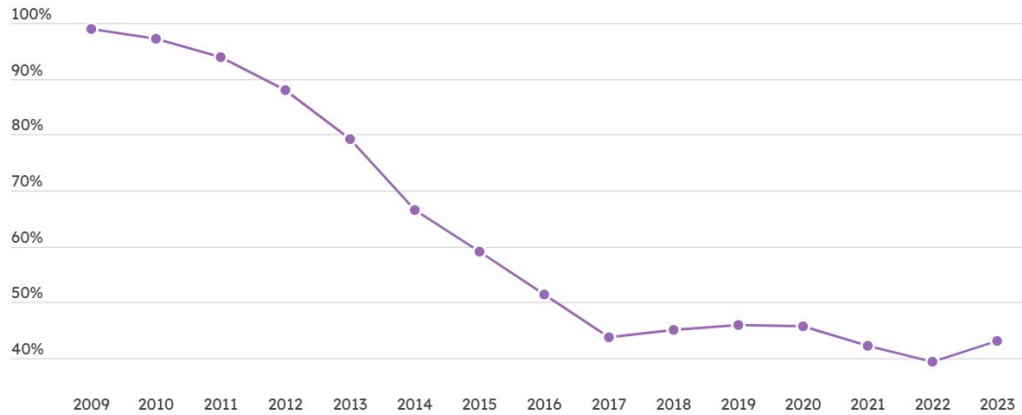
Key Findings

- › Around **5.28 billion** people use the internet worldwide, adding **1.12 billion people** to its active internet user base since 2019.
- › Global internet penetration reached **66.3%** in 2022 and varies between **39.7%** and **89.5%** depending on the region.
- › On average, users aged 16 to 64 spent **6 hours and 35 minutes** online each day.
- › **53-55%** of global traffic comes from mobile devices, more than any other platform.

Current Trends

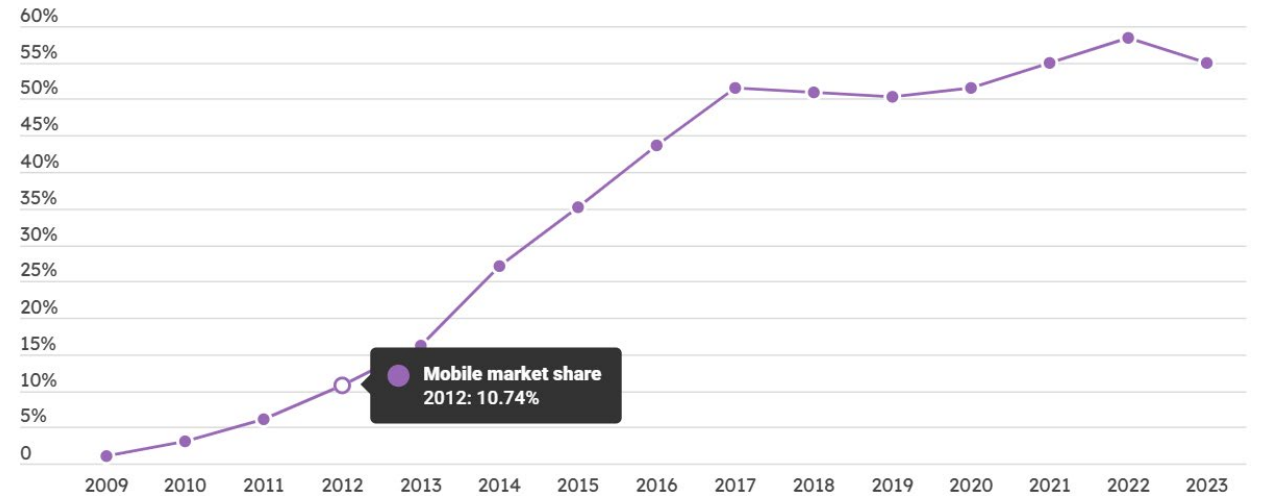
Laptop/Desktop Internet Usage Over Time

(2009 - 2023)



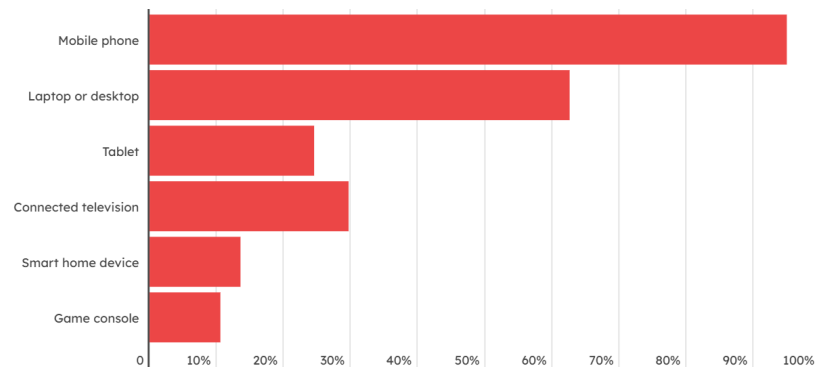
Mobile Internet Usage Over Time

(2009 - 2023)



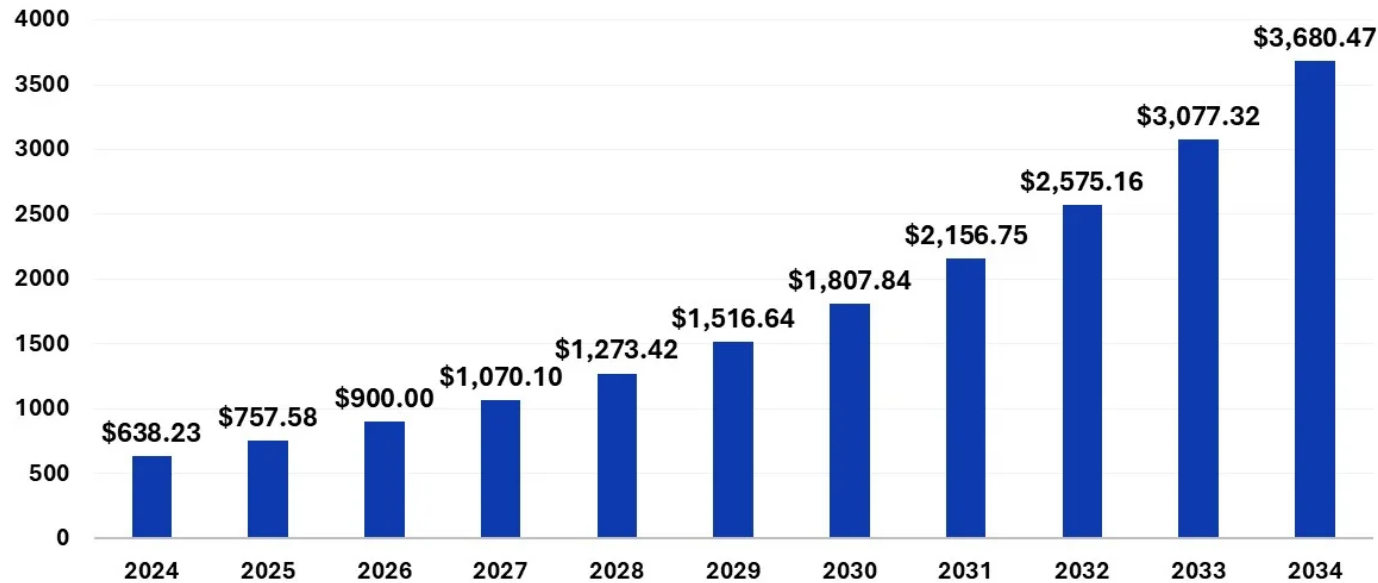
Which Devices Do People Use to Access the Internet

(Breakdown by Device)



Current Trends

Artificial Intelligence (AI) Market Size 2024 to 2034 (USD Billion)



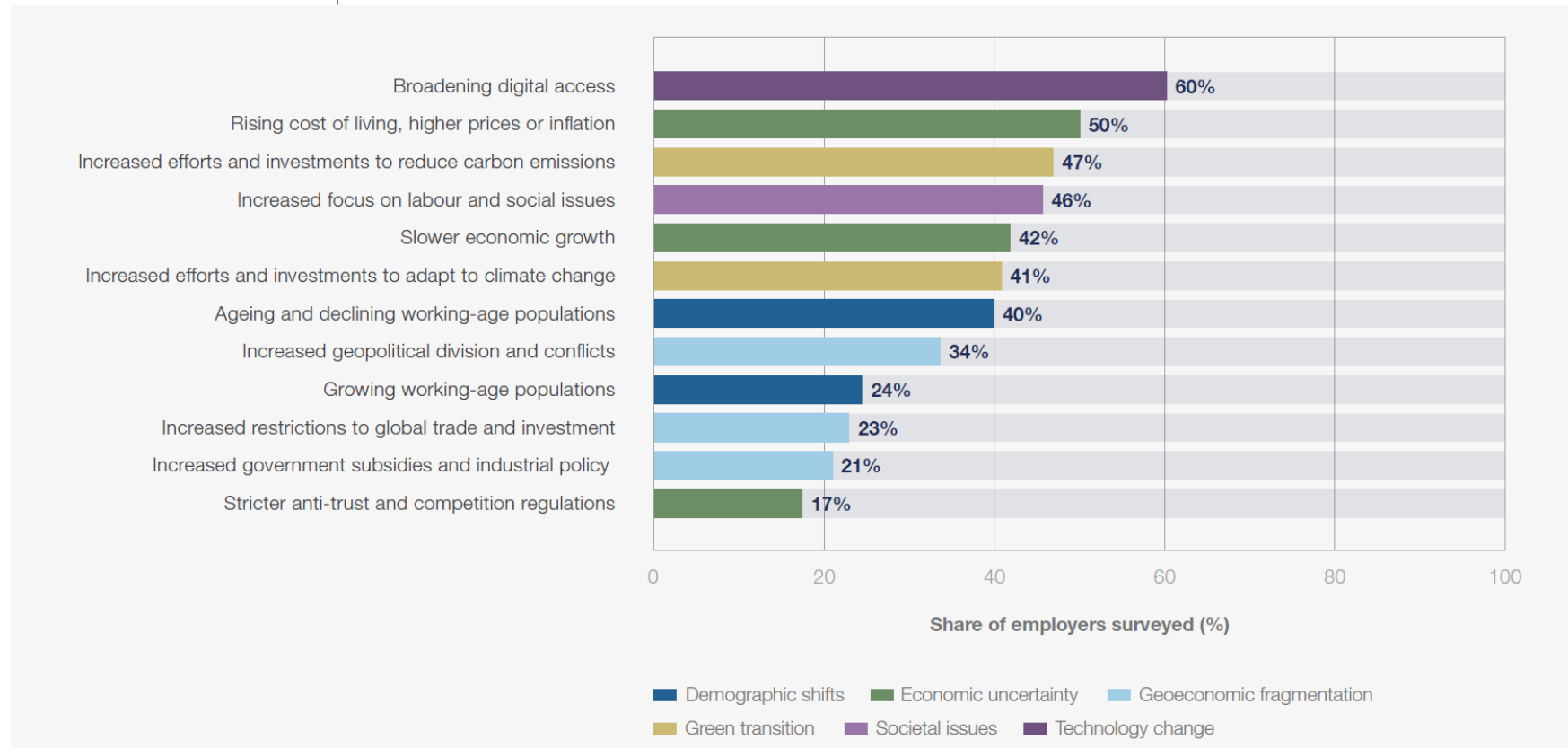
Source: <https://www.precedenceresearch.com/artificial-intelligence-market>



Current Trends

FIGURE 1.1 | **Macrotrends driving business transformation**

Share of employers surveyed that identify the stated trend as likely to drive business transformation.



Current Trends

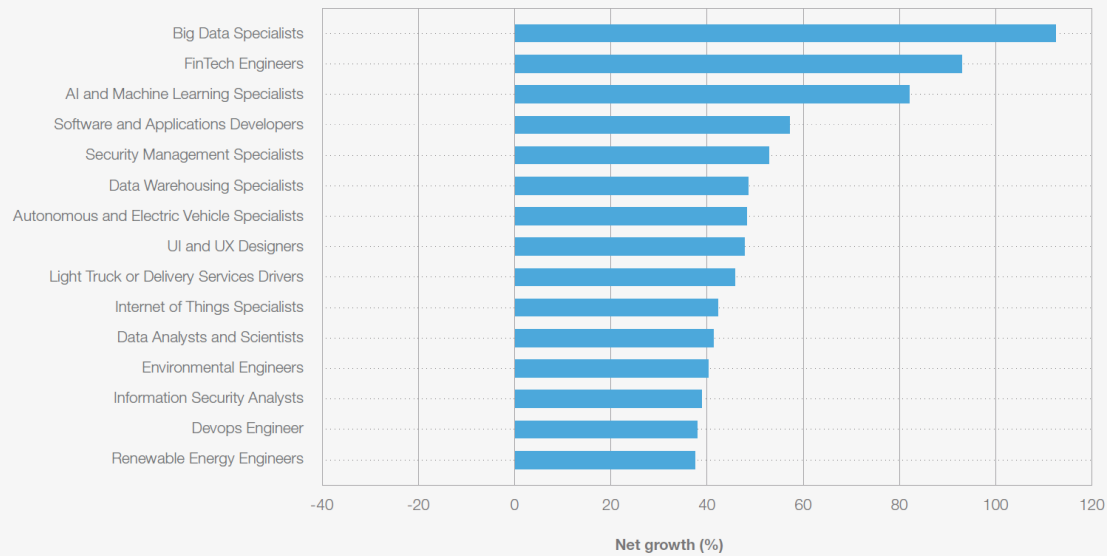
Are jobs declining or growing?

- Macrotrend-driven creation of new jobs is estimated to amount to **170 million jobs**, equivalent to 14% of today's total employment.
- This growth is expected to be offset by the displacement of **92 million current jobs**, or 8% of total employment,
- Resulting in a net growth of **78 million jobs** (7% of today's total employment) by 2030.

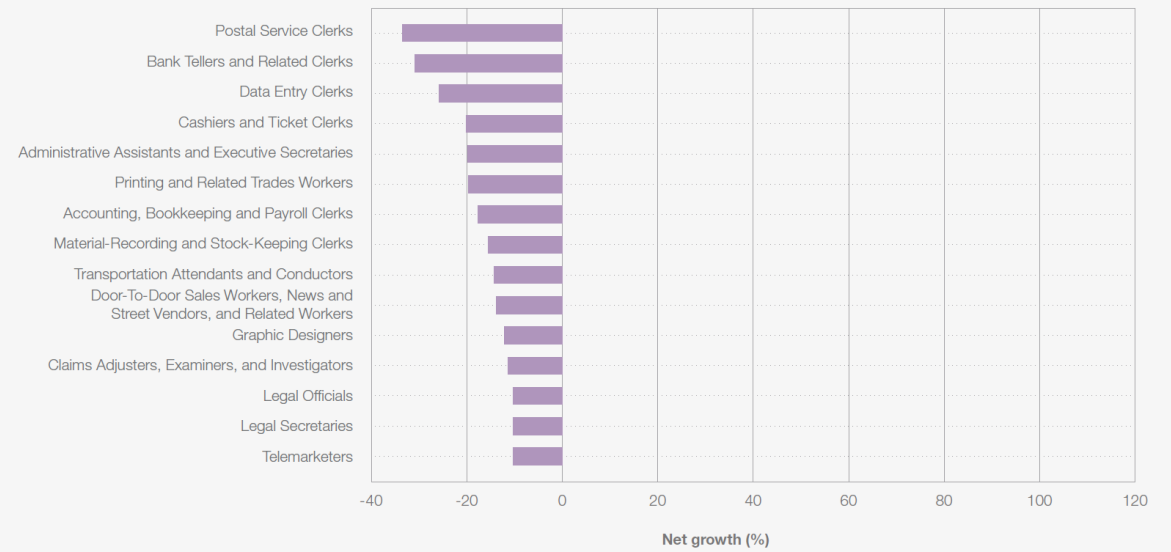
~WEF Future of Jobs Report

Current Trends

Top fastest growing jobs



Top fastest declining jobs



Current Trends: Implication

What does this mean to our organizations?

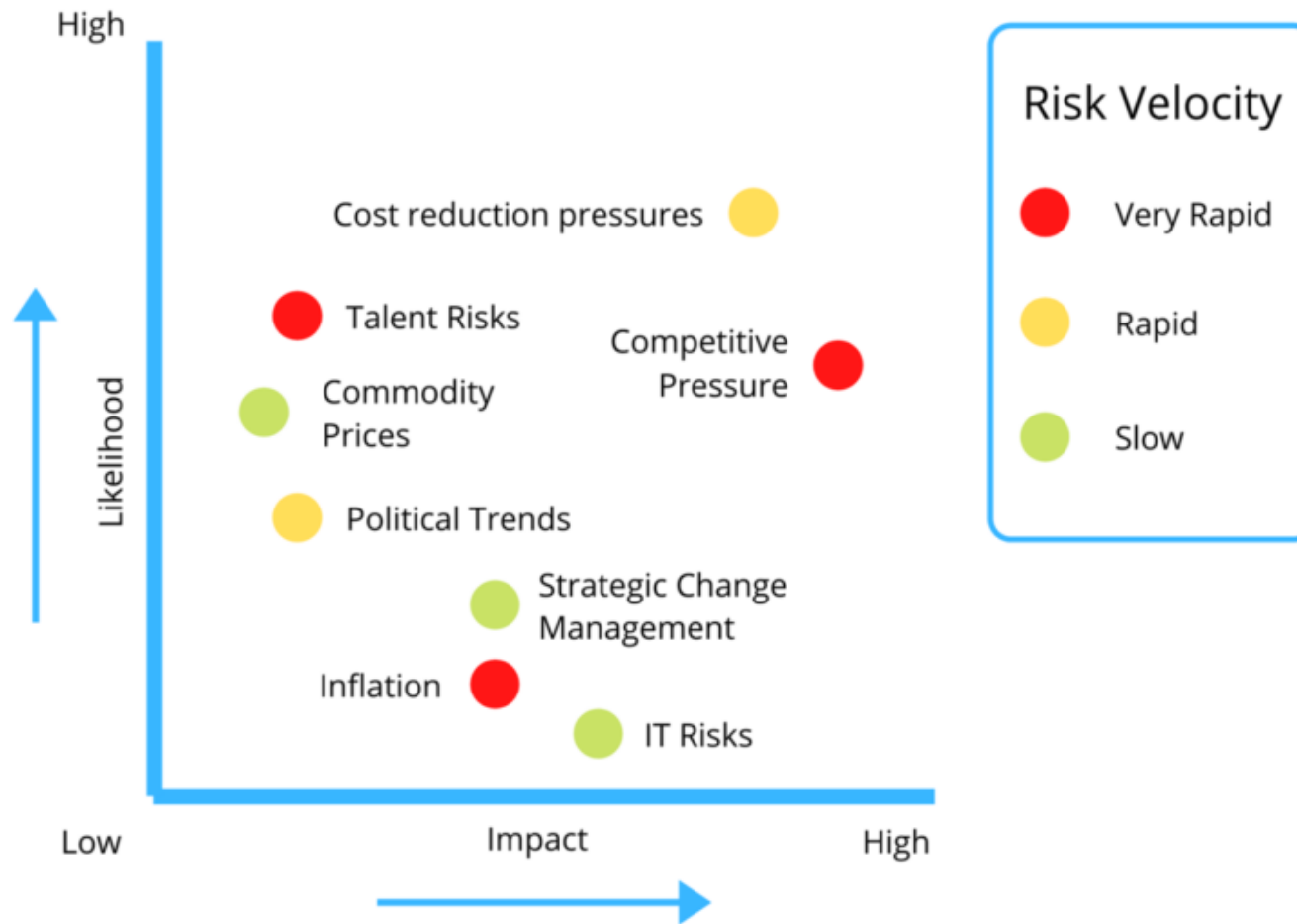
- Increase in cybersecurity incidences
- Increase in fraud
- Growing error rates – GIGO – human and system
- Volumes of data
- Continuity risks
- High risk velocity and interconnectedness
- Complexity in transaction & reporting – VUCA
- Also, a big opportunity for innovation

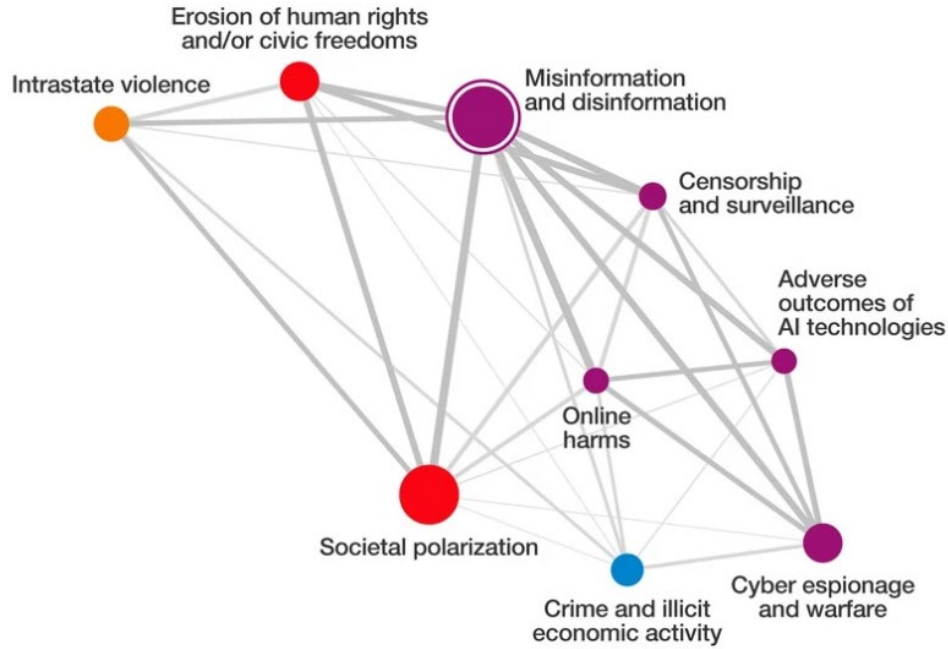


IMPLICATIONS



IMPLICATIONS





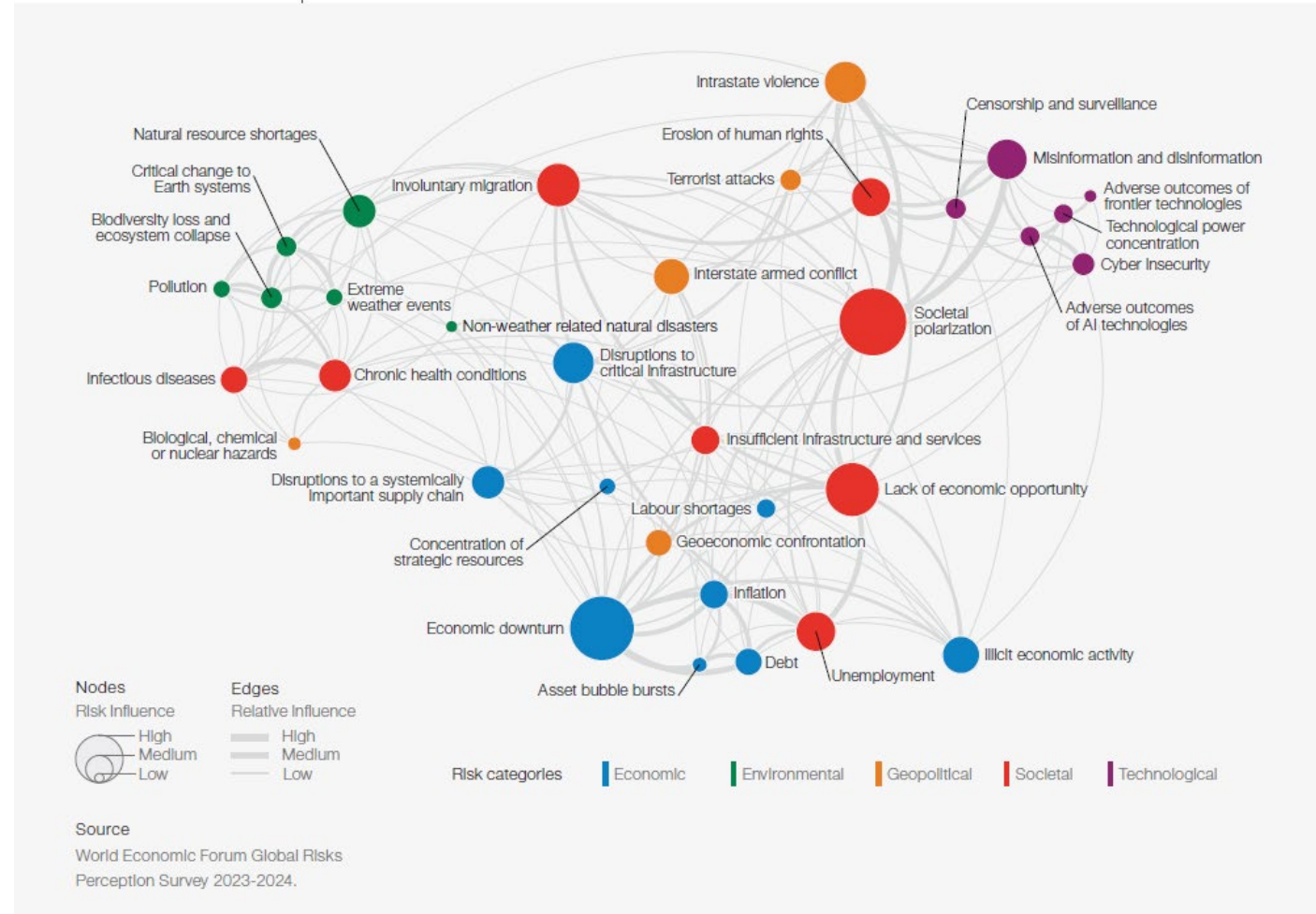
Relative influence, Edges — High — Medium — Low

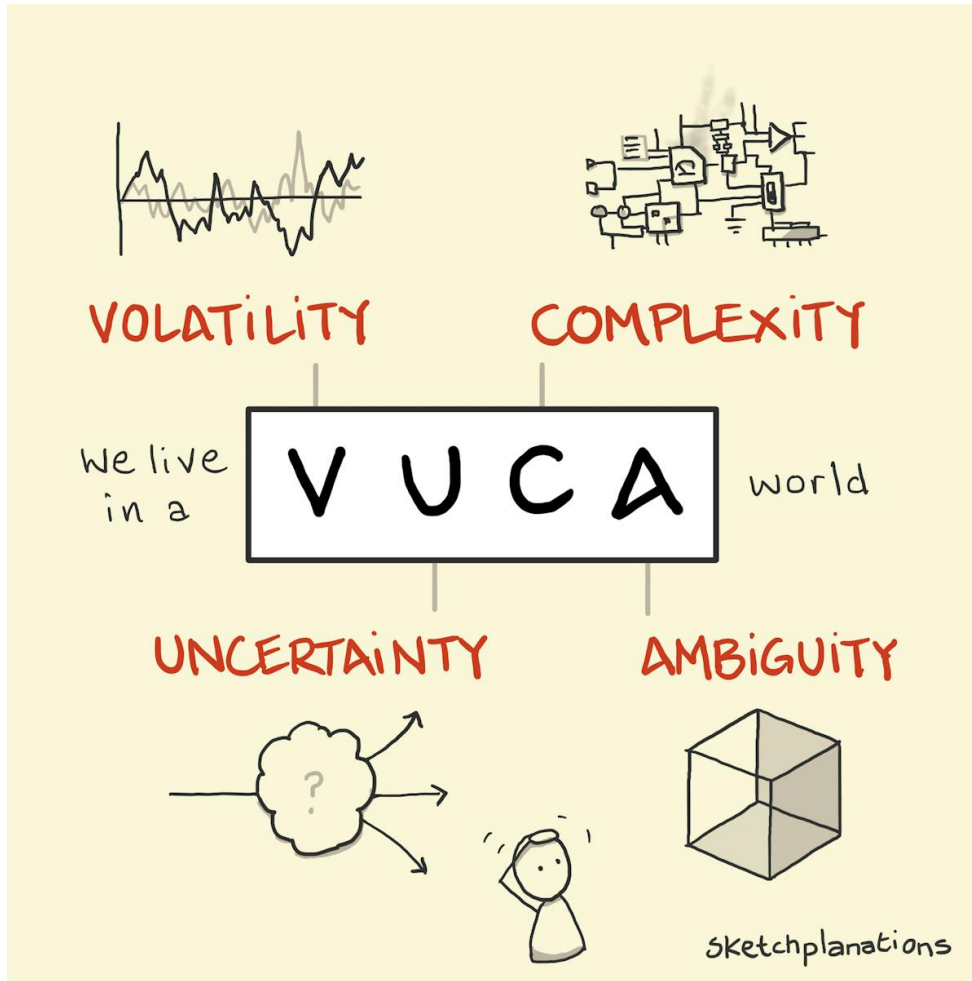
Risk influence, Nodes ○ High ○ Medium ○ Low

Risk categories ● Economic ● Environmental ● Geopolitical ● Societal ● Technological

Source: World Economic Forum, Global Risks Perception Survey 2024-2025

FIGURE D | Global risks landscape: an interconnections map





Case Study: Deepfake Call

AGILE MODEL



Core skills in 2025



1.  Analytical thinking
2.  Resilience, flexibility and agility
3.  Leadership and social influence
4.  Creative thinking
5.  Motivation and self-awareness
6.  Technological literacy
7.  Empathy and active listening
8.  Curiosity and lifelong learning
9.  Talent management
10.  Service orientation and customer service

● Cognitive skills
 ● Self-efficacy
 ● Working with others
 ● Management skills
 ● Technology skills
 ● Engagement skills

WRAP UP:

“Risk management is a culture, not a cult. It only works if everyone lives it, not if it’s practiced by a few high priests.”

~Tom Wilson.

Risk management should:

- Translate to strategic planning.
- Support strategic decisions.
- Be forward looking not reactive.

Q

&

A

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