



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY

Everyone's Smart University

Assignment 1 (Spring 2021)

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Section

Master of Project
Management

Date

18 / 02 / 2021

Course Code

(PMG510)

Project Risk Management

Instructions:

Instructor's Name: Eng. Mosaab M. Hamed

حتى الآن من المفترض أن تكون أصبحت قادراً على التعرف والتمييز بين أنواع المخاطر المختلفة وكيفية التعامل معها. كما يمكنك الآن رؤية كيف يتم هذا الأمر في الشركات الكبيرة والمرموقة.

في هذا الواجب: قم باختيار واحدة من الشركات التالية:

أرامكو السعودية

البنك الأهلي التجاري

شركة الاتصالات السعودية

قم باختيار واحدة من الشركات الثلاث المذكورة أعلاه ثم ابحث عن أي ٤ مخاطر تواجهها هذه الشركة .

لكل خطر من هذه المخاطر قم بالاجابة عن الأسئلة التالية:

١. لماذا اعتبرته خطراً؟
٢. ماهو نوع هذا الخطر؟
٣. ماهي احتمالية هذا الخطر؟ وفي حالة وقوعه مامدى قوة وتأثير هذا الخطر؟
٤. ماهي السياسة أو الاستراتيجية التي تتبعها هذه الشركة للتعامل مع هذا الخطر وادارته؟

**** يمكنك الاجابة باللغة العربية أو الانجليزية على ألا تتجاوز اجابتك صفحتين من النوع A4**

**** يتم تسليم جميع الاجابات في ملف بصيغة pdf.**

**** حجم الخط ١٢.**

**** نوع الخط Arial.**

**** المسافة بين الأسطر (line spacing) 1.5**

أمنياتي بالتوفيق.

Throughout this course you have learned about the different types of risk and how businesses manage them. Now you will be able to see how it is done in a well-known company.

Your assignment is to choose one of the following companies:

Saudi Aramco

The National Commercial Bank

Saudi Telecom Company

Do some research on any of the aforementioned companies and identify four risks they are facing.

For each risk please answer the following:

1. Why is this a risk?
2. What type of risk is it?
3. What is the likelihood of the risk? How great is the impact?
4. What strategy or policy does the company use to manage the risk?

** Your answers could either be in Arabic or English.

** You should submit your assignment in a pdf formatted file.

** Font size should be 12.

** Font type is Arial.

** Line spacing is 1.5.

All the best.

Student's Paper

Purpose of Paper: Throughout the past year, various on-site inspections have identified the financial services risk that was mainly conducted to evaluate and review the overall risk management system. The purpose of this paper is to outline the risk face by one of financial bank, i.e. The National commercial bank (NCB).

Identification of Risk in National Commercial bank (NCB): Being one of the largest banks in KSA, it is facing continuous challenges and risk, includes; credit, market, liquidity, reputational, legal, speculative risk, and uncertainties while conducting the smooth operations. The paper outlines four broader risks that pertain to National commercial bank (NCB) are: Audit (control) risk, hazard risk, compliance risk, and opportunity risk.

Audit Risk/Control Risk: The risk that internal inspection team issued the incorrect opinion/unqualified opinion to the financials and operational issues.

- Source of Risk: It appeared as a risk when banks operations are misguided, financial statements are materially misstated and ignorance put forth on detecting the risk.
- Type of Risk: Audit risk can be classified into inherent risk, control risk and detection risk.
- Impact and Likelihood of Risk: The impact of audit risk is severe because it impacts the bank's reputation and create legal issues. On the risk matrix, it fall under low likelihood whereas high impact.
- Mitigation/management of Risk: Bank can manage and reduce the risk through hiring of competent accountant, continuous training, and adopt those strategies and approaches that align with audit plan.

Hazard Risk: The risk is associated with a person or system that appear due to any harm physically or experience an adverse health effect.

- Source of Risk: It appeared when an employee face physical injury, increased stress level, operational system failure, and any activity causes adverse effect on conducting smooth operation.

- Type of Risk: It mainly associated safety hazard, health (physical/emotional) hazard, system failure due to virus/electric shock, and technological failure in banking industry.
- Impact and Likelihood of Risk: The impact of hazard risk could be high magnitude and high likelihood if corrective measures not taken on time and ignorance put forward to contingency planning.
- Mitigation/management of Risk: Bank can mitigate the hazard risk when adopt contingency planning, sustainability program and work for employee well being.

Compliance Risk: Risk of noncompliance with the regulatory requirements that may cause severe penalties

- Source of Risk: The exposure to legal penalties, license cancelation, financial forfeiture, and material loss when fail to follow the industry laws and regulations.
- Type of Risk: It mainly associated legal risk, reputational risk, material loss and integrity risk.
- Impact and Likelihood of Risk: The impact of compliance risk could be high magnitude and high likelihood if strict actions not taken on time.
- Mitigation/management of Risk: Bank can mitigate the compliance risk when adopt check and balance strategy, continuous risk assessment, understand latest laws and policies, and ensure through continuous training that all employees follow the regulator guidelines.

Opportunity Risk: The possibility that better opportunity will appear after committing to an irreversible decision.

- Source of Risk: Opportunity is considered as risk because it based on events that might increase or decrease the delay on the expected achievement
- Type of Risk: It mainly associated time value of money, transaction/income loss risk, and erosion of competitive position
- Impact and Likelihood of Risk: The impact of opportunity risk could be high magnitude and low likelihood because banks prefer to take calculative risk.
- Mitigation/management of Risk: Bank can mitigate the opportunity risk when adopt effective strategies for exploiting opportunities, calculative risk, and in-depth research before taking the risk.