

## Risk Management Policy

### **General:**

Al Yamamah University (YU) defines risk management as the "coordinated activities to direct and control an organization with regard to risk"

Risk arises in all aspects of the University's operations and at all stages within the life cycle of those operations. It offers both opportunity and threat, and must therefore be managed appropriately.

This policy confirms the University's commitment to adopting a strategic, consistent and structured enterprise-wide approach to risk management in order to achieve an appropriate balance between realizing opportunities for gains and minimizing losses. The policy reflects the International Organization for Standardization on Risk Management (ISO 31000:2009) which provides the overall framework for risk management at Al Yamamah University.

### **Scope**

No exceptions for this policy.

### **Policy Purpose**

The aim of this policy is to ensure that the University makes informed decisions with respect to the activities that it undertakes by appropriately considering both risks and opportunities.

The application of this policy and related framework will provide the basis for:

1. more confident and rigorous decision-making and planning;
2. better identification of opportunities and threats;
3. pro-active rather than re-active management;
4. more effective allocation and use of resources;
5. improved stakeholder confidence and trust;
6. a clear understanding by all staff of their roles, responsibilities and authorities for managing risk;

7. improved compliance with relevant legislation;
8. better institutional governance; and
9. The development of a more risk aware organizational culture through enhanced communication and reporting of risk.

### **Definitions**

See the attachment for a completed list for the definition related to Risk Management Policy.  
Based on Based on ISO Guide 73:2009

Risk means: the effect of uncertainty on objectives;

Risk management means: coordinated activities to direct and control an organization with regard to risk;

### **Risk Management Policy Principles**

#### Risk Overview

- Risk management will be incorporated into the strategic and operational planning processes at all levels within the University.
- Risk and the management of risk will be identified and monitored according to the University organizational chart, and risk categories, as defined in the Risk Management Framework.
- Risk assessments will be conducted on all new commercial activities, ventures and projects prior to commencement to ensure alignment with risk appetite and organizational objectives.
- Risks will be identified, reviewed and monitored on an ongoing basis at nominated levels within the University.
- Risks will be assessed against the University's agreed risk assessment matrix according to agreed definitions of likelihood and consequence.
- All risks will be assigned an owner who is responsible for managing, monitoring and ensuring that adequate controls and treatments are being applied so that risks are brought within tolerable levels.

### Risk Management Approach

Risks will be managed according to International Organization for Standardization ISO 31000:2009 Risk Management Process (ISO 31000:2009) – displayed in Figure 1.

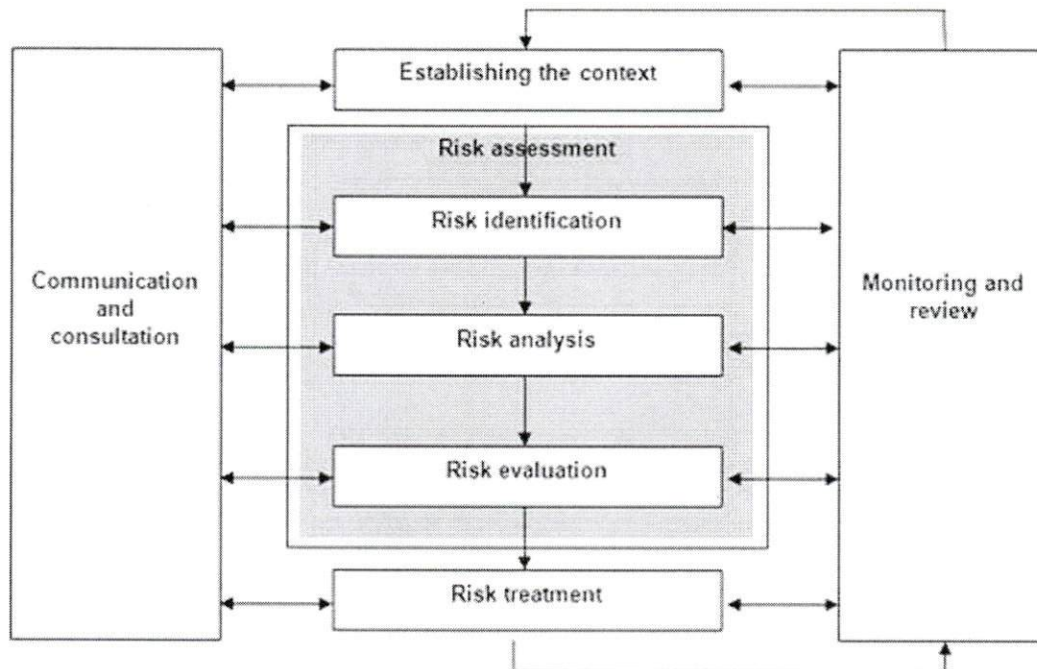


Figure 1. ISO 31000:2009 Risk Management Process

### Roles and Responsibilities

- The University Council will “oversee risk management and risk assessment across the University”
- The University’s Risk Auditor will advise the president on matters of strategic and operational significance related to the identification and management of risk.
- Risk Auditor will be responsible for championing the roll out of the Risk Management Framework into the University’s business operations; for ensuring that staff understand their responsibilities with respect to operational risk management; and for developing a risk aware culture within their area of responsibility.

- Managers and supervisors will ensure that staff within their areas, understand their responsibilities with respect to operational risk, and will assist in fostering a risk aware culture within their area.

#### Exceptions

The University Council reserves the right to decide on any situation/circumstances outside the conditions stated in this policy.

#### Authorization

This policy was authorized and made effective by the University President



University President

25/3/2014

Date