



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY

Everyone's Smart University

Assignment 1 (Spring 2021)

Student Name.....Deafallah Alenazi..... اسم الطالب

Students I.D2021202113 الرقم الجامعي

Section

**Master of Project
Management**

Date

18 / 02 / 2021

Course Code

(PMG510)

Project Risk Management

Answer: Chosen company is Saudi Aramco.

Answer: Four risks identified are compliance risks, hazard risks, control risks, and opportunity risks.

1. Compliance risks

1.1. Why is this a risk?

Answer:

This is a risk because there is a continual exposure to legal penalties, financial forfeiture and material loss that Saudi Aramco faces when it fails to act in accordance with industry laws and regulations, internal policies or prescribed best practices.

1.2. What type of risk is it?

Answer:

The type of risk is an integrity risk.

1.3. What is the likelihood of the risk? How great is the impact?

Answer:

The risk likelihood is high. Considering the geopolitical climate of the region remains essential as it has a direct impact on the production and profitability of Saudi Aramco. Several risks are involved while considering an investment.

1.4. What strategy or policy does the company use to manage the risk?

Answer:

The company uses strategies or policies such as Saudi Aramco Business Ethics Policy requires that all transactions are to be conducted fairly, honestly, and with integrity, according to the highest ethical standards; Code of Business Conduct; SH&E Management System; and Suppliers Safety Management System.

2. Hazard risks

2.1. Why is this a risk?

Answer:

A lot of the time when we're considering potentially dangerous situations in the workplace, we talk about them in terms of hazards and risks. A hazard is a potential source of harm. Substances, events, or circumstances can constitute hazards when their nature would allow them, even just theoretically, to cause damage to health, life, property, or any other interest of value.

2.2. What type of risk is it?

Answer:

A risk is the chance of something happening that will have a negative effect. The level of risk reflects the likelihood of the unwanted event, the potential consequences of the unwanted event.

2.3. What is the likelihood of the risk? How great is the impact?

Answer:

Risk Likelihood is the state of being probable or chance of a threat occurring. Assess the probability of each risk occurring, and assign it a rating. For example, you could use a scale of 1 to 10. Assign a score of 1 when a risk is extremely unlikely to occur, and use a score of 10 when the risk is extremely likely to occur. Estimate the impact on the project if the risk occurs.

2.4. What strategy or policy does the company use to manage the risk?

Answer:

The company uses the strategy of Contractor Safety Administrative Requirements, Suppliers Safety Management System, Risk Management, and Saudi Aramco HSE Plan.

3. Control risks

3.1. Why is this a risk?

Answer: Risk control is the set of methods by which Saudi Aramco evaluate potential losses and take action to reduce or eliminate such threats. Risk control is a key component of Saudi Aramco's enterprise risk management protocol.

3.2. What type of risk is it?

Answer: Risk control, also known as hazard control, is a part of the risk management process in which methods for neutralizing or reduction of identification risks are implemented. Controlled risks remain potential threats, but the probability of an associated incident of the consequences thereof have been significantly reduced.

3.3. What is the likelihood of the risk? How great is the impact?

Answer: Risk control is a method by which a company identifies potential losses and devises strategies to reduce or terminate the losses. It is a technique for identifying potential risks in the operation of a firm, its technical and non-technical aspects. In order to identify the potential losses, they assess the company's assets, loans, and investment which is called Risk Assessment. It's an important procedure to determine the worth of an investment and how to reduce risks.

It can also be defined as planning, arranging and controlling of activities and resources in order to minimize the impact of uncertain events. It is the protection of assets, earnings, liabilities, and people of an enterprise with maximum efficiency at a minimum cost.

3.4. What strategy or policy does the company use to manage the risk?

Answer:

There are many strategy or policy that Saudi Aramco uses. For such examples are Risk Management, Process Safety, Risk Assessment by Engineers, Risks to potential Investors, Enterprise Risk Management, Qualitative Risk Analysis, and HSE Plan.

4. Opportunity risks

4.1. Why is this a risk?

Answer:

This type of risk comes from taking one opportunity over others. By deciding to commit your resources to one opportunity, you risk: missing a better opportunity. getting unexpected result.

4.2. What type of risk is it?

Answer:

A risk is a potential occurrence (positive or negative). An opportunity is a possible action that can be taken. Opportunity requires that one take action; risk is something that action can be taken to make more or less likely to occur but is ultimately outside of your direct control.

4.3. What is the likelihood of the risk? How great is the impact?

Answer:

Higher costs of raw materials as they become increasingly scarce. Increasing difficulty securing finance or higher costs of capital for companies with high impacts and dependencies on natural capital. Reputational risks as the issues become more widely understood.

4.4. What strategy or policy does the company use to manage the risk?

Answer:

Opportunities are potential future benefits to the program's cost, schedule, and/or performance baseline, usually achieved through proactive steps that include allocation of resources. Risk and opportunity management support Better Buying Power initiatives to achieve should-cost objectives. Also, in Saudi Aramco they different strategies in controlling or mitigating this risk such as Risk and Opportunity Management Strategy, Operational Risk Management, and HSE Policy and Plan.