

# RISK MANAGEMENT POLICY

## COLLEGES OF TECHNOLOGY

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**A. Version Control Table**

Version	Author	Date (dd/mm/yyyy)	Summary of Changes
1.0	QD	May 2011	First version
2.0	QD	November, 2016	<ul style="list-style-type: none"> <li>• Incorporated relevant feedback received from CoTs (HCT,ACT, SCT)</li> <li>• Included a Policy statement</li> <li>• Amended the roles and Responsibilities</li> <li>• Inserted details on the supporting procedures</li> <li>• Amended the Risk Rating scale</li> <li>• Amended the Risk Register</li> <li>• Added table for Risk Treatment Plan</li> <li>• Reformatted as per the Document policy approved by the Ministry</li> </ul>
2.1	QD	May, 2017	<ul style="list-style-type: none"> <li>• Further Amendments based on the feedback from HCT, ACT, IbCT</li> </ul>
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### B. Plagiarism verification

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## Table of Contents

1. Purpose .....	5
2. Scope .....	5
3. Definitions and Abbreviations.....	5
4. Policy Statement .....	6
5. Risk Management Process.....	6
5.1. Risk Identification .....	6
5.2. Risk Analysis.....	8
5.3. Risk Evaluation .....	10
5.4. Risk Treatment .....	13
5.5. Risk Monitoring .....	13
6. Roles and Responsibilities.....	14
7. Related Policies and References.....	16
8. Annexure .....	17
Appendix 1: Sample Risk Register .....	17
Appendix 2: Sample Risk Treatment Plan.....	18

## 1. Purpose

The Risk management policy of Colleges of Technology (CoTs) is designed to provide a framework for managing and controlling potential risks and their consequences that may affect the efficiency of running the college operations.

## 2. Scope

This policy outlines the risk management processes that should be carried out by the Colleges of Technology to ensure a sustainable environment for teaching and learning in CoTs. This policy applies to all domains of the CoTs operation that directly or indirectly impacts the teaching and learning environment. If detailed risk management procedures or protocols have been developed to cover specific areas in different departments, centers or sections, they should comply with those procedures in addition to those detailed in this Policy.

## 3. Definitions and Abbreviations

- 3.1. Risk – “the threat or possibility that an action or event will adversely or beneficially affect an organization's ability to achieve its objectives” as cited in the web page of University of Wisconsin Milwaukee, Risk Management
- 3.2. Risk Register – Record of information about identified risks
- 3.3. Existing Control - Any existing practice in place that may reduce the risk
- 3.4. Risk Score – The product of the risk severity and occurrence levels identified
- 3.5. Risk Classification - The categorization of the risk based on the risk score
- 3.6. Risk Management (RM) - the systematic application of management policies, practices and procedures to the task of identifying, analyzing, evaluating, treating, monitoring and reporting on risks ( The Victoria University, 2008)
- 3.7. RMC – Risk Management Committee

3.8. Risk Management Coordinator - A member nominated from each unit to the risk management committee and he/she is accountable for identification, assessment, controlling of risk relating to the concerned units.

#### **4. Policy Statement**

The Colleges of Technology are committed to ensure that all potential risks are systematically identified, assessed and treated, so as to provide an environment with minimal disruption and losses to all stakeholders.

#### **5. Risk Management Process**

Risk management is a systematic approach to maximize the prospects of ongoing success by identifying, analyzing, evaluating and treating threats (ISO/IEC Guide 73 (2002)). Staff in the college has a role to play in the identification and analysis of risk through the risk management processes which are incorporated within the operational and activity plans of centers and departments. The following are the procedures involved in the Risk Management Process:

- Risk Identification
- Risk Analysis
- Risk Evaluation
- Risk Treatment
- Risk Monitoring

##### **5.1. Risk Identification**

This involves anticipating, identifying and defining the different risks that may occur, how they could happen, and which stakeholders (students, staff, and community) will be affected. The

table below defines the categories of risks with examples.

**Table 1. Category of Risks**

S. No	Risk Category	Risks related but not limited to the following
1	Strategic	Lack of alignment between planning and resource allocation; Delays in decision making; Selection of ineffective strategies
2	Academic	Crouse offering; course material; course delivery; examination; assessment; grievance management; student experience
3	Human Resource	Recruitment & Retention-Faculty; Key staff back up; Succession planning; Correct skill mix; Personal Development
4	Infrastructure	Ageing Infrastructure; Maintenance; Utilities (Water, power etc.); Lack of space/space not well configured; Construction; Damage to infrastructure; Stores management
5	Financial	Revenue reduction or cost escalation; Funding & Budgets; Donations; Financial reporting
6	Students	Progression and retention-Students; Student records; Special needs students; Access to services; Enrolment process
7	Research	Funding (Commercial/Government); Compliance with funding body requirements; Integrity of Research; Conflicts of Interest; Partnerships/alliances with industry; Quality of research & Publications; Plagiarism; Attraction of research projects
8	Hazardous	Hazardous Substances; Operational Health & Safety (OH&S)Issues ; Safety in labs; Emergencies; Slip and falls; Personal Safety

S. No	Risk Category	Risks related but not limited to the following
9	Compliance	Intellectual property; Copyright infringement; Compliance with labor and civil law (Discrimination, Unfair Dismissal, OH&S); Dispute Resolution; Willful negligence; Contract breach; Breach of College policies and practice standards
10	Reputation	Impact on the institution image

After the risks are identified, the risk can be documented and recorded in a Risk Register by the Risk Coordinator and updates the RMC about the identification of risk at unit level. (A sample of Risk Register can be found in Appendix 1).

## 5.2. Risk Analysis

This step involves analyzing the likelihood of the risk happening and the consequences or impact of that event occurring. Dependence on data, audit reports, survey results, observation feedback will also facilitate in analyzing the risk objectively. Risk Analysis should involve all stakeholders concerned. The table below describes the severity of consequence and likelihood of risks occurring.

**Table 2. Likelihood<sup>1</sup>**

Level	Descriptor	Description
5	Very High	Loss is likely to occur on a day-to-day basis.



4	High	Loss is likely to occur every semester
3	Average	Loss is likely to occur within the upcoming year.
2	Low	Occurrence of loss in the strategic plan period
1	Very Low	Occurrence of loss in the strategic plan period is possible, but unlikely.

<sup>1</sup>Adopted from Road to implementation, Enterprise Risk Management for colleges and universities, Arthur Gallagher Higher Education practice, 2009 retrieved on 12 October 2010 from:

<https://www.odu.edu/content/dam/odu/offices/risk-management/DOCS/erm-road-to-implementation-universities.pdf>

**Table 3. Impact<sup>2</sup>**

Level	Descriptor	Description
1	Insignificant	The organization accepts that this risk / impact of risk would be insignificant. Status of the risk should be reviewed occasionally.
2	Minor	The consequences of this risk materializing would have a minor impact. No immediate action is required, but an action plan should be actively considered. Status of the risk should be monitored periodically.
3	Moderate	The consequences of this risk materializing would have a moderate impact on day-to-day operations, schedules, timeline or cost. Some immediate action might be required to address risk impact, plus the development of an action plan. Status of this risk should be monitored regularly.
4	Major	The consequence of this risk materializing would be severe but not disastrous. Some immediate action is required to mitigate the risk, plus the development of a comprehensive action plan.
5	Catastrophic	This is above the organization's defined tolerance level. The consequences of the risk materializing would have a disastrous impact on schedules, timeline, cost, or the organization's reputation. Comprehensive action is required immediately to mitigate the risk.

<sup>2</sup>Retrieved from: <http://www.arcs.qmul.ac.uk/media/arcs/policyzone/Risk-Methodology.pdf>

### 5.3. Risk Evaluation<sup>3</sup>

This step seeks to describe and quantify the likelihood and consequences that a particular risk may cause. A Risk score which is the product of consequence and likelihood is computed for each risk. Based on the Risk score the risks are classified and prioritized to help in deciding the extent and nature of treatment required. The table below illustrates the Risk classification based on the Risk score.

**Risk Score = Impact \* Likelihood**

**Table 4: Risk Score**

Impact/ Likelihood	1	2	3	4	5
1	1	2	3	4	5
2	2	4	6	8	10
3	3	6	9	12	15
4	4	8	12	16	20
5	5	10	15	20	25

<sup>3</sup> Retrieved from [www.queensu.ca/~queensu.../Privacy%20Risk%20Assessment%20Template](http://www.queensu.ca/~queensu.../Privacy%20Risk%20Assessment%20Template)

**Table 5: Risk Classification<sup>4</sup> (Color coded)**

<b>Likelihood X Impact</b>	<b>Score</b>	<b>Implications</b>
<b>Low</b>	1-4	<ul style="list-style-type: none"> <li>• Management of this risk is not material to the success of the College in meeting its goals</li> <li>• Improving the risk mitigation is not required</li> <li>• Periodic reporting to the Chairperson</li> <li>• Can be managed by routine controls and procedures.</li> </ul>
<b>Moderate</b>	5-9	<ul style="list-style-type: none"> <li>• Management of this risk is important to the success of the College in meeting its goals</li> <li>• Improving the risk mitigation is not required at this stage</li> <li>• Periodic reporting to the chairperson</li> <li>• Management control and responsibility must be specified.</li> </ul>
<b>High</b>	10-15	<ul style="list-style-type: none"> <li>• Management of this risk is very important may be critical to the success of the College in meeting its goals</li> <li>• Chairperson must be informed</li> <li>• Improving the risk mitigation (if possible) is recommended</li> <li>• College Council attention and action needed.</li> </ul>
<b>Extreme</b>	16-25	<ul style="list-style-type: none"> <li>• Management of this risk is critical to the success of the College in meeting its goals</li> <li>• Requires detailed research, planning and decision making at senior levels of college management and administration</li> <li>• College Council engaged in mitigation strategy</li> <li>• Improving the risk mitigation is required</li> </ul>

<sup>4</sup>Retrieved from Retrieved from [http://www.oaaa.gov.om/QualityTraining/Handout/12v1\\_handout.pdf](http://www.oaaa.gov.om/QualityTraining/Handout/12v1_handout.pdf)

After a thorough evaluation of the risks identified, the unit Risk Coordinator updates the Risk Register with assigned values and updates the RMC regarding risk assessments.

#### 5.4. Risk Treatment

Based on the nature and classification of risks appropriate treatment options like the following may be considered (Oaaa, 2016).

- Accept the Risk – This refers to accepting the Risks, as it is with the existing controls, applicable to low risks.
- Reduce the Risk - This refers to reducing the impact of risk by reducing the likelihood, consequence or both.
- Share the Risk - This refers to spreading the risks to a third party (E. g insuring for financial losses, developing contingency arrangements, etc.)
- Avoid the Risk - This refers to avoiding the risk by not undertaking the activity.

Detailed treatment/mitigation plans will be made and implemented to address the risk as per their classification. A consolidated treatment/mitigation plan is appended for reference (Appendix 2).

#### 5.5. Risk Monitoring

The Risk Management Committee should regularly monitor the activities and processes to determine if the assumptions made were accurate and the measures taken to treat the risks were effective. Periodic reports should be prepared highlighting the status of risks and the effectiveness of the measures taken.

## 6. Roles and Responsibilities

Risk Management Committee - This is a college level committee that will be responsible for the overall risk management activities in the college.

The membership will be as follows:

**Chairperson:** To be nominated by the College Council

**Members** : One Risk Management Coordinator from each unit of the college (To be nominated by the respective Heads of unit)

The Committee will be responsible to:

- Ensure proper implementation of the risk management system in the college.
- Oversee the risk management activities of the centers and departments.
- Promote risk awareness among staff through discussions and training.
- Ensure that procedures are followed in anticipating, identifying, assessing, and managing risks according to the policy.
- Review the risk register submitted by centers and departments.
- Evaluate and prioritize treatment of risks.
- Compile a college wide risk register and treatment plan.
- Consult and report to the College Council for all approvals and submission of periodic reports.
- Evaluate the effectiveness of the Risk Management activities at the college level.

The Risk Management Coordinators in the college units will be responsible to:

- Implement the Risk Management activities in their respective units
- Promote risk awareness among staff in their respective units.
- Develop Risk Registers for the unit and propose treatment options in consultation with the Risk Management Committee.

- Monitor the implementation of Risk Management initiatives to ensure objectives are met.
- Coordinate with the departments Health and Safety Coordinator to manage common issues.
- Evaluate the effectiveness of implementation of Risk Management initiatives in the unit.
- Report to the Risk Management committee for any critical issue.

## 7. References

- Oaaa,2016. *Risk management: A Tool for Securing a Future*. Available from: [www.oaaa.gov.om/QualityTraining/Handout/12v1\\_handout.pdf](http://www.oaaa.gov.om/QualityTraining/Handout/12v1_handout.pdf)
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- The University of Wisconsin Milwaukee, *Risk Management* <https://uwm.edu/studentinvolvement/student-organizations-2/resources/risk-management/>



## 8. Annexure

### Appendix 1: Sample Risk Register

S. No	Risk Category	Risk Type	Description & Consequence	Existing Controls if any	Risk Rating		
					Impact	Likelihood	Risk classification (Risk score & Color)
1	Academic	Unpopular Academic Programs	Academic Programs not aligned with the labor market needs, thus low employability of graduates	Industry feedback on academic program	5	3	15 High
2	Financial	Natural calamities like Heavy Rains/Winds	Damage caused to the college assets	Adhering to the precautions and warning issued by the concerned authorities	5	1	5 Medium

### Appendix 2: Sample Risk Treatment Plan

S. No	Risk Category	Risk Type	Description & Consequence	Risk Classification	Recommended Solution	How the Risk treatment options will monitored	Responsibility
1	Academic	Unpopular Academic Programs	Academic Programs not aligned with the labor market needs, thus low acceptance of graduates	15 Medium	Ensure Industry contribution to the planning and review of academic programs	Contribution of the Industry in the review and update of academic programs	ADAA, HoD Academic Departments
2	Financial	Natural calamities like Heavy rains/winds	Damage caused to the college assets	5 Medium	Ensure all future construction projects consider precautions to reduce the damage by natural calamities	Recommendations made to the Ministry, so that necessary instructions are passed on to the respective contractors.	Dean, ADAF