DOCUMENT PROFILE				
Version 1.0	Type of Document: Policy	Date: March 2024	Owner: Office of the Director General	Responsible Unit: Core Laboratory Directorate and Basic Services Executive Office
Title	Risk Management Policy			
Area[1]	Governance			

1. INTRODUCTION

1.1. Background

Armauer Hansen Research Institute (AHRI) is a biomedical, clinical, vaccine, modern and traditional medicine research and development and pharmaceutical industry support Institute based in Addis Ababa, Ethiopia. It focuses on infectious and noninfectious diseases medical research, vaccine, pharmaceuticals & diagnostics research and development as well as nationwide pharmaceutical industry support. The Institute was founded in 1970 as part of the All-Africa Leprosy and Rehabilitation Training Center (ALERT), with the support of two Save the Children organizations of Norway and Sweden, and the Ethiopian government. The Institute was named after Gerhard Armauer Hansen, a Norwegian physician who discovered the leprosy bacillus in 1873. In 1999, the Institute was restructured and renamed as AHRI, under the Ministry of Health of Ethiopia. AHRI's mission is to Improve public health and well-being by generating and presenting scientific evidence, enriching and developing new/improved products, equipment and methods, providing pharmaceutical industry support and advisory services and to be a center for technology transfer and capacity building, enhancing the country's sustainable economic, social and environmental benefit. On 14th April 2023, The Council of Ministers of the Federal Democratic Republic of Ethiopia (FDRE) re-established AHRI under Regulation No. 530/2023 with further expanded mandates.

The unique nature of the institute increases the risk exposure to various challenges that may affect elements such as securing funding, ensuring compliance with international standards, and maintaining cutting-edge research capabilities in a rapidly evolving scientific field.

1.2. Purpose

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[1] Area refers to which comprehensive functional categories the document belongs to: Research and Development, Research Training, Innovation, Production/Manufacturing, and Governance.

1.2.1. The purpose of this policy is to establish AHRI's underlying approach to risk management by clarifying the roles and responsibilities of all involved entities.

1.2.2. It aims to support those staff with particular involvement in anticipating, assessing, and managing risks so that they can take timely and well-founded risk-informed decisions.

1.2.3. The focus of this policy is to guide how risk is identified, measured, mitigated, and monitored specifically those risks that could disrupt the achievement of AHRI's strategic goals.

1.3. **Objectives**

1.3.1. To identify, assess, and manage risks, providing a structured process for decision-making.

1.3.2. To set clear roles and responsibilities for risk management within the Institute, ensuring that all levels are involved and accountable.

2. KEY TERMS AND DEFINITIONS

2.1. Risk management: Identifying, prioritizing, and responding to risks across an organization. Risk management includes activities to realize opportunities while mitigating threats.

2.2. Risk acceptance: The amount of risk that an organization is willing to take at the individual risk level.

3. RISK MANAGEMENT PROCESS

3.1. **Risk Identification and Classification**

3.1.1. Risk identification should be done by getting the research/project team, and admin leaders, together to bring complementary and diverse viewpoints to brainstorm on actual and potential risks.

3.1.2. Systematic classification of risks is essential for ensuring smooth operation of key areas whose risks are identified.

3.1.3. The possible categories could be but are not limited to Health & Safety risks, Implementation/Technical Risks, Financial Risks, Systemic and Structural risks, and Political/Governance risks.

3.2. **Risk Assessment**

3.2.1. For each significant risk area, every specific risk and its implications should be noted, and an assessment should be made of the Impact (I) of that risk and the Likelihood (L) of it occurring.

3.2.2. In cases where likelihood and/or impact remain difficult to estimate and there is a potential for harm, a precautionary approach should be applied by estimating the worst-case scenario to ensure the risk is treated accordingly and closely monitored.

3.3. **Risk Response**

    3.3.1. Based on the analyses of individual risks, a decision should be made to determine which risks can be accepted and which risks require a priority response.

    3.3.2. The options described below should be considered for each identified risk:

- **Tolerate**: Accept the risk by keeping activities unchanged. This option may be applied when exposure is tolerable, control is impossible, or the control cost exceeds the potential benefit.

- **Treat/ Mitigate**: Adjust (add or revise) relevant activities.

- **Transfer**: Share the risk by involving stakeholders. Transferring risk works especially well for financial risks or risks to assets and includes taking conventional insurance or paying a third party to take the risk.

- **Terminate**: Avoid or cancel the activities that give rise to the risk, especially when the cost/benefit relationship is in jeopardy.

3.4. **Monitoring and Evaluation**

After the establishment of an initial detailed risk register, each risk shall be regularly monitored, and bi-annually evaluated by the risk management committee which will include noting the following:

- Any change in the assessment of the risk;

- Any suggested changes to the risk mitigation strategy;

- Progress made regarding the detailed plan of action. The progress shall be tested against Key Performance Indicators (KPIs) or benchmarks for evaluating the effectiveness of risk mitigation strategies.

4. RISK GOVERNANCE

4.1. **Role of AHRI's Management**

- Allocate resources and budget for risk management initiatives and capacity building.
- Provide leadership in promoting a culture of risk awareness and accountability throughout the Institute.
- Ensure that the major risks have been properly considered and can be appropriately managed seeking additional guidance where needed.
- Communicate the policy and information about risk management to all staff and making it transparent and publicly available.

4.2. **Risk Owners**

Risk owners are individuals or entities responsible for managing and mitigating specific risks.

- Identify and assess risks relevant to their department, function, or project.
- Report significant risks and issues to the senior management.
- Develop and implement risk mitigation plans and control measures.
- Monitor and review the effectiveness of risk mitigation strategies.
- Collaborate with the Institute to address mutual risks and promote risk-sharing arrangements where appropriate.
- Adhere to contractual obligations, regulatory requirements, and industry standards related to risk management and compliance.

4.3. **Staff**

- Apply good risk management practices in their day-to-day work;
- Follow the process and mechanisms set out in this policy.
- Draw on the guidance from the AHRI policy when developing project proposals.

4.4. **Role of the Office of the Director General**

The office of the Director General shall establish a separate risk management team to oversee the roles described below:

- Coordinate and oversee the implementation of the risk management process.
- Revise, update, and maintain the Institute's risk management framework.
- Review and assess risks across different areas of the Institute.
- Monitor the effectiveness of risk mitigation strategies and controls.
- Escalate significant risks and issues to senior management for appropriate action.
- Provide guidance and support to risk owners and stakeholders in managing risks effectively.
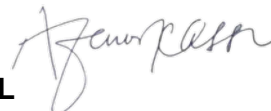
5. RISK REGISTER

5.1. The risk register will focus on operational as well as strategic risk. The register will be reviewed at least every six months.

5.2. The risk register should state the risk, the level of risk (analysis of the impact and likelihood of occurrence of a risk), actions for managing the risk, lead risk owner, and date for review.

6. RISK REPORTING

6.1. Bi-annual risk assessment outcomes should be reported in a written form to the senior management.

7. REVIEW AND APPROVAL

7.1. The risk management policy shall be reviewed at least every three years by the risk management team. Reviews will take into account the progress made against how the risk management policy is being implemented across all AHRI's functions.
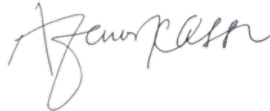
8. DUTY TO COOPERATE

8.1. The concerned body shall have the duty to cooperate to facilitate to effective discharge of its duties under this policy.

9. INAPPLICABLE POLICIES

9.1. No policies or practices or circular letter shall, in so far as it is inconsistent with this policy, be applicable concerning matters provided by this policy.

10. EFFECTIVE DATE

10.1.   This policy shall enter into force from the date of the signature by the Director General of Armauer Hansen Research Institute following approval of the management.

Prof. Afework Kassu
Director General
April 01. 2024

APPENDIX 1: RISK REGISTER

Title	A very short title that makes it easy to understand what the risk is about
Date Raised	What date was this initially added to the log? This will help with the aging profile of the register
Risk Owner	Who will be ultimately accountable for the management of this risk? This is not the person who will be responsible for completing the mitigating actions
Risk Description	Describe the risk in a way that makes sense. A common approach is: That, there is a risk that this will result in
Category	What type of risk is this?
Initial Impact	A score of 1 to 5.
Initial Probability	A score of 1 to 5.
Initial Assessment	Initial Impact * Initial Probability
Mitigation	How will we manage this risk? ▪ **Resolve** – Can we completely remove all likelihood that this risk will not happen or that there will be no impact on the Institute? ▪ **Reduce** – Can we make it less likely that the risk will happen or, if it does, we can soften the impact to the Institute? ▪ **Accept** – Is there nothing we can do to reduce or resolve the likelihood and probability? **Transfer** – Can we pass this to an external partner to resolve or reduce such as a sub-contractor to manage on our behalf?
Mitigating Actions	A list of tasks that will be undertaken to manage the risk. A separate line should be created for each action so that the owner can be assigned
Action Owner	A separate name who is responsible for each mitigation action
Action Date	A separate date for each mitigation action
Status	Is this risk still open?
Last Review	What was the last date that this risk was updated?

APPENDIX 2: IMPACT AND LIKELIHOOD SCORING SYSTEM

Score	Impact	Likelihood
5	Critical	Almost Certain >90%
4	Severe	Highly Likely >60%<90%
3	Moderate	Likely >30%<60%
2	Minor	Not likely >10%<30%
1	Negligible	Slight <10%

Appendix 3: Risk rating

Score	Negligible	Minor	Moderate	Severe	Critical
Almost Certain >90%	Medium	Medium	High	Critical	Critical
Highly Likely <90%	Low	Medium	High	High	Critical
Likely <60%	Low	Medium	Medium	High	High
Not likely <30%	Low	Low	Medium	Medium	High
Slight <10%	Low	Low	Low	Low	Medium

LOW RISK: Requires minimal attention. Updated at next review date.	**MEDIUM RISK:** This should be reviewed and updated monthly to ensure that the mitigation strategy is effective.	**HIGH RISK:** Effective mitigation plan signed off at appropriate level and updated monthly to ensure that mitigation is effective.	**CRITICAL RISK:** Requires immediate attention. Effective mitigation plan signed off at **upper management** level. Updated regularly to ensure that mitigation is effective