Risk Management Process and Procedures

V.1.11.2019

Table of Content

Purpose

The purpose of this process and procedures is to:

- Support effective decision-making that is guided by the Qatar University's (QU) Mission, Vision and Values;
- Adopt systematic and consistent approach to risk management to ensure all key risks across all categories are identifies and effectively managed;
- Support in ensuring the achievement of QU objectives;
- Formalize its commitment to the principles of risk management and incorporating these into all areas of the University;
- Assist in capturing opportunities and minimize threats;
- Foster risk management culture;
- Illustrate the mandate and responsibilities of the Institutional Risk Management Section and QU's stakeholders.

Who Should Know This Process and Procedures

☒ President

☒ Vice President

☒ Legal Advisor

☒ Dean

☒ Director / Departmental Head

☒ Faculty

☒ Accounting/ Finance Personnel

☒ Student

☒ All Employees

Process and procedures Description

To provide guidance regarding the management of risk to support the achievement of QU's objectives, protect employee and institutional assets. This process and procedures will be applied on all units of QU. The Chief Strategy & Development Office (CSDO) is responsible for overseeing and monitoring the implementation of this process and procedures and accompanying procedures. The EMC is the final approval channel of this process and procedures.

1. Definitions

1. Control or Mitigating Measure: Control or mitigating measures of the treatment plans refer to actions (e.g. operating bylaws, regulations, policies, procedures and best practices) used to reduce the negative impact of a risk and enhance the likelihood of sizing an opportunity and also the level of adherence by employee to such measures.
2. Inherent Risk: Gross risk is a risk before applying controlling or mitigating measures.
3. Institutional Risk Register: This is QU's master risk register where QU's key strategic risks are recorded.

4. Key Risk Indicator (KRI): Are metrics that provides information on the level of exposure to a given operational risk, which the institution has at a particular point in time.
5. QU Unit: Every Academic and Non-Academic units in the University e.g. Colleges/ Offices/ Departments/ Research Centers.
6. Risk: The effect of uncertainty on institution's objectives pertaining to various aspects (e.g. financial objectives, environmental objectives) and/or different levels (e.g. strategic objectives, project objectives, process objectives).
7. Risk Analysis: The process of comprehending the nature of risks identified, and determine their magnitude, express in terms of a combination of consequence and likelihood scale.
8. Risk Appetite: The amount and type of risk that Institution's management is willing to accept, prepared to pursue and retain or manage and mitigate to achieve the objectives.
9. Risk Assessment: The overall process of Risk Identification, Risk Analysis, and Risk Evaluation relevant to the institution's context and defined by its management.
10. Risk Champion: An individual (that assigned by Risk Owner) supports the Risk Owner in coordinating risk activities and enhancing the risk culture within the respective Sector/Unit.
11. Risk Criteria: Are terms of reference and are used to evaluate the significance or importance of your organization's risks. They are used to determine whether a specified level of risk is acceptable or tolerable.
12. Risk Evaluation: The process of comparing the results of risk analysis with the institution's terms of reference (e.g. risk appetite, tolerance levels) to determine whether the risk and/or its magnitude is acceptable or tolerable.
13. Risk Governance: Institution's Risk Management structure and arrangements, relative to its context and broader organizational structure.
14. Risk Identification: The process of finding, recognizing and describing risks at the institution. This involves the identification of risk sources, risk events, as well as their associated causes and potential consequences.
15. Risk Management: Coordinated activities, taken by institution's management, to direct and control the institution with regard to risk.
16. Risk Management Framework: Set of components that provide the foundations (e.g. policy, objectives, mandate, and commitment) and organizational arrangements (e.g. plans, relationships, accountabilities, resources, process, and activities) designed by institution's management for managing risks and continually improving risk management throughout the institution.
17. Risk Management Process and Procedure: Statement of the overall intentions and direction of the institution related to Risk Management. Typically includes the institution's Risk Governance and Risk Appetite.
18. Risk Management Principles: Risk management principles provide guidance on the characteristic of effective and efficient risk management, communicating its value and explaining its intention and purpose.
19. Risk Management Process: A systematic application of institution's management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying analyzing, evaluating, treating, monitoring and reviewing risks.
20. Risk Owner: An individual within the institution accountability and authority (which are Senior Management) to manage a given risk or those who own the strategic objectives.

21. Risk Resilience: It is the ability of an organization's business operations to rapidly adapt and respond to internal or external dynamic changes (opportunities, demands, disruptions or threats) and continue operations with limited impact to the business.
22. Residual Risk: Net risk is a risk remaining after applying controlling or mitigating measures. In this document, risks are considered as residual risks since control measure are in place in some areas only.
23. Risk Register: A document containing a prioritized list of risks together with information on risk identification, risk assessment, and risk treatment
24. Risk Tolerance: Institution's readiness to bear the risk after Risk Treatment in order to achieve its objectives. This is the maximum level of risk that the institution is willing to operate within.
25. Risk Treatment: The process of selecting the best alternative action to respond to and identify risk.
26. Risk Treatment Owner: An individual within the institution accountability and authority (which are Senior Management) to manage and implement a given controls or mitigating measures of risk treatment plans and is assigned by Risk Owner.
27. Subject Entities: Are entities subject to the audit by Qatar State Audit Bureau.

2. **Responsibilities**

State Audit Bureau- Qatar

- Issue the Guidance for Risk Management (The GUIDE).
- Maintain and update the GUIDE to continue to be aligned with best practices.
- Request all Subject Entities to submit risk information to the Bureau.
- Coordinate discussion among Subject Entities of common and shared risks.
- Perform audits and reviews of risk management practices in Subject Entities.

QU Board of Regents (BOR)

- Notify QU's institutional risk register, appetite, risk tolerance, and risk profile.
- Review annual RM reports.

President Office

- Submit the official QU's institutional risk register to QSAB.
- Manage responses of all risk information requests issued by QSAB.

Executive Management Committee (EMC)

- Endorse QU's risk register and RM Process and procedures.
- Determine QU's institutional risk appetite, risk tolerance, and risk profile.
- Identify and endorse QU's institutional risks, classification, treatment plans, and owners annually.
- Provide a strategic focus to the management of risk, ensuring that the identification of risk is integrated and aligned to the key strategic objectives
- Ensure that the BOR is informed of all institutional risks and that appropriate action plans are being implemented through the annual RM report.
- Review and provide feedback on the annual RM report and advise on how to deal with future risks and propose solutions.
- Review the QU's approach to RM and approve changes or improvements to its process annually.
- Cultivate a risk culture by endorsing policies, behaviors and other supporting documents, which encourage appropriate risk taking.

Chief Strategy and Development Officer (CSDO)

- Determine strategic approach with required resources to RM and ensure the appropriate implementation of QU's approved RM process, procedures, and any related activities.
- Review and provide feedback on the annual RM report for EMC's submission
- Review reports about QU institutional risks and ongoing risk treatment plans including business continuity plans and provide regular updates to the EMC as required.
- Review key institutional risk report and inform EMC regarding emerging risks that could expose QU to potential risks.
- Ensure that there is ownership of RM and treatment plans throughout QU.
- Ensure appropriate reporting and escalation mechanisms are in place.
- Ensure that there is adequate training and resources to ensure that the process and procedures can be implemented.

Internal Audit and Compliance Department

- Review the compliance and effectiveness of QU's RM process and procedures based on the approved QU risk maturity model.
- Work with IRM Section on reviewing the management of key risks.

Institutional Risk Management Section (IRM)

- Facilitate and ensure QU's RM process, governance, and any related activities.
- Advise CSDO on key institutional risks and emerging risks.
- Ensure effective communication of RM escalation processes with risk champions across QU.
- Provide necessary awareness and training sessions to the risk champions and QU wide community to undertake RM process on a continuous basis.
- Review and discuss key risks and treatment plans with respective risk owners.
- Prepare reports on key and emerging institutional risks and on-going risk treatment strategies e.g. institutional risk register.
- Develop, recommend, administer and enhance QU's RM process and procedures.
- Report to CSDO on the effectiveness of RM process and make recommendations for improving RM process and procedures annually.
- Establish and maintain QU's institutional risk register.
- Review QU's institutional risk appetite, risk tolerance, and risk profile.
- Foster the culture of RM within QU.
- Facilitate the identification of risks through risk workshops, brainstorming sessions, interviews etc., using standard/ university approved risk tools where applicable.
- Stay up to date on RM by communicating with SAB all the developments and updates issues by the Bureau.
- Exploit possible synergies for risk identification and treatments.

Risk Owner

- Ensure risks are identified, assessed, treated and monitored.
- Determine appropriate level of risk tolerance.
- Select the risk treatment owner.
- Ensure RM activities are integrated into operational activities.
- Observe internal and external environments for emerging threats and opportunities.

Risk Champion

- Develop, maintain, review and update risk register in coordination with their respective risk owner at the unit level for each sector.
- Communicate unit's risk register with IRM section.
- Report to risk owner on the progress of RM process, risk treatment actions, and any emerging risks.
- Documenting good practices and risk events.
- Encourage RM culture within the unit.

Risk Treatment Owner

- Implement and monitor progress on Treatment plans actions or mitigating measures.
- Provide information, reports and updates to the Risk Owner.

3. Process and Procedures Statement

QU is committed to applying appropriate RM practices in its activities to minimize the unfavorable effect of risks and to seize different opportunities.

3.1 Risk Management Principles

The principles outlined below provide guidance on the characteristics of effective and efficient RM, communicating its value and explaining its intention and purpose in QU. Table 1 illustrates RM Principles.

Table 1: Risk Management Principles

Key Principles of Risk Management	Description	How is it going to be applied to Qatar University
1. **Is integrated into all Organizational processes**	Risk management is not a stand-alone activity that is separate from the main activities and processes of the institution. It is part of the responsibilities of institution's management and integrates into its activities and processes, including strategic planning and change management process.	Risk management will be part of the university governance, strategic plan processes, policies, values and culture.
2. **Is structured and comprehensive**	A systematic, timely, structured and comprehensive approach to risk management contributes to organizational efficiency and to consistent, comparable and reliable results.	QU's approach to risk will be systematic, timely and structured to achieve consistent, comparable and reliable results through principals, framework and process.
3. **Is customized**	The risk management practices that executive leadership is encouraged to put in place should be aligned within the institution's strategic objectives, consistent with its culture, compliant with its legal obligations and takes into consideration the adequacy of the allocated resources.	Executive leadership takes into account when developing RM system that is best aligned to QU's strategic plan and higher education sector.
4. **Is inclusive of all relevant stakeholders, mainly decision makers**	Appropriate and timely involvement of stakeholders and, in particular, decision makers at all levels of the institution, ensures that risk management remains relevant and up-to-date. The risk management framework should identify the scope and method for risk monitoring and reporting to relevant stakeholders, as well as their respective roles in the risk management process. This in turn enables the consideration of their knowledge, views and perceptions and results in improved awareness and informed risk management	Decision-makers (e.g. BOR, EMC and CSDO) will ensure that risk management is relevant and up-to-date. In addition, involving stakeholders and take their views in determining risk profile.
5. **Is dynamic, and agile**	Risks are uncertain in nature, and this can emerge, change or disappear as institution's external and internal context changes. To cope with this nature, risk management should anticipate, detect, acknowledge and respond to	QU will respond to change occurs from internal and external events, systematic monitor and review of risks take place, and identify new and emerging risks.

	those changes and events in an appropriate and timely manner.	
6. **Is based on best available information**	The inputs to risk management should be based on historical and current information, as well as on future expectations. Risk management explicitly takes into account any limitations and uncertainties associated with such information and expectations and constantly rely on timely, clear and available inputs to relevant stakeholders.	QU will analyze identified risks based on the available data provided by units such as assessment, survey, reports, self-assessment, independent reports, accreditation, external examiners, internal and external auditing recommendations, activities results and forecasting.
7. **Takes into account the human and cultural factors**	Human behavior and culture significantly influence all aspects of risk management at each level and stage and affects the overall maturity of risk management activities in an institution. Management is encouraged to build risk management capabilities with time, in line with its existing resources' capacities, to gradually and surely increase its overall maturity.	QU will recognize the capabilities, perceptions and intentions of external and internal stakeholders and community that can facilitate or hinder the achievement of the university's goals.
8. **Requires continuous improvement**	Risk management is not a one-off or ad hoc process. To be fully effective and improve management's capabilities, it needs to be continually improved through learning, investments and capitalizing on institutions' collective experience.	QU will develop and implement strategies to improve its risk maturity alongside all other aspects of the university.

3.2 Risk Management Framework

QU has referenced SAB's guide in developing and implementing its RM framework and process to oversee and manage risks at the institution . The purpose of RM framework is to assist QU in integrating risk management into significant activities and functions. This framework enables information about institutional risks derived from the RM process to be adequately reported and used as a basis for decision-making and accountability across QU. The Risk Management Framework consists of eight major components and applied to QU as follows:

1. Executive Leadership	•Fully aware of the GUIDE and oversee the integration of RM practice in the institution
2. Establishing RM Policy	•Defining institution's approach to the RM. Defines risk appetite framework and risk tolerance. Contains an outline of key accountabilities and Responsibilities for RM
3. Defining Responsibilites for Managing Risk	•Executive leadership are encouraged to define the responsibility for managing risk. The responsibility for the day-to-day management of risk lies with employees at all levels
4. Embedding Risk Management into Business Processes	•Rolling-out a change management strategy and aligning the final risk management processes that are specific to the institution and aligning all RM practices to relevant decision-making
5. Developing a Positive Risk Culture	•Set of shared attitudes, values and behaviors that characterize how the institution considers risk in its day-to-day activities
6. Communicating and Consulting about Risk	•Implementation arrangement to communicate and consult with appropriate stakeholders as well as the subject matter resources about risk in a timely and effective manner
7. Maintaining Risk Management Capability	•Maintaining an appropriate level of capability to both implement its RM framework and manage its on-going risks
8. Reviewing & Improving the Management of Risk	•RM appetite may change. Accordingly, dynamic amendments to the policies, procedures and activities put in place to monitor, report,and mitigate risks. As well for capturing the risk mitigation outcomes.

The proposed framework implementation in QU is illustrated in Table 2.

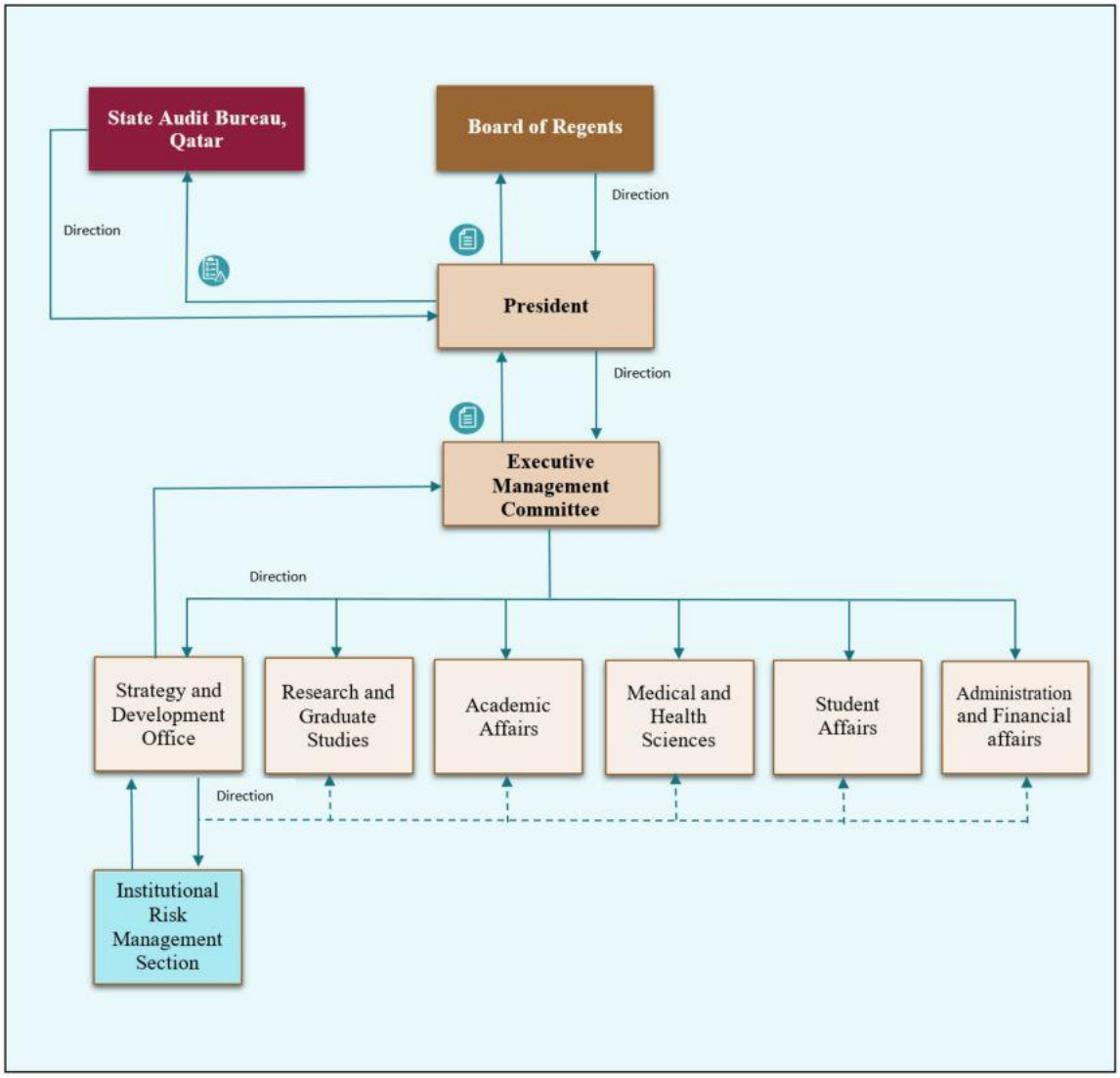
Table 2: Proposed Framework Implementation in QU

Framework Requirement	Proposed Framework Implementation
1. Executive Leadership	Board of Regents, President, QU Higher Management is considered to be in the Executive Leadership Management.
2. Establishment of RM Process and procedures	Risk Management process and procedures draft has been developed and under review.
3. Defining Responsibility for Managing Risk	Roles and responsibilities as seen in section 2.
4. Embedding Systematic RM into Business Processes	Currently, it's being done for those units which are undergoing ISO 9001 QMS certification and it will be linked to QU's strategic objectives.
5. Developing a Positive Risk Culture	RM culture is to be integrated with QU values and introduced via trainings and broadcasts. QU will introduce positive behaviour, inspire, enable, support and reinforce their adaptation through its risk culture model.
6. Communicating and Consulting about Risk	Communication plan as seen in section 4.12 of Risk Management Proposal has been developed as part of implementation.
7. Maintaining Risk Management Capability	To maintain RM capability and enhance monitoring Risk Champions will be assigned from all QU sectors. In addition, IRM Section has been developed and RM implementation (budget, human capital and technical) requirements until 2022 have been identified as descripted in section 4.10 of Risk Management Proposal.
8. Reviewing and Continuously Improving the Management of Risk	Dynamic amendments to the RM activities may be required after implementation and defining the appetite. Reviews will be conducted annually to improve the RM activities when necessary.

3.3 Risk Management Governance

Risk management governance illustrated below states that the State Audit Bureau-Qatar establishes the initial communication with the President Office as it is responsible for the Institution Risk Register. Then, the IRM Section, as it responsible for RM process will communicate with various sectors in QU in addition to EMC, President and BOR.

The IRM Section will also receive direction from BOR, President and EMC as well as for inputs from the various sectors. The Institutional Risk Register is communicated to SAB by President Office after the confirmation from the Executive Leadership.



3.4 Risk Management Scope

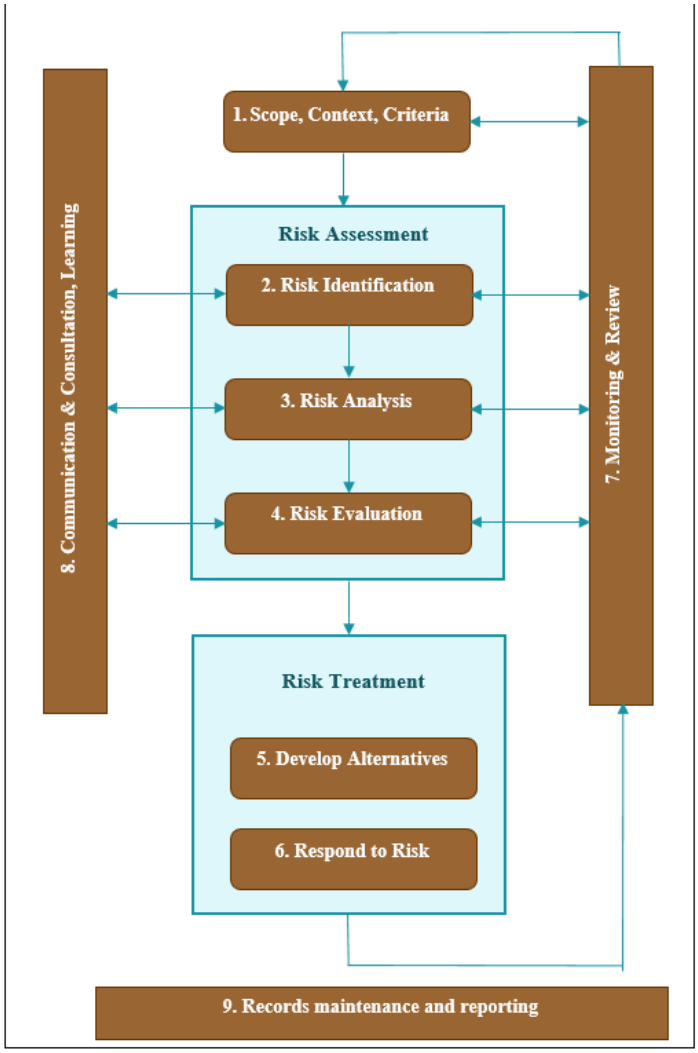
RM will be applied on strategic levels prior to Enterprise Risk Management (ERM) implementation, which will be applied to all units in QU.

4. Process and Procedure

4.1.1 Process

RM is a continuous improvement process to assess, treat, monitor and communicate key risk to the Executive Leadership. Qatar University's risk management process and procedures will be consistent with ISO 31000:2018 Risk Management – Guidelines.

RM process



1. **Scope, Context, Criteria**

   By establishing the scope, context and criteria, QU will be able to articulate its objectives and define the external and internal parameters to be considered when managing risk. This can be performed by the following:

   - Setting the scope for the RM activities, which can be applied at different levels such as strategic, operational, project or any other activities.
   - Defining the broad objectives.

- Identifying the relevant stakeholders.
- Appropriate risk assessment tools and techniques.
- Resources required, responsibilities and records to be kept.
- Relationships with other projects, processes and activities.

Risk Assessment
The overall process of Risk Identification, Risk Analysis, and Risk Evaluation relevant to QU's context and defined by management.

2. Risk Identification

Risk identification requires reasonably foreseeable risks that have the potential to have a meaningful impact on the university to be identified. A risk is any event or action that has an uncertain effect that may impact QU's objectives. Risks arise as much from the possibility that opportunities will not be realized as they do from the possibility that threats will materialize, errors be made, or damage/injury occurs. In this step, risks need to be categorized using QU's risk categories. Please refer to table 13. Within the university, risk identification occurs at various levels:

- Institutional Level: All key strategic and operational risks, which are related to an inability to meet QU's objectives. Best addressed by the Executive Leadership.
- Strategic Level: Risks that affect each sector's strategy or strategic objectives. Best addressed by VP level.
- Operational Level: Risks, which are related to an existing, broken process. Best addressed by Unit level.

Risk Identification Techniques
There are two types of risk identification techniques:

- Individual techniques that an individual can do it on their own.
- Group techniques where people gather together and discuss.

Since risk identification is also a time focus where, some techniques are focused in the past, some are focused in the present and some in future. It is recommended to use techniques from various time focus such as checklists, assumptions analysis and brainstorming. The best practice to identify risks is to use at least one technique from each category. (Sultan Qaboos University, 100 Videos). There are several techniques used for risk identification. Table 3 illustrates some of the techniques used for identifying threats and opportunities.

Table 3: Some techniques used for identifying threats and opportunities

Past Focused Techniques	Present Focused Techniques	Future Focused Techniques
• Checklists • Experience of previous projects, strategic plans, or previous operations • Lessons learned databases	• Assumptions/constraints analysis • Current contracts, projects working on • Document reviews • Constraints analysis • SWOT analysis • Fault/benefit analysis • Root cause analysis (bow tie)	• Brainstorming • Framework of thinking about future • Forecasting • Strategic planning scenario analysis • Visualization • Future thinking

Although, these techniques are used to identify threats and opportunities due to their similar characteristics, opportunities can be identified by using Fault Tree Analysis (FTA): Is a risk management tool which takes positive or negative events and represents them in a tree like structure by a process of simple logic and graphical design. This technique can be used to capture opportunities and instead it can be called Benefit Tree Analysis. Any uncertainties could strengthen those drivers and help us to deliver early those would the opportunities. In addition, SWOT analysis, force field analysis can also be used to identify opportunities. (Sultan Qaboos University, 100 Videos).

3. Risk Analysis

Risk analysis involves developing an understanding of the risk and provides an input to risk evaluation and to decide on whether risks need to be treated, and if so, on the most appropriate risk treatment methods. This analysis can also provide input into the options to address risks and inform the decision-maker across different types and levels of risk. This can be performed by the following but not limited to:

- Identifying residual risks
- Identifying the existing controls
- Identifying the inherent risks
- Assessing the likelihood of the risk occurring
- Assessing the consequences or potential impact
- Rating the level of risk

4. Risk Evaluation

Decisions should take into account the comparison of risk analysis overall results into QU's institutional risk appetite and tolerances by comparing the results from the risk assessment with the overall risk rating (Likelihood x Consequences) to determine the level of risk. Also, the actual and perceived consequences to external and internal stakeholders, and whether the risk is acceptable or not. As part of the evaluation of risks, it is essential for QU to reflect that risk can be an integral part of what they do given their vision, mission, and strategy.

Risk Treatment

Controls and mitigating actions are required for all risks. Where risk treatment is required, it involves selecting one or more options for modifying the risk and implementing those options. Risk treatment is required when the residual risks remain unacceptably high, or where there is a desire to bring this risk down, with regard to the QU's institutional risk appetite. Once implemented, treatments provide or modify the controls by Develop Alternatives and Respond to Risks.

5. Develop Alternatives

Systematically identifying and assessing a range of response alternatives or strategies to risks based on QU's institutional risk appetite. The aim of this step is to compare the impact of risk with the potential losses/, and determine how to allocate resources accordingly.as below:

Threat Alternatives/Strategies

1) Avoid: Is a form of treatment, where the treatment plan or action is to decline a transaction, offer, project or activity that generates the threat.
2) Transfer: Is a form of treatment, where the treatment plan or action is to share or transfer the risk with another party via contracts or insurance.
3) Reduce: Is a form of preventive treatment, where the treatment plan or action aims to reduce the likelihood or the consequence/severity or both of a threat.
4) Accept: The units shall select this option when the threat is within its tolerance limits and existing controls are sufficient; or there is no further action which management intends to implement or the

cost of mitigating the threat is higher than the cost of the threat itself; or the threat and its current residual level is accepted by management as part of its overall strategy.

5) Escalate: Is a form of treatment, which ensures that threat is passed on to the right owner to ensure that it is recognized, understood and managed appropriately.

Opportunity Alternatives/Strategies

1) Exploit: Is a form of treatment, which ensures that the opportunity arising definitely occurs.
2) Share: Is a form of treatment, which involves a third party in managing the arising opportunity.
3) Enhance: Is a form of treatment, which increases the impact of an opportunity.
4) Accept: Is a form of treatment, where the treatment plan or action is to take or accept the opportunity in order to pursue it.
5) Escalate: Is a form of treatment, which ensures that opportunity is passed on to the right owner to ensure that it is recognized, understood and managed appropriately

6. Respond to Risks

Executive Leadership to evaluate the alternatives and decide how to allocate resources to address major risks facing QU. Once decisions have been made on how to respond to risks and ownership allocated, treatment plans should be properly documented.

7. Monitoring and Reviewing

Ensure regular reviews and reporting as well as continuous update on all kinds of risk information related to QU's risk profile to identify any changes and determine whether the previously agreed on risk responses and mitigations are managing risks as intended. Given the diverse and dynamic nature of QU environment, it is important to be ready to emerging threats and opportunities as well as monitoring. If a risk has been identified but outside of the scope of the unit, then it is essential to escalate, deescalate or inform the respective unit across.

8. Communication, Consultation, Learning

Effective communication and consultation is essential to ensure that those responsible for implementing RM understand the basis on which decisions are made and the reasons why particular treatment options are selected. RM is enhanced through effective communication and consultation when all QU units understand each other's perspective. This step occurs from step 1 to step 6.

9. Records maintenance and reporting

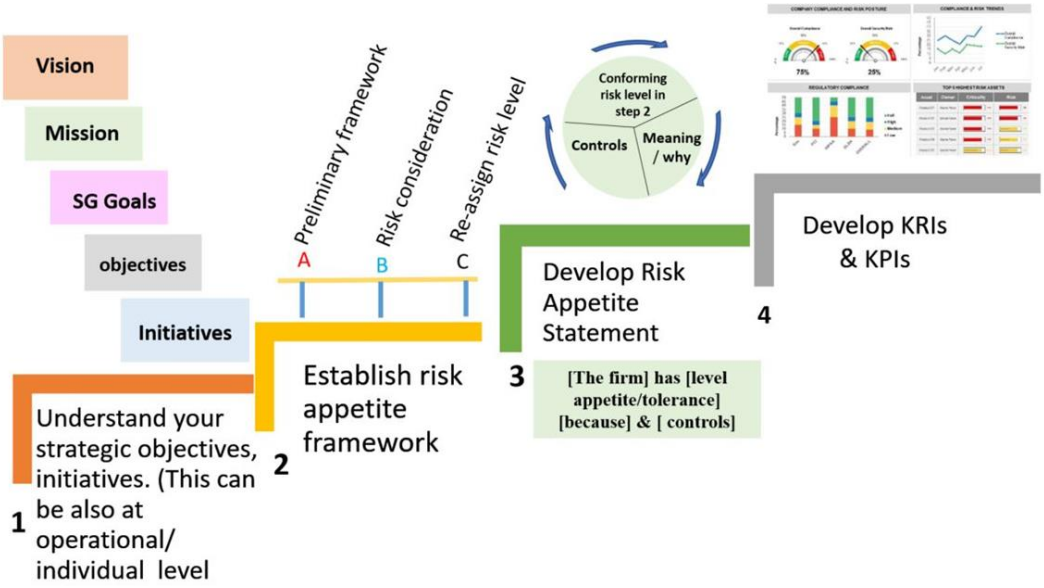
RM process and its outcomes are continuous effort that is integral to QU's governance, which improves the communication among stakeholders. As RM activities reported to the IRM Section and the Executive Management Committee (EMC), regular updates and evaluation methods need to be adopted in order to make it efficient and effective. Outcomes are also made available to employees where appropriate. This assists with decision-making, improving risk management activities, transparency and the monitoring of risks against QU's stated institutional risk appetite.

Risk Appetite and Tolerance

Risk Appetite is the amount and type of risk that Institution's management is willing to accept, prepared to pursue and retain or manage and mitigate to achieve the objectives. Where Risk Tolerance is the institution's readiness to bear the risk after Risk Treatment in order to achieve its objectives. This is the maximum level of risk that the institution is willing to operate within. IRM section has adopted a Risk appetite framework by Dr. Salim Al-Harthi, Director of Risk Management Office at SQU. This framework consists of four stages:

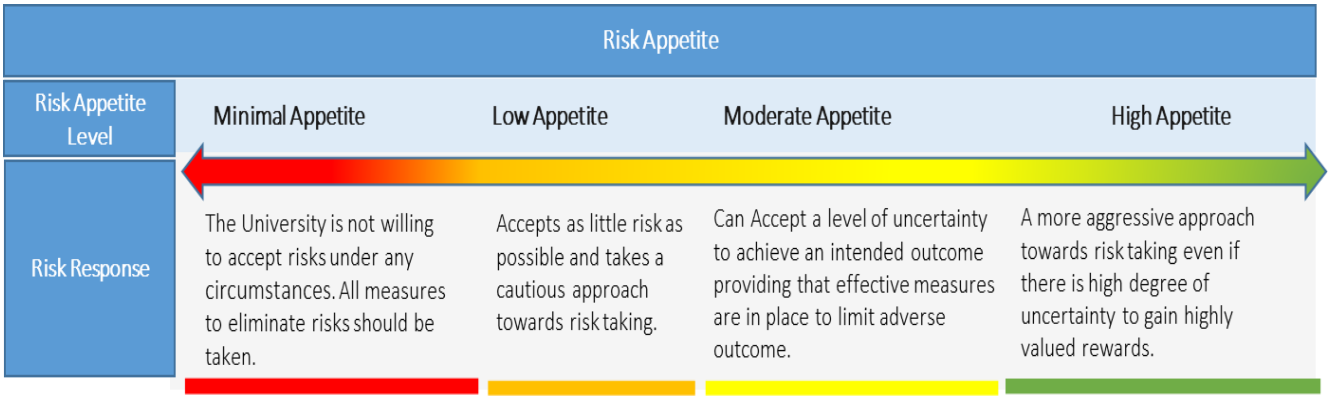
1. Understand your strategic objective initiatives. (This can be also at operational/individual level.

2. Establish risk appetite framework.
3. Develop risk appetite statement.
4. Develop KRIs



Source: (Professor Salim Al-Harthi, 2019)

Moreover, there are four different levels of Risk Appetite as shown on the table below:



4.1.2 Risk Matrix

Use of the Risk Matrix is intended to assist faculty, staff and students with applying risk management principles to proposed activities held on or off campus. Use of the matrix will assist in identifying major risks, assessing the likelihood and consequences of the risk and mitigating the risk to the lowest possible level of likelihood and consequences. In addition, it determines cost versus the benefit of the risk and evaluating and analyzing the outcome of the proposed risks. Ultimately reaching a decision to either accept or reject the risk.

Likelihood refers to the possibility of the risk potential occurring measured in qualitative values such as low, medium, or high. Consequence is the outcome of an event and has an effect on objectives. A single event can generate a range of consequences, which can have both positive or negative effects on objectives. Table 4 illustrates likelihood levels description and Table 5 illustrates consequence levels description.

Table 4: Likelihood levels description

Description of Likelihood Levels	
Likelihood Level	**Description**
5 Almost Certain	Highly likely to happen, possibly frequently (example: once a month)
4 Likely	Will probably happen several times, but not a persistent issue (example: 4 times a years)
3 Possible	May happen occasionally (example: once in 1-5 years)
2 Unlikely	Not expected to happen, but is a possibility (example: once in 5-10 years)
1 Rare	Very unlikely this will ever happen (example: not likely to occur in 10 years)

Table 5: Consequence levels description

Description of Consequence levels	
Consequence Level	**Description**
1 Insignificant	Activity continues, reputation intact, no injury to persons and revenue is unaffected
2 Minor	Activity continues with slight difficulty, reputation internally affected, injury required first aid only, revenue is insignificantly affected
3 Moderate	Activity disrupted, considerable cost losses, injury to persons needing medical treatment, reputation damaged and revenue affected slightly
4 Major	Activity seriously disrupted, serious cost loss, injury requiring hospital admission, reputation seriously damaged and revenue is considerably affected
5 Severe	Activity stopped, large cost losses, reputation very seriously damaged, serious injury (death or permanent injury) to persons, unable to resume activity and revenue is greatly affected

As illustrated in Table 6, a 5 by 5-risk score matrix is used to assess risks. Risk assessment score can be calculated once likelihood and consequences are defined by (Likelihood x Consequences) and then using the result to find out the risk rating from the Risk Rating Table 7.
Risk rating determines if the risk can be accepted or tolerable based on risk assessment results compared to institution risk appetite and tolerance level. This table can be used only for threats, opportunity description, management action and tolerability will be considered when the opportunity arises.

Table 6: Risk Assessment Score Matrix

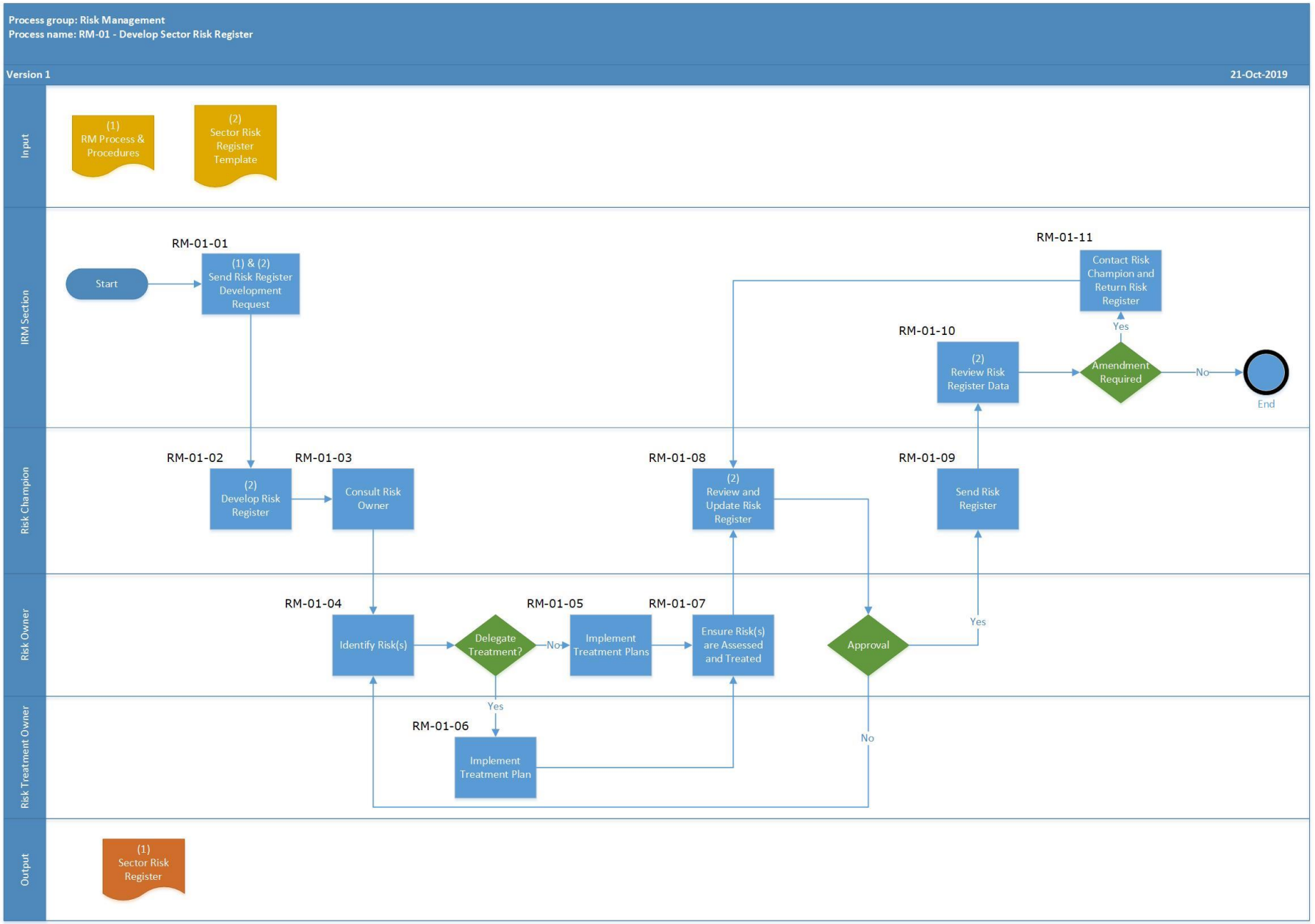
Description of Consequence levels										
Scale		Consequence Negative Impact (Threats)					Consequence Positive Impact (Opportunities)				
		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Severe (5)	Severe (5)	Major (4)	Moderate (3)	Minor (2)	Insignificant (1)
Likelihood	Almost Certain (5)	M	M	H	E	E	E	E	H	M	M
	Likely (4)	L	M	H	H	E	E	H	H	M	L
	Possible (3)	L	M	M	H	H	H	H	M	M	L
	Unlikely (2)	L	L	M	M	H	H	M	M	L	L
	Rare (1)	L	L	L	L	M	M	L	L	L	L

Table 7: Risk Rating Details

	Risk Rating Details				
Risk Assessment Score	**Risk Rating**	**Color Code**	**Description**	**Management Action Required**	**Tolerability**
1,2,3&4	Low (L)	**Green**	Minor or little harm, activity undisrupted or slightly disrupted. Minimum costs loss or slight financial loss. Impact can be recovered within days	Manage by routine procedures; report to local managers; monitor & review locally as necessary	Acceptable
5,6,8,9&10	Medium (M)	**Yellow**	Moderate damages, activity is marginally disrupted, moderate financial losses and/or reputation may be damaged. Expected difficulties in achieving in operational objective. Could be recovered within months.	Assess the risk; determine whether current controls are adequate or if further action or treatment is needed; monitor & review locally, e.g. through regular business practices or local area meetings	Tolerable
12,15&16	High (H)	**Orange**	Significant damages, activity is disrupted, large financial loses and/or reputation is badly affected. Considerable operational difficulties in achieving objectives. Strategic	Risk to be given appropriate attention & demonstrably managed; reported to President and EMC	Unacceptable

			objectives are affected in part		
20,&25	Extreme (E)	**Red**	Very serious damages, activity is severely disrupted, heavy financial losses and/or reputation is severely damaged. If not treated it will impact on operational and strategic objective	Immediate attention & response needed; requires a risk assessment & management plan prepared by relevant senior managers for President; risk oversight by EMC	Unacceptable

4.2 Risk Procedure



Send Risk Register Development Request: RM-01-01

Description	• Request the development of risk register with the respective sector risk champion and facilitate Risk Management (RM) process, governance and related activities. Process and Procedures will be shared with the respective sector along with Risk Register template
Role	Institutional Risk Management (IRM) Section

Develop Risk Register: RM-01-02

Description	• Develop, maintain, review and update risk register in coordination with the respective risk owner. In most cases, Risk Owner is the same person as the Objective Owner.
Role	Risk Champion

Consult Risk Owner: RM-01-03

Description	• Communicate and explain the requirements of the risk management process and Risk Register to the respective Risk Owner
Role	Risk Champion

Identify Risk(s): RM-01-04

Description	• Identify and manage all Sector related risk(s) • Determine appropriate level of risk appetite and tolerance • Assign Risk Treatment Owner
Role	Risk Owner

Implement Treatment Plans: RM-01-05

Description	• Risk Owner may choose to implement treatment plan by him/herself with the support of Risk Champion
Role	Risk Owner

Implement Treatment Plan: RM-01-06

Description	• If delegated by Risk Owner, Risk Treatment Owner is to implement treatment plan with the support of Risk Champion
Role	Risk Treatment Owner

Ensure Risk(s) are Assessed and Treated: RM-01-07

Description	• Review and monitor the risk treatment plan along with its effectiveness and feasibility in coordination with the Risk Champion
Role	Risk Owner

Review and Update Risk Register: RM-01-08

Description	• Review Risk Register to ensure all information have been provided and report to Risk Owner the progress of risk treatment and any emerging risks when applicable. • Ensure all information provided in the Risk Register are in correct format • Prior submitting Risk Register to IRM, attain Risk Owner's approval. • If approval not granted. Repeat from RM-01-04 step
Role	Risk Champion

Send Risk Register: RM-01-09

Description	• Send the completed and approved Risk Register to IRM Section
Role	Risk Champion

Review Risk Register Data: RM-01-10

Description	• Review Risk Register for risk management process steps accuracy and format • If amendment not required, end process
Role	Institutional Risk Management (IRM) Section

Contact Risk Champion and Return Risk Register: RM-01-11

Description	• If amendment required and data is invalid, then contact Risk Champion and request the necessary changes at RM-01-08 step
Role	Institutional Risk Management (IRM) Section

5. References

- QU Governance Model
- State Audit Bureau, Qatar – Guidance for Risk Management
- ISO 31000: 2019 International Standard; Risk Management – Principles and Guidelines.
- Qatar Foundations Risk Management Policy.
- Sultan Qaboos University Risk Management Policy and Framework.