



# **KENYA MARINE AND FISHERIES RESEARCH INSTITUTE**

**2019**

## **RISK MANAGEMENT POLICY**

Kenya Marine and Fisheries Research Institute  
P.O. Box 81651-80100  
Mombasa, KENYA

Tel. +254-(0)20-8021560/1  
+254 (0)20-2353901/2/3/4/5  
+254 (0)20-235 3894/5/6/7  
Fax. +254-(0)20-235 3226

E-mail: [director@kmfri.co.ke](mailto:director@kmfri.co.ke)  
Website: <http://www.kmfri.co.ke>



**KENYA MARINE AND FISHERIES RESEARCH INSTITUTE**

**TITLE: RISK MANAGEMENT POLICY**

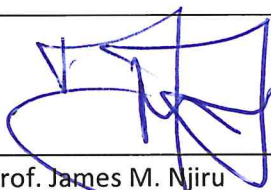
Date of Issue: 01 October 2019

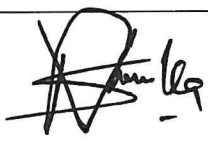
Issue No: 01 Rev No: 00

Issued By:

HoD, HR&A

Authorized By:

  
Prof. James M. Njiru  
Chief Executive Officer:

  
Hon. John Safari Mumba  
Chairman, Board of Management

Date: 04/12/2019

Date: 04/12/2019

**1.0 DOCUMENT CHANGES**

<b>Date</b>	<b>Changes</b>	<b>Authorized by</b>	<b>Ref. No.</b>

**Table of Contents**

- Foreword.....1**
- 1.0 Introduction.....2
- 2.0 Purpose of this Policy .....2
- 3.0 Policy Objectives .....2
- 4.0 Scope of the Policy .....2
- 5.0 Policy Statement .....2
- 6.0 Linkage to Performance and Reward Management .....3
- 7.0 Risk Appetite .....3
- 8.0 The Risk Management Framework .....3
  - 8.1 Risk Identification .....3
  - 8.2 Risk Assessment .....3
  - 8.3 Risk Ranking.....3
  - 8.4 Risk Treatment .....3
  - 8.5 Risk Monitoring and Evaluation .....3
  - 8.6 Risk Reporting and Communication.....3
- 9.0 Risk Management Information System.....4
- 10.0 The Responsible Officer .....4
- 11.0 Review .....4

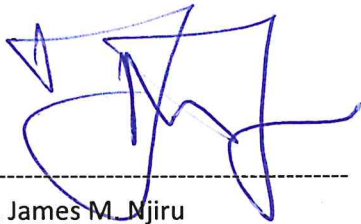
## **Foreword**

---

This policy outlines the Risk Management Framework for all activities within the Kenya Marine and Fisheries Research Institute (KMFRI), its operations and entities. The Framework defines the Institute's risk management processes, methodology, training, reporting and also establishes the responsibilities for implementation.

Risk management is part of the Institute's day-to-day operations and is undertaken at individual and all levels of management. The aim of the risk management policy is to ensure that the Institute's resources are safeguarded and applied in an economical, efficient and effective manner. Management of exposures to risk is key to the preservation of assets and protection of personnel. This is essential for the continued growth and survival of the institute. This policy therefore provides a structured approach to assist management and employees to integrate risk into their decision-making processes. All employees should therefore understand the nature of risks associated with their areas of operation, and take responsibility for managing them.

KMFRI will work closely with other government agencies and departments to ensure that collaborative risk management arrangements are in place. Further, the Institute is committed to implementing all regulatory requirements and the risk management framework will be a useful tool for ensuring compliance.



---

Prof. James M. Njiru

**Director / Chief Executive Officer**

## **1.0 Introduction**

This policy is informed by recent trends in public sector and international best practice where risk management is an integral part of governance.

KMFRI is committed to managing risks to an acceptable level across all areas of its operations in order to achieve her objectives and entrench this culture in the organization. To this effect, the Institute will communicate to all staff their role in risk management, and provide the means for employees to play that role.

In addressing risks, KMFRI will ensure transparency and accountability and seek to identify and address all areas where there are needs for improvement in risk management.

## **2.0 Purpose of this Policy**

The purpose of this policy is to demonstrate KMFRI's commitment to effectively manage risks at all levels of operations and entities.

## **3.0 Policy Objectives**

The overall goal of this policy is to guide and demonstrate the Institute's commitment to risk management. The specific objectives are:-

- a) To guarantee that all potentially harmful risks to the Institute operations are identified, assessed and managed;
- b) To establish a reliable approach to managing risk at all operational levels and feedback mechanism;
- c) To allocate responsibility and accountability to all staff to manage risks within their operational areas;
- d) To train KMFRI staff on risk management procedures in order to enhance capacity to manage risk; and
- e) To embed risk management into the culture of the institute.

## **4.0 Scope of the Policy**

This policy covers risk management in all operations and entities of the Institute.

## **5.0 Policy Statement**

KMFRI recognizes risk management as a primary control tool for achieving strategic and operational objectives.

KMFRI shall develop and implement a Risk Management Manual that shall define the Institute's Risk Management Framework and guide its operationalization. The manual shall comply with statutory and regulatory requirements, and industry best practice.

The Institute shall therefore regularly review its risk management framework to promote continual improvement of its applicability through regular training, monitoring, audit and reporting processes at all operational levels.

## **6.0 Linkage to Performance and Reward Management**

Integrating risk management with performance and reward management will encourage a positive risk culture. Risk Management shall form part of the performance measures in the Institute's performance management system.

## **7.0 Risk Appetite**

Upon approval of this policy, the Board of Management shall issue a Risk Appetite Statement setting out the level of risk that the Institute is prepared to accept before action is deemed necessary to reduce it. The Board of Management shall periodically review the Risk Appetite Statement to ensure that it remains fit for purpose, and accurately encapsulates the Institute's risk appetite.

## **8.0 The Risk Management Framework**

To structure and formalize the risk management activities across the Institute, KMFRI shall develop a risk management framework. The framework shall set out the following:

### **8.1 Risk Identification**

Risk identification shall be carried out during strategic planning; the development of annual work plans, budgets, and through continuous monitoring of activities. This will ensure all constraints to achieving set objectives have been identified.

### **8.2 Risk Assessment**

Risks will be assessed both quantitatively and qualitatively and measured in terms of likelihood and consequence.

### **8.3 Risk Ranking**

KMFRI will prioritize risks based on objective ranking in terms of their relative importance to the Department/Programme/Project/Center/Station. This will help in the allocation of resources to mitigate risks more efficiently and effectively.

### **8.4 Risk Treatment**

KMFRI will develop a risk mitigation plan for the ranked risks. The risk mitigation plan will take into consideration current efforts or controls. The plan will set out the steps to be taken to manage or contain a risk to acceptable levels. The Chief Executive Officer will approve the risk mitigation plan.

### **8.5 Risk Monitoring and Evaluation**

Monitoring and evaluation of risks will be accomplished through scheduled monitoring, separate evaluations, or a combination of both as set out in the Risk Management Manual.

### **8.6 Risk Reporting and Communication**

Knowledge and information about risks will be shared across the Institute. This will require that risks are reported and communicated to ensure;

- The Board of Management obtains the relevant information on risks that they require to fulfill the governance function of ensuring risks are properly managed and reported.
- There is appropriate sharing of risk intelligence across the institution implementing entities that can result in better appreciation of risks and refinement in management of identified risks.
- Everyone understands what the risk framework is, what the risk priorities are and how their particular responsibilities fit into that framework;
- Lessons are learned and communicated to those who can benefit from them;
- Each level of management receives regular assurance about the management of risk within their area of control.

**9.0 Risk Management Information System**

KMFRI shall adopt a risk management information system to enable accurate tracking and reporting of identified risks.

**10.0 The Responsible Officer**

The Chief Executive Officer shall be responsible for ensuring that this policy is implemented. Specific responsibilities for risk management portfolios shall be defined in the Risk Management Manual.

**11.0 Review**

The Board of Management shall cause the Risk Management Policy and Manual to be reviewed after every three years or when exigencies demand.