



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

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Course Code

(PMG510)

Project Risk Management

Instructions:

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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 4 مخاطر تواجهها هذه الشركة .

لكل خطر من هذه المخاطر قم بالاجابة عن الأسئلة التالية:

1. لماذا اعتبرته خطراً؟
2. ماهو نوع هذا الخطر؟
3. ماهي احتمالية هذا الخطر؟ وفي حالة وقوعه مامدى قوة وتأثير هذا الخطر؟
4. 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 12.

** 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.

Risk Related to Failure to follow Work Permit Procedure.

1. Why is this a risk?

Permit to work systems refers to management systems used to ensure work is done efficiently and, most importantly, safely. These systems are predominant in hazardous industries because of the kind of operations and risks entailed. Permit to work systems consists of all processes and procedures to request, review, authorize, document, and clarify tasks to be undertaken by frontline workers.

2. What type of risk is it?

Compliance Risks.

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

Low Likelihood, High Magnitude.

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

Review the permit to work system to ensure it is working effectively and follow the permit procedure and ensure its use for the designated person. Certain work activities should be covered by a Work Permit system that covers items such as cold, hot, confined space entry, excavation, electrical isolation, working over water, and working at height permits. It is essential that all employees and contractors are trained on the correct operation of this system.

Risks related to operational risks and hazards.

1. Why is this a risk?

Saudi Aramco is subject to operational risks common in the oil and gas industry, including, crude oil or gas spills, pipeline leaks and ruptures, storage tank leaks, and accidents involving explosions, fires, blowouts and surface cratering, power shortages or failures, mechanical or equipment failures, transportation interruptions and accidents

2. What type of risk is it?

Hazard Risk.

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

High Likelihood, High Impact.

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

More recently the cyber-attacks on Saudi Aramco and Ras Gas were a huge shock for many oil and gas organizations in the Middle East region. The world's largest oil-producing company, Saudi Aramco, was the victim of a significant cyber-attack.

The oil giant announced that 30,000 of its workstations had been infected by a virus. A group of hackers calling themselves the Cutting Sword of Justice claimed responsibility for the attack on Saudi Aramco. They allegedly infected the organization's systems by replicating malicious software (malware) for political reasons. Some IT analysts credit a virus called Shamoon for both attacks. Both Saudi Aramco and Ras Gas managed to limit the damage, as the attacks did not affect extraction or processing, but such a bold attack had important repercussions on the IT strategies of oil and gas organizations operating in the Middle East, demanding new projects on risk assessments, new IT security policies, and the adoption of additional security solutions.

Risks related to terrorism, armed conflict, and sabotage

1. Why is this a risk?

Terrorism, armed conflict, and sabotage may materially and adversely affect Saudi Aramco and the market price of the shares

2. What type of risk is it?

Hazard Risk.

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

Low Likelihood, High Impact.

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

Saudi Aramco's facilities have been targeted by terrorists and other attacks. In September 2019, the Abqaiq facility and the Khurais processing facility were subject to attack by unmanned aerial vehicles and missiles. Abqaiq is Saudi Aramco's largest oil processing facility. The Khurais field is one of Saudi Aramco's principal oil fields. These attacks resulted in the temporary suspension of processing at Abqaiq and Khurais. As a result, overall crude oil production and associated gas production was reduced and Saudi Aramco took a number of actions to minimize the impact of lower Arabian Light and Arabian Extra Light production by tapping into Saudi Aramco's inventories located outside the Kingdom and swapping grades of deliveries to Arabian Medium and Arabian Heavy.

Price Risk.

1. Why is this a risk?

Saudi Aramco earnings are heavily affected by fuel price fluctuations. The use of hedging tactics independently by each of their business units (e.g. crude oil production, oil refining, and natural gas) is widespread to diminish their exposure to price volatility.

2. What type of risk is it?

Opportunity Risk

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

High Likelihood & High Magnitude

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

The Company's strategy aims to reinforce its competitive positions across its upstream and downstream operations. Maintain its position as the world's leading crude oil producer by production volume and the lowest cost producer, while providing reliable, low carbon intensity crude oil supply to customers. The Company intends to maintain its position as the world's leading crude oil producer by production volume. Its reserves, operational capabilities, and spare capacity allow it to increase production in response to demand. The company maintains its desired level of crude oil production by balancing production between maturing areas and newer production sources, tapping into new reservoirs when required to optimize the depletion rate of its fields. It also maintains its low-cost position due to the unique nature of the Kingdom's geological formations, favorable onshore and shallow water offshore environments in which the Company's reservoirs are located, synergies available from the Company's use of its large infrastructure and logistics networks, its low depletion rate operational model and its scaled application of technology. For the year ended 31 December 2018G, The company's average upstream lifting costs and upstream capital expenditures were SAR 10.6 (\$2.8) per barrel of oil equivalent produced and SAR 17.7 (\$4.7) per barrel of oil equivalent produced, respectively, which was lower than that of each of the Five Major IOCs based on a comparison with lifting cost and upstream capital expenditure data provided by the Industry Consultant.