Azerbaijan TECHNICAL University

AZERBAIJAN TECHNICAL UNIVRESITY

RISK MANAGEMENT PLAN 2024-2030

VERSION 1

2024 BAKU

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INTRODUCTION

The risk management plan was developed in order to identify, analyze, manage and minimize the effects of the risks that Azerbaijan Technical University faces in its daily activities or may face in the future, this plan will create obstacles or opportunities for the realization of its goals and objectives. The risk management plan was prepared based on the documents of Azerbaijan Technical University development strategy for 2021-2030, Azerbaijan Technical University strategic development plan 2024-2030.

It is to create a system that will add quality and value to all stages of academic and management by ensuring the implementation of the risk management process as an effective corporate management tool in order to identify, analyze and manage all the risks that may hinder the realization of the strategic goals and objectives of the University and the sustainability of the activities in accordance with the goals.

AZERBAIJAN TECHNICAL UNIVERSITY APPROACH TO RISK MANAGEMENT

Azerbaijan Technical University defines risk as an opportunity or threat of events or activities that have a positive or negative impact on the structural units that ensure the achievement of the university's goals.

Risk management is carried out for the purpose of identifying risks, analyzing and prioritizing risks, determining measures to be taken against risks and monitoring the results.

The risk management plan of Azerbaijan Technical University has identified risks in the following areas in accordance with the development strategy goals of Azerbaijan Technical University development strategy for 2021-2030, Azerbaijan Technical University strategic development plan 2024-2030:

- Risks related to quality education
- Risks related to research and innovation
- Risks related to university-industry collaboration
- Risks related to internationalization
- Risks related to socialization
- Risks related to a sustainable world

CLASSIFICATION OF RISKS BY DIRECTION AND RISK MITIGATION ACTIVITIES

Risk directions	Identified risk	Risk mitigation actions
Quality education	Failure to identify the training needs of academic and administrative staff can lead to inefficiency in the organization of teaching processes, reduced quality, and diminished work motivation.	Developing training programs, as well as monitoring and evaluating training outcomes using appropriate assessment tools and surveys, to identify and continuously improve the training needs of academic and administrative staff.
	Developing training programs, as well as monitoring and evaluating training outcomes using appropriate assessment tools and surveys, to identify and continuously improve the training needs of academic and administrative staff.	Developing teachers' skills in learning technologies by organizing appropriate training and seminars, while also monitoring and providing continuous support for the integration of these technologies into the teaching process.
	Failure to apply a unified teaching methodology in foreign language learning may result in poor foreign language skills among students, a decline in the quality of education, inconsistency with international standards, and reduced competitiveness in the labor market	To develop training programs based on modern and effective teaching methods for foreign language skills, provide specialized training for teachers, and implement lesson plans and assessment systems in accordance with international standards.
Research and innovation	Weak coordination between research institutes, departments, and research laboratories can lead to a decrease in the effectiveness of research work, difficulties in the practical application of scientific results, and a decline in the quality of academic work.	To strengthen integration in the fields of education and research by organizing regular cooperation events, ensuring joint planning of research work and scientific results, increasing the effectiveness of scientific work through mutual projects and expert exchanges, and facilitating practical application.
	The poor use and application of ICT and programming capabilities can lead to a decrease in the effectiveness of teaching and research, hinder the development of students' skills in line with the requirements of the modern labor market, and reduce the university's innovation and competitiveness.	To ensure the integration of modern technologies and programming skills into educational processes, develop students' competencies in these areas through modern training and certification programs, organize continuous professional development for academic staff to enhance their ICT competencies, and strengthen the university's

		competitiveness through innovative teaching methods and research initiatives.
University-Industry Collaboration	Lack of interest and trust from industrial enterprises in the university may lead to difficulties in applying scientific research in practice, weaken cooperation between the university and industry, and hinder the development of students' skills relevant to the labor market.	To promote the integration of scientific research with industrial experience by organizing regular meetings, seminars, and cooperation programs between the university and industry, facilitating joint projects and internship programs, and gathering feedback to apply it to the teaching process in order to develop students' skills relevant to the labor market.
	The limited financial resources that a university can allocate to collaborative projects with industry can slow the development of scientific research activities and hinder the implementation of innovative projects.	To apply for grant programs offering financial support from both the public and private sectors, collaborate with international research funds, and establish dedicated financial mechanisms for research and innovative projects within the university.
Internationalization	Although international projects, mobility programs, and research are implemented at the university, the weak participation of academic staff in these projects can lead to a decline in the university's international reputation, limited scientific cooperation, and insufficient development of academic staff's experience and knowledge.	Organizing support and training programs that create opportunities for participation in international projects, facilitate academic mobility, provide access to research opportunities, and stimulate engagement in these project.
Socialization	Poor organization of social activities (organizations, clubs, associations), inclusion programs, and psychological support services at the university can lead to social isolation and limit students' academic, creative, and professional development.	Expanding the activities of various organizations, clubs, and associations that encourage students to engage in social activities, strengthening psychological support services to create an inclusive and supportive environment, and implementing programs that foster students' personal, academic, and creative development.
	The lack of marketing tools to promote the university's services in attracting local and international students can negatively impact the university's visibility in both the international and local markets, leading to a decline in the student body and a reduction in the institution's competitiveness.	Using digital marketing and social media campaigns to promote the university's educational and research capabilities, strengthen international relations, and conduct local and market outreach activities.

	Weak inter-structural cooperation, communication, and coordination within AzTU can lead to inefficiencies in organizational processes, failure to transfer information accurately and promptly, delays in decision-making, and reduced overall effectiveness of the university's activities.	Using work management tools that enable real-time information sharing, holding regular collaboration meetings, and organizing training sessions that support collaboration and coordination processes.
Sustainable World	Failure to provide dormitory services for local and international students may prevent them from studying in comfortable and suitable conditions, hinder the attraction of international students to the university, and ultimately reduce the quality of the university's educational services.	To enhance financial and infrastructure resources for the university's student dormitories, implement dormitory projects by utilizing existing spaces more efficiently, and provide accommodation services for local and international students.
	Failure to communicate the work done at AzTU regarding sustainable development goals may reduce the university's social responsibility, limit local and international cooperation opportunities, and leave society unaware of activities in this field.	To this end, implement appropriate measures in the areas of accountability, social media campaigns, public relations, and organizing open discussions and events to showcase educational and research outcomes, with the aim of increasing local and international cooperation opportunities.

PROCESS OF RISK MANAGEMENT

Risk management process consists of risk identification, risk assessment, risk response preparation, risk monitoring and reporting stages. Risk management is the continuous repetition of the 4 steps we have listed.

INDENTİFİCATİON OF THE RİSKS

The process of identifying risks is to form a comprehensive risk catalog that reflects the various activities that may hinder the achievement of the university's goals and objectives. This catalog also covers undesirable situations and consequences, impending dangers, and existing threats. Risk is the probability of occurrence of events that may affect the realization of the organization's strategy and goals.

It may hinder the realization of the strategic goals and objectives of the university or reduce the quality of services, may cause disruption of management and educational activities, may harm the reputation of the university, may undermine the trust of internal and benevolent parties in the university.

When identifying risks, different forms of analysis (GZIT/SWOT, PESTLE) can be used. At the same time, expressions that can be understood by everyone and suitable for accountability are used. After the risks are assessed, they are grouped into external and internal risks and recorded in the risk identification form (Addition 1).

ASSESSMENT OF RİSKS

Identified risks should be analyzed and evaluated according to the impact of the risk on the target and the probability of occurrence.

1. The impact of the risk: It expresses the degree of importance of the risk in the implementation of the goals, objectives, sub-goals and activities defined in the direction of the vision and mission of the university (Addition 2).

2. Risk probability score: Indicates the probability of risk occurrence within a certain period of time (Addition 3).

3. Risk assessment includes the steps of measuring, prioritizing and recording risks after identifying them.

4. Impact and probability scores are measured on a scale of 1-5. 5 indicates a very high impact/probability score level, 1 indicates a very low impact/probability score level.

5. The risk assessment table is used to assign impact and probability scores to the risks, and the scores are recorded on the risk identification and scoring form..

6. Risk level means the level of risk exposure of the university. The risk level is determined as a result of multiplying the points given for the probability of occurrence and impact of the risk (Addition 4).

7. Measured risks are prioritized by placing them in a matrix according to risk scores.

8. Risks are assessed using a combination of qualitative and quantitative data.

9. Risk assessment considers the level of risk and decides whether the risk is acceptable within the university's risk scope.

10. Risks are regularly monitored every year according to the scheme of the corporate risk management sub-process.

PREPARATION OF RESPONSE TO RISKS

This is to determine the decisions to be made regarding the risks prioritized according to the risk levels. Responses to risks are divided into 4 groups: risk acceptance, control, transmission and prevention.

- Accepting the risk - deciding not to take any action against the risk
- Controlling, reducing risk - It is a method of responding to risk through control activities to keep risks at an acceptable level. It is carried out through directional, preventive, improving control methods.
- Risk Transfer - Transferring some of the activities that are not directly within the university's main task area to respond to the risk or are not considered suitable by the university in terms of cost-benefit and therefore considered high risk to another department/person/organization with competence/equipment/resources, the responsibility of the residual risk remains with the university.
- Risk Avoidance – If the risk is too great to manage or the activity is not vital, the activity that causes the risk is avoided.
  Risk response matrix (Addition 5)

MONITORING AND DOCUMENTATION OF RISKS

In order for the risk management process to be effective, it is important that the monitoring activities are carried out continuously and updated according to the changing internal and external events. The main purpose of the monitoring activity is to determine whether the internal and external risks affecting the university are still a threat, whether their probability and impact have changed, whether new risks have arisen.

Risk accountability is assessed at each risk management level, beginning with university staff, adding deficiencies, recommendations, and control processes. Reported with annual risk assessment schedule.

ADDITIONS

Risk Identification Form *(Addition 1)*

1	2	3	4	5	6
Row №	Referance number	Strategc target/sub target	Target of the structural unit	Identified risk	Cause of the risk

1. **Row number:** Indicates the serial number in the risk register.
2. **Referance number:** Indicates the reference number of the risk, it is a coding that indicates the structural unit to which the risk owner is connected, and the code is valid for the duration of the risk, it cannot be changed. That code is not assigned to another risk.
3. **Strategic target**: This is the column in the strategic plan where the code of the strategic objective/sub-objective to which the risk is associated is written.
4. **Target of the structural unit:** If the risk record is filled at the management level, this column is left blank.
5. **Identified risk:** Identified risks are written.

Risk impact rating scale *(Addition 2)*

Impact level	Impact categroy	Explanation
5	Very serious	Events or circumstances that may cause the University to fail to achieve its strategic goals and objectives, to deviate significantly from its strategic goals and objectives, or to cause a prolonged suspension of the services offered by the University.
4	Serious	Events or circumstances that could cause the University to deviate significantly from its strategic goals and objectives or to suspend the services offered by the institution for a significant period of time.
3	Medium	Events or circumstances that may cause the University to reasonably deviate from its strategic goals and objectives or to suspend the services offered by the institution for a specified period of time.
2	Weak	Events or situations that may have little impact on the achievement of the university's strategic goals and objectives.
1	Very weak	Events or situations that may have a very weak and unobservable impact on the achievement of the university's strategic goals and objectives.

Risk possibility matrix *(Addition 3)*

Possibility level	Possibilty category	Explanation
5	Very high (evident)	Events and situations in which planned activities occur to achieve strategic goals and objectives.
4	High (high possibilty)	Possible events and situations that are most likely to occur within the forecast period to achieve strategic goals and objectives
3	Medium (possbile)	Events and situations that are likely to occur during the forecast period to achieve strategic goals and objectives.
2	Low (low possibilty)	Events and situations that are unlikely to occur within the projected time frame to achieve strategic goals and objectives
1	Very low (not possible)	Events and situations that are unlikely to occur within the projected time frame to achieve strategic goals and objectives.

Risk Matrix *(Addition 4)*

Possibilty / Affect	1 Very weak	2 Weak	3 Medium	4 High	5 Very high
5 Very important	5	10	15	20	25
4 Important	4	8	12	16	20
3 Medium	3	6	9	12	15
2 Weak	2	4	6	8	10
1 Very weak	1	2	3	4	5

Unimportant risk

Acceptable risk

Medium risk

Important risk

Unacceptable risk

Risk response Matrix (*Addition 5)*

Risk Level	Explanation
Unacceptable risk (25 score)	The activity is started or stopped until the specified risk level is reduced. If the risk is related to the implementation of the activity, the measures that have not been continued should be taken and the measures that have been taken have been taken.
Important risk (15, 16, 20 score)	Actions are not initiated or stopped until the identified risk is reduced to an acceptable level. If the risk is related to the continuation of the activity, immediate measures should be taken and as a result of the measures taken, a decision should be made to continue the activity.
Medium risk (8, 9, 10, 12 score)	Control activities should be initiated to reduce identified risks. Response to control methods to reduce risk may take time.
Acceptable risk (2, 3, 4, 5, 6 score)	Additional control activities may not be necessary to address identified risks. However, the status that is received must be maintained.
Unimportant risk (1 score)	It may not be necessary to plan actions and control measures to eliminate the identified risk.