

«APPROVED»

**By the decision of the Board of
Directors of NJSC «West
Kazakhstan Marat Ospanov
Medical University»
from september 18, 2020
minutes No. 7.**

**Risk management policy
of the non-commercial joint stock company
«West Kazakhstan Marat Ospanov Medical University»**

Aktobe city, 2020

1. GENERAL PROVISIONS

1.1 The Risk Management Policy (hereinafter referred to as the Policy) defines the procedure for identifying, analyzing and assessing risks, establishes key goals and objectives, the basic principles of risk management and elimination of reasons for preventing their recurrence in the activities of the non-commercial joint-stock company «West Kazakhstan Marat Ospanov Medical University» (hereinafter referred to as the University).

1.2. Risk management is an integral part of the University's management system. Risk management activities for the University are systematic, integrated into strategic and operational management at all levels, covering all departments and employees in the exercise of their functions in any process.

1.3. The policy was developed in accordance with the requirements of section 6.1 IS ISO 9001:2015 and defines controls, appropriate responsibilities and authorities when dealing with process risks.

1.4. This Policy is an internal regulatory document of the University and is not subject to submission to other parties, except for auditors of certification bodies during audits of management systems, as well as consumer-partners (at their request) with the permission of the Chairman of the Board - Rector of the University.

2. GOALS AND OBJECTIVES

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

2.2. The main goal of the Policy is:

➤ ensuring the continuity and stability of the University's activities by limiting the impact of internal and external negative factors.

2.3. Objectives of the Policy:

➤ prompt response to emerging risk events, tracking changes in the external and internal environment;

➤ organization of targeted risk management activities in order to reduce them or transfer them to third parties (insurance, hedging);

➤ systematization and further accumulation of information on risks;

➤ ultimately - increasing competitiveness and achieving the set strategic goals.

3. REGULATORY REFERENCES

3.1. The policy is developed on the basis of the following regulatory documents:

➤ MS ISO 9000:2015 Quality management system. Fundamentals and vocabulary.

➤ MS ISO 9001:2015 Quality management system. Requirements.

➤ MS ISO 9004:2009 Management for achieving sustainable organizational success. Quality management approach.

➤ ST RK ISO 9001:2016 State standard of the Republic of Kazakhstan. Quality Management System. Requirements.

➤ ST RK 1157-2002 State standard of the Republic of Kazakhstan. Higher professional education. Quality management systems of educational organizations.

- MS ISO 31000:2018 Risk management. Guidelines.
- 3.2. This policy gives effect to the following forms:
- Risk map;
 - Plan-report of measures to prevent the emergence of risks.

4. TERMS AND DEFINITIONS

4.1. The Policy uses terms and definitions given in IS ISO 31000: 2018 «Risk management. Guidelines»:

1) **Risk** - the impact of uncertainty on the goals of the university *.

* note on definition. Impact is deviation from what is expected. It can be positive and / or negative, it can cause and create opportunities and threats, or be the result of them.

* note on definition. Objectives can include different aspects and categories, and can also be applied at different levels

* note on definition. Risk is usually expressed in terms of the source of the risk, possible events, consequences, and their likelihood.

2) **Risk management** is a coordinated activity that directs and controls an organization taking into account risk.

3) **Interested party** (stakeholder) - a person or organization capable of influencing, or being influenced, or considering itself influenced by decisions or actions.

4) **Source of risk** - an element that, by itself or in combination with other elements, has the potential to increase risk.

5) **Event** - the occurrence or change of a specific set of circumstances.

6) **Consequence** - the outcome of the event affecting the goals.

7) **Probability** is the chance of something happening.

8) **Control** - a measure to contain and / or modify a risk *.

* note on definition. Controls include, but are not limited to, any process, policy, method, practice or other activity and / or circumstance that inhibits and / or modifies risk.

5. BUILDING A RISK MANAGEMENT SYSTEM

5.1. Identification, analysis and determination of the degree of risks.

5.1.1. The policy is aimed at identifying a wide range of risks and considering them in a complex, which helps to reflect a holistic picture of existing risks and increases the quality and relevance of the risk analysis.

5.1.2. To identify risks, a combination of various methods and tools is used, such as risk identification based on goals and objectives, seminars and discussions, interviews, process analysis, collection and analysis of past losses, individual expert methods, strategic analysis, monitoring of publications and speeches.

5.1.3. The result of the risk identification procedure is a risk map, which includes a full list of the identified risks of the University with their brief description, factors (causes) of occurrence, possible consequences, as well as action plans for managing these risks. For each risk, the risk owners, the person / unit responsible for the event, the heads of the structural units who are responsible for this risk in

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accordance with their functional responsibilities are determined. The risk map is updated by the structural divisions of the University on an ongoing basis as new risks are identified.

5.1.4. Systematization of identified risks contributes to:

- achieving consistency in the classification and assessment of risks, which allows to improve the comparison of risks (by processes, structural divisions, etc.);
- creation of a platform for building more complex tools and technologies for risk assessment;
- providing opportunities for consistent management and risk control of the University.

5.1.5. To classify risks, a grouping of risks into main categories is used:

- strategic risks;
- operational risks;
- financial risks;
- legal risks.

5.1.6. The risk management process includes the following stages:

- identification, analysis and determination of the degree of risks;
- planning the necessary measures to eliminate risks;
- implementation of measures to eliminate risks;
- analysis of the results and effectiveness of measures to eliminate risks.

5.1.7. Risk identification is carried out at all levels of the university in accordance with the process model. When identifying a risk, the head of the relevant structural unit determines the following information:

- name of the risk;
- description of the risk;
- reasons for the emergence of risk;
- the owner of the risk and the person providing information on the risk;
- department.

5.2. Risk assessment.

5.2.1. The next step in the risk management process is risk assessment. Risks are analyzed taking into account the likelihood of their occurrence and the impact if they occur. This analysis allows you to determine the key (critical) risks that can negatively affect the activities of the University and the achievement of strategic goals and objectives.

5.2.2. When assessing risks, qualitative or quantitative analyzes, their combination, are used, which create a methodological basis for the risk management process.

5.2.3. Initially, the risk assessment is carried out on a qualitative basis, then a quantitative assessment can be carried out for key risks. Risks that cannot be quantified due to the lack of reliable statistical information for their modeling or the construction of such models is inexpedient from the point of view of costs, are assessed only on a qualitative basis. Quantification provides more accurate insights and is especially useful in developing funding methods for risk management activities.

5.2.4. The result of risk assessment using the above approaches is a general assessment for each risk, obtained depending on the calculation method.



5.2.5. All identified and assessed risks are reflected on the risk map. The risk map allows you to assess the relative importance of each risk in comparison with other risks, as well as highlight the risks that are key and require the development and implementation of measures to manage them.

5.2.6. Risk assessment is a collection of the likelihood of a risk. Risk assessment is carried out at least once a year. The probability of risk is determined on a 5-point scale.

Scoring the probability of risk occurrence	Interpretation
1 - Very low	The event will most likely occur no more than 1 time in 5 years
2 - Low	The event will most likely occur once every 4 years.
3 - Average	The event will most likely occur once every 3 years
4 - High	The event is likely to happen in the next two years
5 - Very high	The event is likely to happen in the coming year

5.2.7. The documented information accompanying the risk process can be divided into groups:

- documented information required for management;
- input data;
- results of the process.

Type of the documented information	Interpretation
Documented information required for management	Organizational and administrative documented information of the university
Input data	Results of certification, marketing research and marketing analysis, complaints and claims, documented information about the processes
Process results	Risk passport

5.3. Management of risks

5.3.1. Risk management is a priority task of the University and is a process of developing and implementing measures to reduce the negative effect and the likelihood of losses, or receive financial compensation in the event of losses associated with the University's activities.

5.3.2. To ensure the efficiency of the process and reduce the costs of its implementation, the University should focus on the risks that can have the most significant impact on its financial condition, achievement of goals and objectives. The measures taken to manage risks are reviewed and approved annually by collegial management bodies and are mandatory for all structural divisions.

5.3.3. The choice of methods for responding to risks and the development of action plans for managing key (critical) risks in order to ensure an acceptable level of residual risk includes the following measures:

- risk reduction;
- risk acceptance;

- risk aversion;
- redistribution of risk.

5.3.4. When planning measures to eliminate risks, the head of the relevant structural unit analyzes information on the possibilities for eliminating risks, possible elimination timeframes and required resources.

5.3.5. After filling out the risk map, the head of the relevant structural unit fills out a plan / report of measures to prevent the emergence of identified risks and brings the information to the Representative of the University's Quality Management (hereinafter referred to as the University's PRK), who enters the relevant information into the consolidated analytical report of risks in the structural units.

Documented information when planning measures to eliminate risk.

View of the documented information	Interpretation
Documented information required for management	Organizational, information and reference and administrative documented information of the university, a plan-report of measures to prevent the emergence of identified risks.
Input data	Risk passport
Process results	A plan-report of measures to prevent the occurrence of identified inconsistencies, documented information on the need to eliminate risks in administrative and reference documentation (in the protocols of collegial management bodies)

5.3.6. The head is responsible for taking measures to eliminate risks in the structural unit as a whole. The direct executors specified in the plan of the report on elimination of the identified risks are responsible for the proper implementation of the planned activities, timing and information.

Documented information on risk mitigation.

View of the documented information	Interpretation
Documented information required for management	Organizational and administrative documented information of the university, a plan-report of measures to prevent the emergence of identified risks
Input data	Records of the need for actions to eliminate risks, results and processes in which risks are identified
Process results	Completed plan-report of measures to prevent the emergence of identified risks; other records and relevant protocols: <ul style="list-style-type: none"> ➤ records of conducting briefings with trainees; ➤ records of briefings with employees; ➤ minutes of the Board and the Academic Council;

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	<ul style="list-style-type: none"> ➤ minutes of faculty council meetings; ➤ minutes of meetings of departments; ➤ reports on internal audits; ➤ analysis of the effectiveness of the quality management system.
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5.4. Analysis of the effectiveness and efficiency of measures to eliminate risks.

5.4.1. After identifying key risks and risk management measures, the main processes exposed to these risks are identified. A step-by-step analysis of the processes is carried out to determine the necessity and feasibility of including appropriate control actions. In addition, the plan / report of risk management measures is analyzed and control actions are determined in order to ensure the effective implementation of such measures. Control actions can themselves be risk management techniques.

5.4.2. Control actions are included in the processes at all levels of the organizational structure of the University. Control activities include a wide range of measures such as: approval, authorization, verification, reconciliation, analysis of transactions, asset security and assignment of responsibilities.

5.4.3. Responsibility for analyzing the processes and determining the need and feasibility of introducing additional control actions is borne by the risk owners: the heads of the relevant structural divisions. Responsible for coordinating control activities and monitoring the implementation of risk management activities is the University's RKK.

5.4.4. The main results and conclusions of the risk management process at the University are reflected in the form of regular risk reporting.

5.4.5. The head of the structural unit, together with the University's PRK, analyze the effectiveness and efficiency of the measures taken to eliminate risks in order to formulate requirements for subsequent measures to eliminate risks and conclusions about strategic changes in the university's activities.

Documented information in the analysis of the effectiveness and efficiency of measures to eliminate risks

View of the documented information	Interpretation
Documented information required for management	Organizational and administrative documented information of the university
Input data	Plan-report of measures to prevent the emergence of identified risks
Process results	Decisions of the Board of Directors, the Board of the Management Board, the Academic Council concerning the conclusions on strategic changes in the activities of the university, containing requirements for further measures to eliminate risks

6. INFORMATION AND COMMUNICATION

6.1. In the process of implementing each component of the Policy, the exchange of information between structural units and management bodies of the University is ensured. All materials and documents prepared within the framework of the Policy are approved by the interested departments, which make their comments and suggestions.

6.2. Information and communication at the University is carried out vertically and horizontally. The objectives of the regular risk communication process within the University are to:

- to assign personal responsibility for the management of certain significant risks to the relevant and structural divisions of the University (risk owners);
- promptly bring to the attention of the management information about all risks that need to be managed at the appropriate level of the University;
- promptly inform the performers of risk management measures about their personal responsibility for the implementation of the relevant measures (including the expected result, time frame, resources, etc.)
- ensure effective exchange of information in the process of managing cross-functional risks of the University;
- provide the University employees with the necessary trainings and courses to improve their skills in detecting and managing risks.

6.3. The structural subdivisions of the University constantly monitor and inform the PRK of the University about the losses and negative consequences that have occurred. For each such case, an analysis of the causes of losses and negative consequences is carried out, and measures are taken to prevent similar incidents in the future.

6.4. The University can: communicate risk management information to external auditors and other interested parties, while ensuring that the level of detail of the information disclosed is consistent with the nature and scale of the University's activities.

7. MONITORING

7.1. Monitoring is an important stage in the implementation of the Policy, which allows you to track the entire risk management process and, if necessary, take corrective actions. Monitoring is carried out within the operational activities of the University (risk reporting), as well as by assessing the effectiveness of risk management on a regular basis.

7.2. The University monitors and controls its risks in accordance with the basic principles of this Policy.

7.3. Monitoring mechanisms are designed to determine the effectiveness of existing risk management processes in terms of increasing the efficiency of the University. The University uses mechanisms that include both regular and periodic monitoring activities.

7.3.1. Regular events:

- constant monitoring by the heads of functional departments.

7.3.2. Periodic events:

- evaluation by internal auditors;
- evaluation by independent consultants.

7.4. The PRK of the University exercises control over the implementation of activities in accordance with the timing of each event.

8. FINAL PROVISIONS

8.1. This Policy is approved by the Board of Directors of the University and is subject to revision as necessary, as well as in the event of the emergence of new effective methods and tools for risk management in accordance with international best practice in risk management.



RISK PASSPORT

(department name)

№	Process name	Risk name	Causes of risk	Risk probability score	The probability of risk consequences

Head of the department Full name _____ « _____ » _____ 20__




Plan-report of measures to prevent the occurrence of risks

(department name)

Risk name	Risk elimination measures	Responsible	Deadlines	Checkoff	Supporting documents

Head of the department Full name _____ « _____ » _____ 20__
signature

Developed by:

No	Full name	Position	Signature	Date
1.	Kurmangaliev K.B.	Head of Strategy Department		27.08.20

Agreed:

No	Full name	Position	Signature	Date
1.	Saparbayev S.S.	Vice Rector for Strategic Development and International Cooperation, Member of the Management Board		27.08.20
2.	Zhiyentalin Ye.Sh.	Head of Legal Department		27.08.20