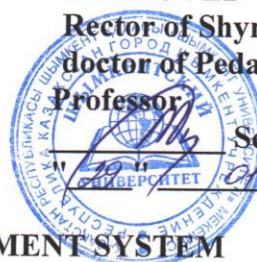


	Shymkent University	
	Quality management system Risk management policy	Page 1 of 12

	Shymkent University	
	Quality management system Risk management policy	Page 1 of 12

APPROVED

**Rector of Shymkent University,
doctor of Pedagogical Sciences,
Professor**

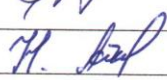


Seitkulov N. A.
2024

QUALITY MANAGEMENT SYSTEM

RISK MANAGEMENT POLICY

QMS SHYMKENT UNIVERSITY US 01-50-2024

service	signature	full name
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	Shymkent University	
	Quality management system Risk management policy	Page 2 of 12

Contents

1. General provisions	3
2. Formation of the University's risk management system	4
3. Risk management process	6
4. Final provisions	8
Appendix A Introduction sheet	12
Appendix B Change registration sheet	13

	Shymkent University	
	Quality management system Risk management policy	Page 3 of 12

1. GENERAL PROVISIONS

1. The risk management policy (hereinafter referred to as the policy) defines the main goals and objectives, as well as the basic principles of risk management.

2. The Risk Management System Policy (hereinafter referred to as the RMP) establishes the structure of the risk management system, the functions of participants in the risk management process, as well as methodological principles related to the risk management system at Shymkent University (hereinafter referred to as the University).

1.1. Goals and objectives of the RMS

- the ultimate goal of risk management is to ensure the continuity and stability of the University's activities, that is, to minimize the impact of internal and external negative factors. To achieve this goal, the following tasks are implemented:
- rapid response to emerging risk events, constant monitoring of changes in the external and internal environment;
- organizing targeted actions aimed at managing risks, reducing their potential impact to an acceptable level or transferring it to third parties;
- systematization and gradual accumulation of risk data, increasing the University's management capacity;
- The end result is increased competitiveness and achievement of set strategic goals.

The risk management system serves as a tool that supports the management decision-making process and the daily operational activities of the University.

1.2. ТБЖ-ның анықтамасы

4. Definition of a risk management system – A set of interconnected elements that, when combined as a single process, enable the achievement of set goals and objectives through the identification, assessment, treatment, and implementation of measures aimed at preventing or mitigating risks.

All university employees, regardless of position, participate in the identification and management of adverse events that may affect the organization's operations in the future.

1.3. Terms, definitions and abbreviations

- RMS-risk management system.
- CRI is a key risk indicator.

* Stress testing is a type of test used to determine the stability of a system or its individual module in conditions outside the normal range of operation.

	Shymkent University	
	Quality management system Risk management policy	Page 4 of 12

2. Formation of the University risk management system

2.1. Principles of functioning of the RMS at the University

5. To create an effective and comprehensive risk management system, it is necessary to rely on the following principles:

- **Integration of risk management** – consolidation of data within the University and their presentation to the University Council in a unified form (risk management is coordinated with senior management, and elements of risk management are introduced into the activities of each structural unit).
- **The principle of continuity** – means that the University will continue its activities in the foreseeable future, and there is no intention or need to close or cease operations (elements of the risk management system are integrated into traditional planning, control, accounting, and analysis processes and are implemented continuously).
- **The principle of coverage** – all employees, regardless of their position, identify risks within their functions and assess their potential for negative impact on the overall activities of structural units.

6. The principle of integration is implemented by including the following components in the risk management system (but not limited to):

- The existence, completeness and effectiveness of the development strategy, including aspects related to partnerships and strategic investments;
- The effectiveness of planning, budgeting and management reporting;
- The establishment and observance of reasonable limits on operations, in cases where their limits are exceeded, decisions are made only by senior management;
- The implementation of personnel management policies and their effectiveness.

7. The principle of continuity includes the implementation of the following procedures on an ongoing basis in the risk management system:

- Periodic review of identified key risks and corresponding key risk indicators (KRI);
- Regular assessment of existing risks, systematic review of management models and limit setting systems, analysis of key risk sources; Қолданыстағы жүйеге «стресс-тестілеуді» кезеңдік жүргізу арқылы ықтимал шығындарды бағалау;

	Shymkent University	
	Quality management system Risk management policy	Page 5 of 12

- Continuous monitoring and analysis of the presence, effectiveness and calculation of risks in the process of resource allocation;
- Preventing or reducing their impact, as well as minimizing losses, by constantly monitoring changes in risk factors, forming and maintaining a single operational reporting for each type of risk.

8. The principle of coverage is implemented in the following ways:

- Identification of all types and factors of risks based on a comprehensive analysis of all areas of activity;
- Formalization of identified risks in the form of a risk map, in which risks are specified and, if necessary, measures for their management are centralized;
- Development of a unified system of procedures that will be used if risks approach thresholds;
- Consistent and comprehensive introduction of limits and restrictions for all risks;
- Participation of all employees, at all levels of management, within their competence, in the risk management process.

Approach to risk management

9. Risk management is an integral part of the University's internal environment and is implemented through a comprehensive approach covering all aspects of its activities. Thus, all risks are taken into account, regardless of their source, significance or the existence of control procedures.

10. The main measures that characterize the University's comprehensive approach to risk management are:

- introduction of an integrated and risk-oriented approach to all aspects of operational and management activities;
- conducting a systematic analysis of identified risks;
- formation of a risk register and its periodic updating;
- introduction of an early warning mechanism for identified risks;
- creation of a system for monitoring the effectiveness of risk control and management;
- mastery of the basic principles and methods of risk management adopted at the University by all employees;
- provision of the necessary regulatory and methodological support;

	Shymkent University	
	Quality management system Risk management policy	Page 6 of 12

- consideration of the most significant risks when developing a budget;
- distribution of powers and responsibilities for risk management among structural divisions and organizations of the University.

2.3. Key participants in the risk management system

11. Participants in the risk management process are all employees of the University, since each employee is responsible for managing risks to a certain extent and achieving set goals. The roles of participants are divided as follows:

- Academic Council – ensures the existence and organization of an effective risk management system, as well as manages the significant risks of the University and systematically monitors the functioning of the risk management system;
- Structural divisions – are responsible for risk management in accordance with their functional areas and responsibilities.

3. Risk management process

12. The risk management process at the university is continuous, iterative, and multi-faceted. It consists of the following components:

- internal environment;
- goal setting;
- risk identification;
- risk assessment;
- risk management;
- risk management control;
- information and communication;
- monitoring.

13. The University's activities aim to create an internal environment aimed at increasing employees' ability to understand risks and maximizing their involvement in the risk management process.

14. The internal environment of the risk management process supports the following principles of the University's activities:

- identification and consideration of risks in decision-making, as well as a comprehensive approach to risks by the University's management;
- creation and assessment of a risk profile at the University level that best meets its strategic goals;

	Shymkent University	
	Quality management system Risk management policy	Page 7 of 12

- timely communication about key risks and deficiencies in the risk management system.

Defining goals

15. Setting the University's operational objectives is one of the key elements within the risk management system (RMS).

16. The University's operational objectives are defined in the University's Development Strategy for 2020–2025 and serve as the basis for developing operational objectives. Subsequently, events that may have a negative impact on the achievement of these objectives are identified.

17. When setting strategic goals, the level of risk appetite of the university should be taken into account, since some goals may lead to the emergence of strategic risks, the degree of influence of which is likely to exceed the risk appetite limit.

3.2. Risk assessment

18. The next stage of the risk management process is risk assessment. At this stage, risks are analyzed based on their probability of occurrence and the extent of their impact if they occur. Such analysis allows us to identify key (critical) risks that may have a significant negative impact on the University's activities and strategic goals and objectives.

19. Risk assessment is carried out using qualitative, quantitative or a combination of these two approaches. These methods form the methodological basis of the risk management process.

20. In the initial stage, risk assessment is carried out at a qualitative level, and for key risks, additional quantitative assessment may be used. In cases where modeling is not possible or economically inefficient due to the lack of reliable statistical data, such risks are assessed only qualitatively. Quantitative assessment allows for more accurate analytical data and is especially useful in developing methods for financing risk management activities.

21. All identified and assessed risks are reflected in the risk map. The risk map makes it possible to evaluate the relative significance of each risk in comparison with other risks, as well as to identify the key risks that require the development of specific measures for their management.

	Shymkent University	
	Quality management system Risk management policy	Page 8 of 12

Systematic measures:

- Regular monitoring by heads of functional departments.

4. Final provisions

22. This Risk Management Policy (RMP) is approved by the University's Academic Council and may be revised as necessary, as well as when new effective methods and tools emerge in accordance with best international practice in the field of risk management.

Glossary

Action Owner – An official with personal responsibility for implementing a specific action in accordance with the Risk Management Action Plan.

Risk Owner – An employee or structural unit responsible for all aspects of managing a specific risk.

Risk identification/identification – The process of assessing the exposure to risks that could negatively impact the University's ability to achieve planned goals and fulfill its assigned tasks, and determining their occurrence.

A risk management system (RMS) - is a set of interrelated elements that work as a single process. In this system, management bodies and employees at their level participate in identifying and managing adverse events that may affect the organization's activities, while ensuring an acceptable level of risk.

Risk map - a graphical representation of risks in relation to the scale of their potential impact and the probability of their occurrence.

Key risk - a risk that, as a result of the assessment, is placed in the "red zone" on the University's risk map, as well as a risk that belongs to other zones, but which, in the opinion of management/risk owner/risk manager, may have a significant negative impact on the short and long-term goals of the University.

Quantitative assessment - mathematical prediction and calculation of the probability of occurrence of risks and their possible material costs/expenses/benefits.

Operational risk – a risk arising in the course of daily operational activities related to the implementation of the University's development strategy.

Key Risk Indicators Dashboard - is a tool that displays the current status of key risk indicators.

Key Risk Indicators Passport - is a document describing a key risk indicator, which indicates the units of measurement, calculation formula, threshold level, measurement frequency and directions.

Risk redistribution - is the transfer or redistribution of part of the risk to a third party in order to reduce the probability and/or impact of the risk.

	Shymkent University	
	Quality management system Risk management policy	Page 9 of 12

A plan for ensuring the continuity of activities - is a set of measures aimed at ensuring the smooth conduct or restoration of the University's activities in the event of unforeseen circumstances.

Potential risk loss - is a monetary expression of the potential costs/damages incurred by the University in the event of the risk being realized.

Legal risk - is the likelihood of negative consequences for the University as a result of non-compliance with legislation or the University's internal regulatory documents.

Preventive measures - are current actions taken by risk owners or event owners to promptly address the causes of the risk before it is realized.

Risk acceptance - is the acceptance of the possibility of a risk occurring if the level of risk is deemed acceptable. It can also be the acceptance of the residual risk after risk reduction measures have been taken.

Associated risk - is the risk that is likely to occur if the organization's management does not take action to reduce the likelihood or impact of the risk.

Risk ranking - (ranking) - the process of identifying risks with the highest probability of occurrence and impact based on an assessment. This is done in order to focus time and resources on the most important risks.

Reactive measures - are planned actions taken by risk owners or event owners after a risk has materialized. The goal is to minimize the negative consequences of the risk through prompt action.

Risk register (register) - is a comprehensive list of risks that may occur in the activities of the University.

Risk - is the possibility that a certain event will occur and negatively affect the achievement of set goals.

Risk appetite - is the organization's willingness and commitment to take certain risks to achieve strategic goals.

Risk communication - is a set of communication processes carried out on emerging and potential risks.

The Risk Coordinator - is an official responsible for fulfilling the tasks approved by the director of the structural unit. He/she ensures methodological support for risk management processes, constant interaction on risks in structural units, and continuous communication with the Risk Management Department.

Risk culture - is an indicator that characterizes the internal environment of the University. This indicator indicates that managers and employees act taking into account the optimal balance of risks and opportunities when making decisions.

A risk manager - is an employee of a structural unit responsible for risk management.

Risk mitigation - is a set of actions aimed at reducing the likelihood and impact of risk, requiring a large number of operational decisions regarding the organization's activities.

	Shymkent University	
	Quality management system Risk management policy	Page 10 of 12

The average value - is a cumulative indicator that represents the typical value of quantitatively variable characteristics of qualitatively homogeneous phenomena.

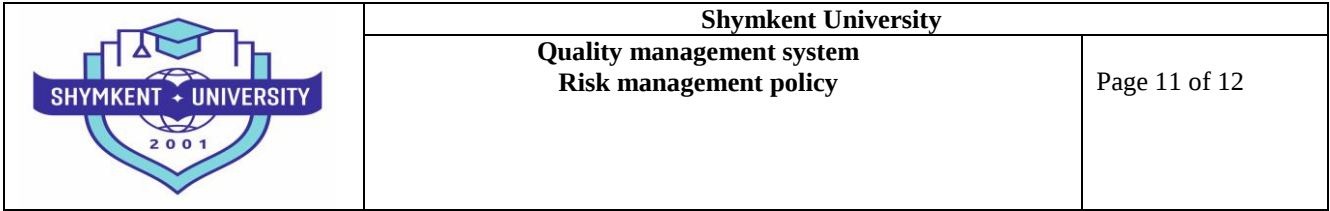
Statistical approach - is an analytical method based on observation using methods of collecting, checking, correcting and processing primary statistical data.

Strategic risk - is a risk that arises at the level of strategic decision-making. It directly affects the development strategy of the University.

Insurance - is the contractual transfer of the potential negative consequences of a risk, including financial losses and material damage, by the insured to the insurance company. Insurance is carried out by purchasing an insurance policy.

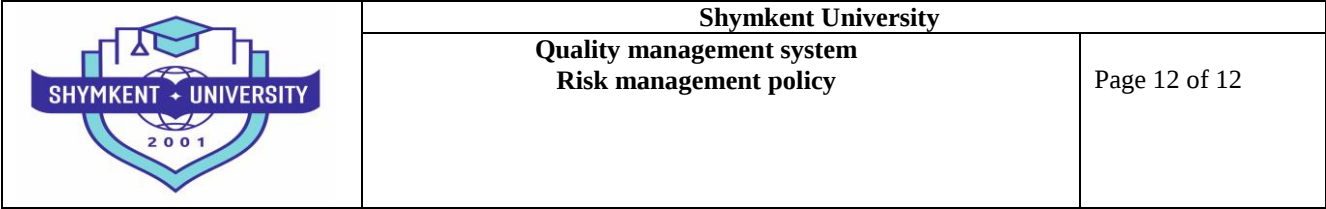
Significant risk – a risk that has a significant (critical) impact on the short and long-term goals of the University.

The scenario approach - is a method of predicting possible alternatives for the development of an organization in specific economic, political and other conditions and describing the situation as closely as possible.



Introduction page

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Change registration page

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