



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY

Everyone's Smart University

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Section

**Master of Project
Management**

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Course Code

(PMG510)

Project Risk Management

Instructor's Name:

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Saudi Aramco

First risk is: Operational risks: pipeline leaks and ruptures.

1. This item is listed as risk because it could result damages to Saudi Aramco's properties, facilities, and harm to the environment.
2. Since it is an operational risk, it would be considered as hazard (or pure) risk.
3. The Company is subject to this type of common risks in its industry (Energy), therefore, this risk is probable and highly likely to happen with critical impact on different dimensions, such as, financial, safety, etc.
4. Saudi Aramco established site inspection programs that to detect and correct unsafe acts and conditions. Observations and inspections shall be frequently (e.g., weekly) to manage, control, and minimize damages that caused by this risk.

Second risk is: Covid-19.

1. It is a risk because Covid-19 did a great deal of interrupting business, disrupted the economy, and delay meeting contracts due dates and deadlines especially with customers and partners.
2. Pandemics are considered as a crisis or a disaster; hence, Covid-19 pandemic will be categorized as control (or uncertainty) risk.
3. It was highly likely since it is a global risk with major impact particularly at the beginning of the risk where the uncertainty and lack of knowledge and experience were on their highest level and unbalanced. Going through the pandemic, the likelihood of the risk has decreased which would change the impact, as well.
4. Saudi Aramco respond to the risk from different element; their people, their community, and their operation. It was challenging, but they followed the safety precautions and committed to the production, supply of energy, and delivery, although, they faced some market impact.

Third risk is: Comparability of financial periods presented.

1. It might not be easy to compare Saudi Aramco's historical results of operations from year to year and not complying to the regulatory of the financial results announcement and publication would set the company in risk of financial and other penalty.
2. It is a compliance (or mandatory) risk.
3. The probability of this risk's likelihood is moderate with limited impact since it is only subject to minor errors giving the fact that Saudi Aramco is following the financial regulations.
4. Saudi Aramco prepare and present their financial results in accordance with International Accounting Standards that is endorsed in Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants.

Forth risk is: Acquisitions of businesses, technologies, services, products, and other assets.

1. This is a risk since this kind of opportunities are very much exposed to failure due to different factors, such as, lack of experience, ability to assess the right value, realization of the investment target, etc. which would affect the financial position and result operations.
2. Since it is an investment focus, it would be considered as an opportunity (or speculative) risk.
3. It is a likely risk with a medium impact depends on the size of the investment and the failure if it is occurred.
4. Saudi Aramco is very selective when it comes to acquisition of business and eager to play safe with back up plans as they are doing with SABIC working with Public Investment Fund.