



KENYA FOREST SERVICE

DOCUMENT TITLE: RISKS AND OPPORTUNITIES MANAGEMENT PROCEDURE

REF NO:KFS-MP-R&O-08

ISSUE NO: 1

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ISSUE HISTORY

ISSUE	DESCRIPTION OF CHANGE	PROCESS OWNER	EFFECTIVE DATE
1	None, no change has been done	Quality Management Representative	31 st May 2018

REFERENCED DOCUMENTS

S/NO	REF	TITLE
1.	MRM	Management Review Procedure
2.	CAP	Corrective Action Procedure
3.	CNS	Control of Non-conformities Services Procedure

COPY HOLDERS

1	CCF
2	QMR

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APPROVED BY: CCF



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INTRODUCTION

- 0.1.** This procedure applies to all divisions of Kenya Forest Service (KFS).
- 0.2.** KFS considers and manages risks and opportunities differently and based on the overall context of the Service, requirements of stakeholders, and internal and external issues of concern affecting the Service.
- 0.3.** KFS manages risks with focus on decreasing their likelihood, and minimizing their impact if they should occur.
- 0.4.** Where risks and opportunities overlap, KFS will ascertain the best appropriate method for managing them, given the situation at hand.

1. TERMS AND DEFINITION

TERM	DEFINITION(S)
Risk	Often characterised by reference to potential events and consequences, or a combination of these.
Significant Risk	Risk with an overall rating of 12 and above
Risk tolerance	Level of Risk that is considered acceptable
SWOT	Strength, Weakness, Opportunities and Threats
SWOT analysis	A tool used to analyse the organisational Strength, Weakness, Opportunities and Threats
Risk Opportunities	Potential adverse effects (threats) and potential beneficial effects (opportunities)
Probability	Provides an assessment on how likely it is that a risk will occur
Severity	Provides an assessment of the impact that the occurrence of a risk would have on the process/project
Assign Risk Owner	The individual responsible for ensuring that risks are appropriately engaged with countermeasures undertaken.
KFS	Kenya Forest Service

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TERM	DEFINITION(S)
CCF	Chief Conservator of Forests
SDCCF	Senior Deputy Chief Conservator of Forests
DCCF	Deputy Chief Conservator of Forests
QMR	Quality Management Representative
QMS	Quality Management System
HOD	Head of Department

2. SCOPE

This document covers the processes of identifying, analysing, evaluating and monitoring of Risks and Opportunities for QMS of Kenya Forest Service.

3. PURPOSE

The purpose of this procedure is to manage the business Risks and Opportunities that arise from the context of KFS and the requirements of interested parties.

4. OBJECTIVE

This document aims to define the processes involved in identifying Risks and Opportunities on the Quality Management System of Kenya Forest Service as required by ISO 9001:2015.

5. RESPONSIBILITY AND AUTHORITY

5.1. Chief Conservator of Forests

- 5.1.1. Approve actions and resources necessary to address the risks and opportunities
- 5.1.2. Ensuring that status of risks and opportunities are reported during the scheduled Management Review.

5.2. SDCCFs/DCCFs/Managers

- 5.2.1. Review the Sections' / Divisions' Risks and opportunities.

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5.2.2. Determine the resources needed associated with the actions necessary to address the Risks and Opportunities.

5.3. Departments/Section Heads

5.3.1. Identifying, analysing and evaluating risks and opportunities in their respective departments/sections.

5.3.2. Determining the need to take action to address risk and opportunities.

5.3.3. Determine, implement and monitor the implementation of actions to address risks and opportunities.

5.4. QMR/ISO Facilitator

5.4.1. Ensure action plans to address risks and opportunities are integrated on the KFS' Quality Management System.

6. RESOURCES, INPUTS AND OUTPUTS

6.1. Resources

6.1.1. Finances

6.1.2. Personnel

6.1.3. Infrastructure

6.2. Inputs

6.2.1. Management Review Meetings

6.2.2. Customer Complaints

6.2.3. Context of Organisation

6.2.4. Needs and Expectations of interested parties

6.3. Outputs

6.3.1. Updated Risk Register

6.3.2. Requested Changes

6.3.3. Risk Mitigation

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- 6.3.4. Capitalization of Opportunities
- 6.3.5. Recommended Procedure Actions
- 6.3.6. Recommended Corrective Actions
- 6.3.7. Identified Opportunities
- 6.3.8. Streamlined programmes and processes

7. CRITERIA OF MEASUREMENT

NB: Refer to Performance progress reports

8. RISK AND OPPORTUNITIES

NB: Refer to the Service's Risk register

9. EVALUATION OF PROCESS

NB: Refer to the Monitoring and Evaluation Reports.

10. DETAILS OF PROCEDURE

10.1. Management of Risks

10.1.1. Risks are considered during the execution of various processes using the Risk and Opportunity Register.

10.1.2. Additional risks may be identified by any KFS staff at any time.

10.1.3. When using the Risk Register, the following the steps are to be followed:

- Identify the risk.
- Identifying the process for which the risk most likely dominates
- Assign a Probability rating to the identified risk;

Examples are: L-Low ($\leq 30\%$), M-Medium (31-70%), H-High ($> 70\%$)

- Assigning a consequence/Impact (severity) rating if the risk were to be encountered;

Examples are: L-Low ($\leq 30\%$), M-Medium (31-70%), H-High ($> 70\%$)

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- Based on risk, analyse and prioritise the risks and opportunities in the process and Calculate the final Risk Factor based on the equation:

$$\text{Probability Rating} \times \text{Impact Rating} = \text{Risk Factor}$$


→				
PROBABILITY			RISK LEVEL	
L	M	H		
M	H	H	H	IMPACT ↑
L	M	H	M	
L	L	M	L	

- For risks with a final Risk Factor rating equal to or greater than the threshold set in the Risk Register, KFS management will decide whether to reject the subject due to the risk, or accept the risks after the development of a risk mitigation plan. The mitigation plan must be documented, either in the Risk Register or in another document which must be referenced on the form.
- Risks with a factor less than the risk threshold may be accepted without a mitigation plan, unless otherwise directed by management.
- Assign Risk Owner.
- Check the effectiveness of the actions-verify if it does work.
- Risk Review: The frequency of any review should be based upon the level of risk. Risk review might include reconsideration of risk acceptance decisions.
- Learn from experience-continual improvement.

10.1.4. The Risk Register includes the identification and mitigation plans for key risks associated with the defined process. The CCF, SDCCFs, DCCFs, Managers and HODs review these risks and take actions to minimize them. The methods for risk assessments may vary, but should always include a means of identifying the risk under examination, and the description of the result of the risk assessment.

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10.1.5. Methods may include brainstorming, structured or semi-structured interviews, SWOT or other tools. No single method is used for all risk assessment; the tool selected should be the best tool applicable to that particular risk analysis.

10.2. Management of Opportunities

10.2.1. As part of the different core and support processes, KFS shall seek out opportunities which could enhance its financial viability and market position. For example:


- Development of new offerings that are within the scope of capabilities of Kenya Forest Service.
- Streamlining existing programmes and processes to improve its conservation efficiency and reduce costs.


10.2.2. Discussing the analyzing opportunities shall be done by the KFS top management. If made as part of the management review activities, these shall be recorded in the management review records.

10.2.3. To help determine which opportunities should be pursued, the Risk and Opportunity Register may be used to conduct an “opportunity pursuit assessment.” This register is similar to the Risk Register, but ranks potential positive opportunities by their likelihood of success and potential benefit.

10.2.4. The opportunity pursuit assessment is conducted by;

- Identifying the opportunity.
- Identifying the process for which the opportunity most likely falls under.
- Assigning a Probability rating to the identified opportunity; this probability that KFS can achieve the opportunity. It is comprised of two elements: **likelihood** and **previous occurrences**. Each element is given a score from 1 (lowest probability) to 3 (highest probability).
- Assigning a Benefit rating to assess potential benefits if the opportunity is won. This is comprised of six elements:
 - i. Potential for new business
 - ii. Potential expansion of current business
 - iii. Potential improvements in the organisation’s ability to satisfy regulatory or statutory requirements

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- iv. Potential improvements to the QMS
- v. Potential enhancement of KFS reputation, and
- vi. Estimated cost of implementation.

N/B: Each element is given a score from 1 (lowest benefit) to 3 (highest benefit).

- Calculate a final Opportunity Factor based on the equation;

Probability Rating × Benefit Rating = Opportunity Factor


10.2.5. For opportunities with a final Opportunity Factor rating equal or greater than the threshold set in the Opportunity Register, management will decide whether to pursue the opportunity through an “opportunity pursuit plan” or to abandon the opportunity altogether. The opportunity pursuit plan must be documented, either in the Risk and Opportunity Register or in another document, which must be referenced on the form.

10.2.6. Opportunities with a factor less than the opportunity target rating may be abandoned outright, unless otherwise directed by management.

10.2.7. Analysis of any opportunity will generally result in one of the following possible dimensions:

- Pursue the opportunity
- Explore the opportunity in greater detail before proceeding
- Accept the opportunity, but under limited and controlled conditions
- Decline the opportunity, typically based on a high expected cost or low anticipated benefit.

10.2.8. If an opportunity includes a negative aspect, management may elect to conduct a risk assessment on the negative aspect, as defined above.

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11. PROCESS FLOW CHART

Process Flow	In-Charge
Start	
Determine Internal and External Issues	Chief Conservator of Forests
Identification of Needs Expectations	SDCCF, DCCF and Managers
Determining Strategic Options	Top Management (CCF, SDCCF, DCCF, Managers) and HODs
Determining Risk and Opportunities	
Assessment of Risk	Determining/Section Heads
Establishing Action Plans	
Approval	Chief Conservator of Forests
Review Effectiveness	Head of Departments
End	

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