



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY

Everyone's Smart University

Project (Spring 2021)

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Section

Master

Date

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Course Code

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Project Risk Management

Instructions:

- اخر موعد للتسليم هو يوم السبت 2021-05-08 في تمام الساعة ٩ مساءً.
- الإجابة متاحة باللغة الإنجليزية أو اللغة العربية مع مراعاة أن تكون المصطلحات العلمية باللغة الإنجليزية.
- يتم تسليم المشروع في صيغة ملف . pdf مع الالتزام نموذج الجامعة ولن تقبل أي مستندات أخرى.
- يجب مراعاة أقسام البحث الرئيسية (مقدمة Introduction، دراسات علمية سابقة Literature Review، طريقة البحث Methodology، النتائج والمناقشة Results and Discussion، وأخيراً المراجع References . وان كان هناك ملحقات Appendices يتم إضافتها)
- يجب الالتزام بـ Theme موحد كما يلي:
- حجم الخط 12.
- نوع الخط Arial.
- لون الخط أسود.
- المسافة بين الأسطر line spacing 1.5
- عدد صفحات البحث (لا يقل عن ثلاث صفحات ولا يزيد عن ست صفحات).

Instructor's Name: Eng. Mosaab M. Hamed

Introduction

Firstly we are going to compare between Risk vs. Risk Management in below table :

Risk	Risk Management
Risk generally is the uncertainty inherently related to consequences – either positive i.e. opportunity, or negative i.e. threat – of actions and events ^[1] .	A risk management framework (system)[1] provides the infrastructure for delivering, maintaining and governing risk management throughout the organization ^[1] .

As a part of this framework, an organization should set up:

- a. **A risk management mandate**, that is the board's statement for setting the direction and priorities for risk management, and through which “who does what” is established, and the proper authorization and necessary resources are given. This is the main expression of the governance of risk, through which the organization's board engages stakeholders in locating the different responsibilities for managing risks ^[1].
- b. **A risk strategy**, that points out how risk management supports the organization's overall strategy and related objectives. It takes into consideration the external and internal context, focusing in particular on key stakeholders' demands ^[1].
- c. **A risk policy** that provides a clear and concise outline of the organization's requirements for risk management within the organization's overall approach to governance. It includes the risk appetite statement, the human resources training program for supporting the risk management process, as well as a definition of risk assessment criteria ^[1].

Literature Review

Here I am going to mention one related study about risk identification/categorization which was initially prepared by Society of Actuaries in Ireland^[2].

1- Document the risks identified

The risks identified during the risk identification are typically documented in a risk register that, includes (at this stage):

- risk description;
- how and why the risk can happen (i.e. causes and consequences);
- the existing internal controls that may reduce the likelihood or consequences of the risks.
- It is essential when identifying a risk to consider the following three elements:
 - description/event - an occurrence or a particular set of circumstances;
 - causes - the factors that may contribute to a risk occurring or increase;
 - the likelihood of a risk occurring;
 - consequences - the outcome(s) or impact(s) of an event. It is the combination of these elements that make up a risk and this level of detail will enable an Institution to better understand its risks.

2- Document your risk identification process

In addition to documenting identified risks, it is also necessary to document the risk identification process to help guide future risk identification exercises and to ensure good practices are maintained by drawing on lessons learned through previous exercises.

Documentation of this step should include:

- the approach or method used for identifying risks;
- the scope covered by the identification;
- the participants in the risk identification and the information sources consulted. Experience has shown that management often disregards well controlled risks when documenting the risk profile of the Institution. It is stressed that a well-controlled risk must still be recorded in the risk profile of the Institution. The reason for this logic is that the processes for identifying risks should ignore at that point any mitigating factors (these will be considered when the risk is being assessed)^[2].

Methodology & Tools of Research

Methodology:

The methodology used here was brain storming to come up with all expected risk list related to this stage of project, which was project charter initiating.

Tool of research:

In this search I have used Probability table to show all risks vs their probability and impact during the concern stage of the project.

No	Risk	Description
1	Over Expectation of sponsors	There could be over goals/expectation of sponsors mentioned during initial stage of project, which could create barrier to the project, and could cause sponsor unsatisfaction in case of project can't achieve it.
2	Functions Prioritization	Pushing all important tasks to be finished within the time could cause rush in the time then it could cause delay in all of them.
3	Delay from suppling chain	Due to current global situation of COVID-19, most of suppliers and logistics companies are not fulfilling the agreed period for the service. So it could delay project delivery.
4	Extra Cost	During the implantation, we could need more resources to achieve the target of the project, which could make sponsors unsatisfaction.

After getting list of risks, now we are going to use risk matrix (determine the probability and impact of each risk), to be reflected further in risk register. (low = 0 to 0.29, medium = 0.3 to 0.69, high = 0.7 to 1) as shown in below table.

Probability	0.7 to 1	High	High	Medium
	0.3 to 0.69	High	Medium	Low
	0 to 0.29	Medium	Low	Low
		0.7 to 1	0.3 to 0.69	0 to 0.29
		Impact		

No	List of Risk	Probability	impact	Severity	Response plan	Mitigate Action
1	Over Expectation of sponsors	0.3	0.5	Medium	Not to accept over expectation which is out of realistic.	Show realistic information to convince them remain within acceptable expected goals.
2	Functions Prioritization	0.2	0.7	Medium	Stick to the plan/sequence of functions as agreed with stakeholders	Make extra margin time in plan for each high priority before reaching to the next one.
3	Delay from supplying chain	0.3	0.7	High	Purchase material resources from local market	Use current equipment/infrastructure temporary
4	Extra Cost	0.2	0.7	Medium	Stick to the cost plan which planned early	Add 20% extra cost margin.

Result and Discussion

Now in this part we are going to calculate the EMV (Expected monetary value) cost for all our risk list been discussed early as per below table:

No	Risk	Probability	Impact cost	Risk contingency
1	Over Expectation of sponsors	0.3	10,000 SAR	3,000 SAR
2	Functions Prioritization	0.2	3,500 SAR	700 SAR
3	Delay from supplying chain	0.3	3,500 SAR	1,050 SAR
4	Extra Cost	0.2	20,000 SAR	4,000 SAR
Total			37,000 SAR	8,750 SAR

References

- 1- statswiki.unece.org - Created by Tetyana Kolomiyets, last modified on 10 Jan, 2017.
- 2- web.actuaries.ie - Society of Actuaries in Ireland.