

**APPROVED**  
**by decision of the Board of Directors**  
**NPJSC «Abylkas Saginov Karaganda**  
**technical university»**  
**(minutes No. 2 of March 20, 2025)**

**PROCEDURES**  
**INTERACTIONS IN THE RISK MANAGEMENT AND INTERNAL**  
**CONTROL SYSTEM**

**Karaganda**

## 1 Area of application

These procedures on interaction in the risk management and internal control system (hereinafter referred to as the procedures) establish the procedure for interaction of the components of the risk management and internal control system in NPJSC «Abylkas Saginov Karaganda Technical University» (hereinafter referred to as the company) in order to ensure its comprehensiveness, coverage of all levels and processes.

This procedures is mandatory for all employees of the company who are risk owners, as well as participants in the risk management system, with the exception of the board of directors and its committees.

## 2 Normative references

These procedures contain references to the following regulatory documents:

- Order of the minister of science and higher education No. 398 of August 8, 2024 «On certain issues of corporate governance of higher and postgraduate education organizations»
- Risk management and internal control policy of NPJSC «Abylkas Saginov Karaganda Technical University».
- Policy for identifying and resolving conflicts of interest of NPJSC «Abylkas Saginov Karaganda Technical University».
- Standard for the elimination of conflicts of interest of the NPJSC «Abylkas Saginov Karaganda Technical University».
- Instructions for ensuring the safety of information constituting commercial and other secrets protected by law of the NPJSC «Abylkas Saginov Karaganda Technical University».

## 3 TERMS AND DEFINITIONS

The following terms, definitions and abbreviations are used in these methodological instructions:

**Risk** - the likelihood of events occurring that may impact the achievement of the Company's strategic goals.

**Risk factor** -a reason that contributes to the realization of a risk.

**Significant risk** -a risk that has a significant (critical) impact on the company's achievement of its long-term and short-term goals.

**Risk culture**- an indicator of the internal environment in which the management and employees of the company make decisions and carry out their operational and other activities, taking into account the choice of the optimal balance of risks and opportunities.

**Risk owner**- an employee or structural subdivision, or collegial body of the Company responsible for aspects of managing a particular risk.

**Risk identification**- the process of detecting, recognizing and describing risks, as well as recognizing risk sources, events, their causes and possible consequences.

**Control (control procedure)** - an element of internal control, a documented set of actions, configuration of systems or organization of processes that reduce the

likelihood of risk realization or mitigate its consequences, the control procedure is an integral part of business processes.

**Redistribution of risk** - reducing the probability and/or impact of risk by transferring or otherwise distributing part of the risk to a third party. Common methods of risk redistribution include purchasing insurance policies, carrying out hedging operations, and transferring the relevant type of activity to a third party.

**Preventive measures** - current actions of risk owners/event owners that are carried out before the risk is realized, in order to promptly influence the causes of the risk realization.

**Reactive measures** - planned actions of risk owners/event owners that will be carried out after the risk has been realized, in order to promptly respond and reduce the negative consequences as a result of the risk being realized.

**Risk management**- culture, competencies, methods and approaches integrated into all processes of the company, on which the company relies when carrying out its activities.

**Reduction (minimization) of risk**- actions to reduce the probability and/or impact of risk that require making a large number of operational decisions regarding the organization of activities.

**Risk management and internal control system (RMICS)** - a set of organizational measures, methods and procedures combined into a single continuous process, within the framework of which the board of directors, the management board, management and employees, each at their own level, participate in identifying potential events that may affect the company's activities, in maintaining the degree of their impact within acceptable limits to ensure confidence in achieving strategic and operational goals.

**Participants of the (RMICS)** – board of directors, audit committee of the board of directors, internal audit service, management board, structural unit responsible for risk management and internal control, risk owners and stakeholders.

**Internal control** - a process carried out by all employees and management of the company at all levels of management.

#### **4 Description of the risk management process**

4.1 The board interacts within the framework of the RMICS with:

4.1.1 By the board of directors on issues of ensuring the development and implementation of internal regulatory documents approved by the board of directors, and the provision of information on the results of the company's risk management;

4.1.2 Risk owners on issues:

- distribution of powers, duties and responsibilities for specific risk management and internal control procedures;

- review of owners' reports risks for risk management.

4.2 The sustainable development centre (hereinafter referred to as the SDC) interacts within the framework of the RMICS with:

4.2.1 By the internal audit service (hereinafter referred to as the IAS) on the following issues:

- providing consultations on the organization and improvement of internal control, risk management, corporate governance and the organization of internal audit;
- formation of a risk portfolio and consolidated risk reporting;

4.2.2 Member of the management board – vice-rector for strategic development and digitalization on issues:

- overall coordination of risk management and internal control processes;
- development of methodological documents in the field of risk management and internal control and provision of methodological support to process owners and employees in the process of identifying, documenting risks, implementing, monitoring and improving control procedures, forming action plans for responding to risks and action plans for improving the RMICS, and reports on their implementation;
- organizing training for employees in the field of risk management and internal control;
- preparation and information on the status of the RMCS, existing threats and proposals for their prevention/mitigation;

4.2.3 Risk owners on issues:

- overall coordination of risk management and internal control processes;
- organizing training for employees in the field of risk management and internal control;
- analysis of the risk portfolio and development of proposals for a response strategy and redistribution of resources in relation to the management of relevant risks;
- implementation of operational control over the risk management process by structural divisions.

4.3 Risk owners interact with the sustainable development center on the following issues:

- identification, documentation and assessment of risks;
- development of action plans for risk response and minimization with a clear indication of the main stages of their implementation and responsible persons based on an assessment of the effectiveness of current risk minimization measures or, in the absence of current measures;
- development of the register and map of risks and control of the structural unit, including proposals for control procedures;
- implementation of control over external/internal factors that could potentially lead to a change in previous risk assessment results;
- selection of methods for responding to risks;
- providing reports on identified and realized risks, including the necessary supporting information;
- participation in working groups and committees on risk management issues.

4.4 The structural diagram of interaction within the framework of the RMCS is presented in Appendix 1.

## **5. Procedure for the exchange of information and reporting within the framework of the RMS and the IC**

5.1 The sustainable development center ensures adequate flow of information vertically and horizontally.

5.2. The objectives of the process of regular exchange of information on the Company's risks are to:

- to assign personal responsibility for managing certain significant risks to risk owners;
- promptly communicate to the board of directors of the company information on all risks that must be managed at the appropriate level of the company;
- promptly communicate to those implementing risk management activities information about their personal responsibility for the implementation of relevant activities (including expected results, deadlines, resources, etc.);
- ensure effective exchange of information in the course of managing the company's cross-functional risks.

5.3 The exchange of information within the framework of the RMICS is carried out between the structural divisions of the company and includes:

- timely informing of risk owners about the implementation of measures to support the RMICS, including training, changes to regulatory documents, deadlines and forms for reporting on risks, as well as other information within the framework of risk management;
- provision by risk owners to the CSD of quarterly reports on identified risks and the implementation of preventive and reactive measures;
- provision of risk management reports by risk owners to the CSD upon request based on analytical data from the risk management information system;
- provision by the sustainable development center to the internal audit service of quarterly reports on the status of the RMICS, reports on the implementation of recommendations and information on other requests in the area of risk management;
- transfer of recommendations from the IAS to improve the efficiency of the IAS and the IAS to the sustainable development center;
- dissemination of risk management information to external stakeholders through reporting at various levels, posting information on the company's website, and through other information channels.

5.4 Reporting on the current status of risk owners is developed in accordance with the methodological instructions for risk management of the university's structural unit dated August 26, 2024 and is submitted quarterly to the risk management center by the 20th day of the reporting month and includes:

- updating data in the risk management information system in the event of a risk event and the effectiveness of the measures taken;
- report on identified risks and implementation of preventive and reactive measures (Appendix 2).

5.5 Annual reporting by risk owners (self-report) is submitted to the CSD at the end of the current calendar period and includes:

- updating the risks of the structural unit based on the results of the year, taking into account newly identified macroenvironmental factors (Appendix 3);

- a brief summary of the results of risk monitoring, including a description of the sources of incident identification and an assessment of the effectiveness of reactive and preventive measures;

- updated risk register of the structural unit that is the owner of the risks, developed in accordance with the methodological instructions for risk management of the university's structural unit dated August 26, 2024.

5.6 The reporting structure on the current state of the sustainable development center is formed quarterly by the 25th day of the reporting month and includes an analytical report on the current state of the university's sustainable development center, including:

- information on newly identified risks to the effectiveness of measures taken;
- information on the implementation of planned measures to improve the efficiency of the RICS (Appendix 4).

5.6 The annual report of the sustainable development center shall be submitted within one month after the start of the new calendar period and shall include:

- analysis of changes in macroenvironmental factors to identify or eliminate potential risks;
- analysis of changes to the stakeholder map;
- results of reassessment of key risks based on monitoring results;
- updated risk portfolio: risk register, risk map, risk appetite, risk response action plan (Appendix 5).

## **6. Gradequality of the internal control and risk management system**

6.1 The internal audit service conducts a quarterly assessment of the effectiveness of the internal control system and the risk management system.

6.2 Evaluation of the effectiveness of the risk management system includes:

- verification of the sufficiency and maturity of the elements of the risk management system for effective risk management (goals and objectives, infrastructure, organization of processes, regulatory and methodological support, interaction of structural divisions within the risk management system, reporting);

- verification of the effectiveness of control procedures and other risk management measures, including the effectiveness of the use of resources allocated for these purposes;

- conducting an analysis of information on realized risks (violations identified as a result of internal audits, facts of failure to achieve set goals, facts of legal proceedings).

6.3 To perform the tasks listed in paragraph 5.2, the internal audit service interacts with:

6.3.1 By the board of directors and the Audit committee on issues of:

- review and approval of reports on the effectiveness of the RMICS);

- providing consultations on the organization and improvement of internal control, risk management, corporate governance and the organization of internal audit;

6.3.2 By the board on issues:

- ensuring the development and implementation of internal regulatory documents in the field of risk management approved by the board of directors;

- submission of information on the results of the company's risk management for consideration by the board of directors.

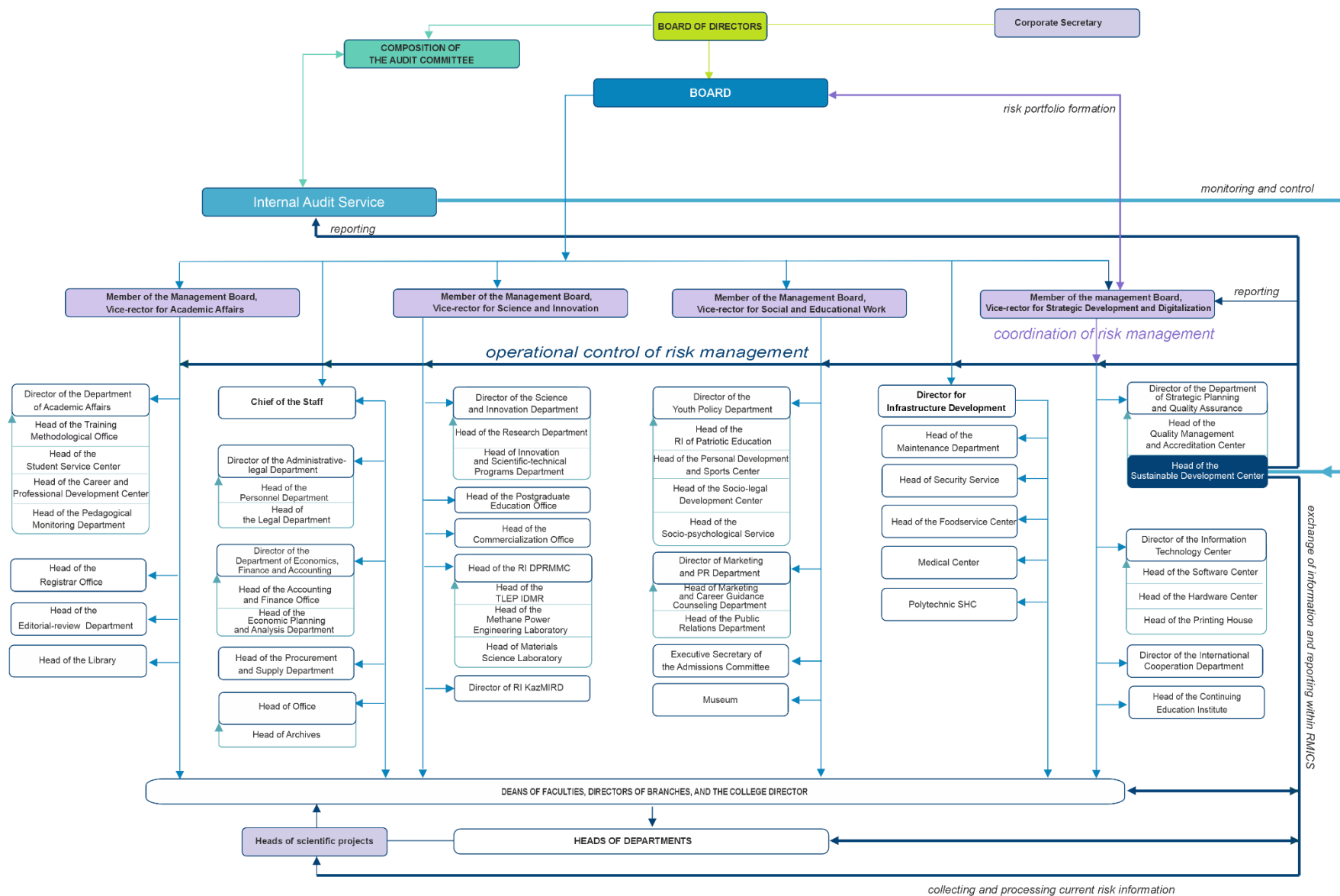
6.3.3 The center for sustainable development on issues of:

- providing consultations on the organization and improvement of internal control, risk management, corporate governance and the organization of internal audit;

- formation of a risk portfolio and consolidated risk reporting.

## Appendix 1

### Structural diagram of interaction within the framework of the RICS





Report \_\_\_\_\_  
 (name of the structural unit)  
 according to the current state of risk owners  
 in the period from \_\_\_\_ to \_\_\_\_\_ 202\_\_\_\_.

### 1. Risk map

Risk name	The degree of risk impact on the university's activities on a scale from 1 to 5	Possible consequences in case of failure to take and/or timely response measures	The level of negative consequences of the risk occurrence for the university	Probability of occurrence
			Please enter the number: 1 - slight, 2 - low, 3 - average, 4 - fairly high, 5 - very high	
<b>1. Type of risk: strategic</b>				
Risk 1.1				
Risk 1.1				
Risk 1.3				
<b>2. Type of risk: financial</b>				
Risk 2.1:				
Risk 2.2:				
Risk 2.3:				
<b>3. Type of risk: legal</b>				
Risk 3.1:				
Risk 3.2:				
<b>4. Type of risk: academic</b>				
Risk 4.1:				
Risk 4.2				
<b>5. Type of risk: operational</b>				
Risk 5.1:				
Risk 5.2				

### 2. List of realized risks<sup>1</sup>

Risk name	Risk event (incident)	Description of damage
<b>1. Type of risk: strategic</b>		
Risk 1.1		
Risk 1.1		
Risk...		
<b>2. Type of risk: financial</b>		
Risk 2.1:		
Risk 2.2:		
Risk...		
<b>3. Type of risk: legal</b>		
Risk 3.1:		
Risk...		
<b>4. Type of risk: academic</b>		
Risk 4.1:		
Risk...		
<b>5. Type of risk: operational</b>		
Risk 5.1:		
Risk...		

<sup>1</sup>If there are no realized risks, do not fill in

### 3. Implementation of preventive measures for identified risks

Risk name	Preventive measures	Completion date	Responsible employee	Result of execution
<b>1. Type of risk: strategic</b>				
Risk 1.1:				
Risk 1.2				
Risk...				
<b>2. Type of risk: financial</b>				
Risk 2.1:				
Risk 2.2:				
Risk...				
<b>3. Type of risk: legal</b>				
Risk 3.1:				
Risk 3.2				
<b>4. Type of risk: academic</b>				
Risk 4.1:				
Risk 4.2				
Risk...				
<b>5. Type of risk: operational</b>				
Risk 5.1:				
Risk 5.2				

### 4. Implementation of reactive measures for identified risks in accordance with realized risks

Name realized risk	Reactive measures	Completion date	Responsible employee	Result of execution
<b>1. Type of risk: strategic</b>				
Risk 1.1:				
Risk 1.2				
Risk...				
<b>2. Type of risk: financial</b>				
Risk 2.1:				
Risk 2.2:				
Risk...				
<b>3. Type of risk: legal</b>				
Risk 3.1:				
Risk 3.2				
<b>4. Type of risk: academic</b>				
Risk 4.1:				
Risk 4.2				
Risk...				
<b>5. Type of risk: operational</b>				
Risk 5.1:				
Risk 5.2				

Annual report \_\_\_\_\_  
 (name of the structural unit)  
 according to the state of risk owners  
 (self-report)

1. Updated risks of the structural unit at the end of the year, taking into account newly identified macroenvironment factors

Group of macroenvironmental factors	Risk factor	Type of risk	Risk description	Consequences of risk realization
Political and legal factors of the macroenvironment				
Economic factors of the macroenvironment				
Socio-demographic factors of the macroenvironment				
Scientific and technical factors of the macroenvironment				

2. Brief summary of risk monitoring results

Name of realized risks	Risk event (incident)	Source of incident identification	Description damage	Reactive measures	Evaluation of the effectiveness of reactive measures (from 1 to 5)
<b>1. Type of risk: strategic</b>					
Risk 1.1					
Risk 1.1					
Risk...					
<b>2. Type of risk: financial</b>					
Risk 2.1:					
Risk 2.2:					
Risk...					
<b>3. Type of risk: legal</b>					
Risk 3.1:					
Risk....					
<b>4. Type of risk: academic</b>					
Risk 4.1:					
Risk....					
<b>5. Type of risk: operational</b>					
Risk 5.1:					
Risk.....					

Risk name	Preventive measures	Result of execution	Evaluation of the effectiveness of preventive measures (from 1 to 5)
<b>1. Type of risk: strategic</b>			
Risk 1.1:			
Risk 1.2:			
Risk...			
<b>2. Type of risk: financial</b>			
Risk 2.1:			
Risk 2.2:			
Risk...			
<b>3. Type of risk: legal</b>			
Risk 3.1:			
Risk 3.2:			
<b>4. Type of risk: academic</b>			
Risk 4.1:			
Risk 4.2:			
Risk...			
<b>5. Type of risk: operational</b>			
Risk 5.1:			
Risk 5.2:			

### 3. Updated Risk Register of the structural unit<sup>2</sup>

<sup>2</sup>in accordance with the Methodological Instructions for Risk Management of the University's Structural Unit dated August 26, 2024.

Report  
on the current status of the center for sustainable development  
in terms of risk management

1. Identified risks for the reporting period and assessment of the effectiveness of measures taken

<b>Group of macroenvironmental factors</b>	<b>Risk factor</b>	<b>Type of risk</b>	<b>Risk description</b>	<b>Consequences of risk realization</b>
Political and legal factors of the macroenvironment				
Economic factors of the macroenvironment				
Socio-demographic factors of the macroenvironment				
Scientific and technical factors of the macroenvironment				

2. Information on realized risks

<b>Name of realized risks</b>	<b>Risk event (incident)</b>	<b>Source of incident identification</b>	<b>Description damage</b>	<b>Reactive measures</b>
<b>1. Type of risk: strategic</b>				
Risk 1.1				
Risk 1.1				
Risk...				
<b>2. Type of risk: financial</b>				
Risk 2.1:				
Risk 2.2:				
Risk...				
<b>3. Type of risk: legal</b>				
Risk 3.1:				
Risk...				
<b>4. Type of risk: academic</b>				
Risk 4.1:				
Risk...				
<b>5. Type of risk: operational</b>				
Risk 5.1:				
Risk....				

3. Information on the implementation of planned measures to improve the efficiency of the RMICS

<b>No.</b>	<b>Event name</b>	<b>Completion dates</b>	<b>Responsible</b>	<b>Result</b>

Annual report  
on the current status of the center for sustainable development  
in terms of risk management

## 1. Analysis of changes in macroenvironment factors

### 1.1 Newly identified macroenvironmental factors

Group of macroenvironmental factors	Risk factor	Type of risk	Risk description
Political and legal factors of the macroenvironment			
Economic factors of the macroenvironment			
Socio-demographic factors of the macroenvironment			
Scientific and technical factors of the macroenvironment			

### 1.2 PEST analysis the influence of macroenvironmental factors on the emergence of risks

Macroenvironmental factors	Influence of factors. Expert assessment					Average	Changing factors. Expert assessment					Average	Weighted average
	E1	E2	E3	E4	En		E1	E2	E3	E4	En		
Political and legal													
Economic													
Socio-demographic													
Scientific and technical													

## 2. Analysis of changes to the stakeholder map

### 2.1 Changes made to the stakeholder map with reasons for the change

#### 2.2. Stakeholder map

Stakeholders	Contribution, influence	Expectations, interest	Level of interaction	Methods of interaction
<b>Direct stakeholders</b>				
<b>Indirect stakeholders</b>				

### 3. Results of reassessment of key risks based on monitoring results

#### 3.1. Documenting risks

Risk identification			Risk assessment			Minimizing risks <sup>3</sup>	
Risk Description	Factor (reason) risk	Consequences of risk realization	Damage from risk	Probability of risk	Risk assessment	Risk reduction event	Responsibility and deadlines

#### 3.2 List of key risks

#### 4. Updated Risk Portfolio:

- Risk register;
- Risk map;
- Risk appetite;
- Risk response action plan.

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<sup>3</sup>Risk reduction measures are presented in the form of tables, including preventive and reactive measures separately.