

NPJSC “Abylkas Saginov Karaganda Technical University”

APPROVED
by the decision of the Board
of Directors NPJSC
“Abylkas Saginov
Karaganda Technical
University”
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REPORT
On the current state of the risk management process
at NPJSC "Abylkas Saginov Karaganda Technical University"
for the first quarter of 2025

Karaganda, 2025

REPORT
ON THE CURRENT STATE OF THE RISK MANAGEMENT PROCESS
AT NPJSC “ABYLKAS SAGINOV KARAGANDA TECHNICAL UNIVERSITY”
FOR THE FIRST QUARTER OF 2025

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Conclusion	Ошибка! Закладка не определена.

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1. General Information on the Implementation of the Risk Management Action Plan

As part of integrating risk management into the corporate governance system, the following work was carried out in the first quarter of 2025:

1. The structure and draft Risk Portfolio of NPJSC "Abylkas Saginov Karaganda Technical University" were developed.

The portfolio includes procedures for forming the Risk Register, including activities for risk identification and documentation, as well as the structure of the Register and the list of risk owners. Within the Risk Portfolio framework, a Stakeholder Map was also created, indicating areas of direct and indirect stakeholder influence. In January 2025, as a result of unification and integration of identified risks, a list of university-wide risks was formed, comprising 31 risks integrated with the KPIs of Board Members. In March 2025, following changes to the KPIs, the final list of risks was adjusted.

Within the Risk Portfolio, a Risk Map was designed, which is a graphical representation of risks depending on their potential impact and likelihood of occurrence, arranged in a rectangular table where the vertical axis represents the risk impact magnitude and the horizontal axis shows the probability of its occurrence. Risk ranking is performed using the Probability and Impact Matrix.

At the initial stage of constructing the matrix, input data were defined, and scales for consequences and probabilities were identified. The proposed scale covers the range of types of assessed consequences and considers the possibility of their occurrence and impact—from the most severe to the least likely. The Risk Map highlights the key identified risks of the Organization.

Moreover, the draft Risk Portfolio includes a Risk Appetite Statement and establishes risk tolerance levels.

The Organization defines the risk appetite for each of the established strategic objectives. The risk appetite sets the upper threshold of critical risk levels at a consolidated level that the Organization is willing to accept. It also influences resource allocation, process organization, and the creation of infrastructure within the University necessary for effective risk monitoring and response. The Risk Appetite Statement includes a Risk Appetite Matrix — a declaration of risk tolerance for each risk category.

The draft Risk Portfolio was reviewed by the Audit Committee of the Board of Directors and sent back for revision to harmonize it with the KPIs of Board Members.

2. 2. A draft action plan for managing the Organization’s key risks has been developed.

The plan is a list of activities aimed at minimizing the Organization’s key risks, specifying concrete measures, implementation timelines, and responsible structural units.

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The draft Action Plan for managing key risks was reviewed by the Audit Committee of the Board of Directors and sent back for revision to harmonize it with the KPIs of Board Members.

3. The Board of Directors approved the Report on the current state of the risk management process at NPJSC “Abylkas Saginov Karaganda Technical University” for 2024.

4. The Board of Directors approved the Regulation on Interaction within the Risk Management and Internal Control System, which establishes the procedure for cooperation among the components of the Risk Management and Internal Control System at NPJSC “Abylkas Saginov Karaganda Technical University” to ensure its comprehensiveness, covering all levels and processes.

The Regulation includes a description of the risk management process, specifying the directions of interaction among participants in the Risk Management and Internal Control System, and establishes the procedures for information exchange and reporting within the system, as well as the evaluation of the quality of the internal control and risk management system.

5. In March 2025, work was carried out to develop consolidated reporting within the Automated Risk Management System (ARMS). A technical specification was developed for adding the risk attributes “ESG” and “Key Risks” to the risk register. The process of preparing self-assessments by risk owners within ARMS was initiated. Activities to evaluate the effectiveness of preventive measures are scheduled for July 2025.

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2. Current Situation Analysis: Report on the Current Status of the Center for Sustainable Development in Terms of Risk Management

2.1. Identified Risks for the Reporting Period and Evaluation of the Effectiveness of Measures Taken

Risk Name	Macroeconomic Factor Group	Risk Factor	Type of Risk	Risk Description	Consequences of Risk Realization
Social and Demographic Factors of the Macroeconomic Environment					
Risk of Decrease in the Number of Recognized Professional Teaching Staff	Social status of teachers, salary levels, HIPO staff support programs	Low motivation to participate in industry competitions, research, and acceleration programs	Strategic	Failure to achieve the established quarterly target for the number of awarded faculty and staff, including in the following categories: best university employee, Ministry of Science and Higher Education (MSHE) awards, recipients of professional awards from industry and business, academic titles and degrees, and holders of registered scientific and technical achievements with commercial sales (RSTA)	Underperformance of KPIs by the Chairman of the Board – Rector and Board Member – Vice-Rector for Academic Affairs in Q1 2025 by 20% (80% achieved — 8 out of 10 planned awards received).
Economic Factors of the Macroeconomic Environment					
Risk of Decreased Labor Productivity of Employees	Social status of teachers, salary levels, HIPO staff support programs	Decrease in university revenue	Financial	Failure to achieve the required university revenue level in Q1 2025	Underperformance of the KPI by the Chairman of the Board – Rector in Q1 2025 by 10.8% (89.2% achieved), overall failure to meet the established labor productivity target of the Organization.

2.2. Information on Realized Key Risks

Name of Realized Risks	Risk Event (Incident)	Source of Incident Identification	Description of Damage	Reactive Measures
1. Risk Type: Strategic				
Risk of Decrease in the Number of Recognized Professional Teaching Staff	Insufficient number of awards, academic degrees, and titles received	KPI Performance Report of Board Members for Q1 2025	Underperformance of KPIs by the Chairman of the Board – Rector and Board Member – Vice-Rector for Academic Affairs in Q1 2025 by 20% (80% achieved — 8 out of 10 planned awards received)	1) Monitoring the achievements of the university's faculty: <ol style="list-style-type: none"> Enhanced control over the provision of information on received awards, certificates, and other faculty achievements Monitoring the validity periods of faculty awards <ul style="list-style-type: none"> Identification of faculty members who have not received any awards in the last 5 years. Working on achievements to submit applications for awards and commendations. Consulting and support for faculty participation in industry competitions and support programs 2) Strengthening control over meeting deadlines for the defense of doctoral candidates who are university employees: <ol style="list-style-type: none"> Enhanced monitoring of the individual plan <ul style="list-style-type: none"> Regular monitoring of doctoral candidates' progress. Maintaining interim reports (every six months). Control over timely fulfillment of doctoral candidates' publication plans <ul style="list-style-type: none"> Monitoring deadlines for preparation and submission of articles. Providing methodological and editorial support in academic writing Consulting and support <ul style="list-style-type: none"> Regular meetings with doctoral candidates to discuss issues and progress. Analysis of typical errors and problematic situations during the defense preparation.
2. Risk Type: Financial				
Risk of Decreased Labor Productivity of Employees	Failure to achieve the required university revenue level in Q1 2025	KPI Performance Report of Board Members for Q1 2025	Underperformance of KPI by the Chairman of the Board – Rector in Q1 2025 by 10.8% (89.2% achieved), overall failure to	1) Improvement of the motivation and KPI accounting program <ul style="list-style-type: none"> Strengthening differentiated motivation packages, including incentives for HIPO employees. <ul style="list-style-type: none"> Organization of management courses in education 2) Implementation of measures to increase income from educational, scientific, and socio-educational activities:

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			meet the established labor productivity target of the Organization	<ul style="list-style-type: none"> • Expansion of additional education programs and involvement of CU Enterprises in course participation • Conducting a series of meetings with experts from the National Technology Commercialization Center to seek investments for the commercialization of the university’s registered scientific and technical achievements (RSTA) • Updating and dissemination of the list of paid services of the university’s social and sports infrastructure, including Corporate Educational Programs (CEP) and Sports and Recreation Camp (SRC).
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2.3. Information on Risks Realized by Structural Units

Risk Name	Risk Event (Incident)	Description of Damage	Incident Date	Structural Unit	Risk Type	Incident Registration Quarter
Risk of non-compliance with requirements for annual updating of the educational literature fund by academic disciplines of educational programs	Detection of non-compliance with requirements for annual updating of the educational literature fund by academic disciplines of educational programs	A preliminary analysis was conducted on the annual updating of the educational literature fund by academic disciplines for the 1st quarter of 2025.	31.03.2025	Library	Academic risk	Quarter: 1

Based on the results of the preliminary analysis, the Member of the Board – Vice-Rector for Academic Affairs and the Heads of Departments were informed to make decisions and mitigate negative consequences. Requests for literature acquisition applications were made. The risk has been mitigated.

3. Information on the Implementation of Planned Activities to Improve the Efficiency of the Risk Management and Internal Control System (RMICS)

No.	Name of the Activity	Completion Period	Responsible	Result
1.	Preparation and approval of the Risk Portfolio project and action plan	January – February 2025	Member of the Board – Vice-Rector for Strategic Development and Digitalization Center for Sustainable Development	Prepared documents sent for revision
2.	Preparation of the Interaction Regulation within the Risk Management and Internal Control System	January – February 2025	Member of the Board – Vice-Rector for Strategic Development and Digitalization Center for Sustainable Development	Regulation approved by the Board of Directors (Minutes No. 2 dated March 20, 2025)
3.	Automation of intermediate and annual reporting	March 2025	Center for Sustainable Development IT Department	Ensured the generation of corresponding reports in the Automated Risk Management System (ARMS).
4.	Work with risk owners on preparing self-reports on risk management and effectiveness of implemented measures	March 2025	Center for Sustainable Development	The list of key risks has been processed. Risks of structural units have been entered into the system, and an analysis of risk assessment by impact and probability has been conducted.
5.	Integration of Key Risks with KPIs of Board Members	March 2025	Center for Sustainable Development	Integration has been completed. The relevant sections of the Automated Risk Management System (ARMS) have been filled out. A list of response measures has been prepared for the occurred risks.
6.	Implementation of the capability to reassess existing risks based on monitoring results and number of registered incidents	March 2025	Center for Sustainable Development IT Department	The risk reassessment function has been enabled for the ARMS administrator.

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Conclusion

The analysis of the current state of risk management processes demonstrates a systematic and methodological approach to the development of risk management within the Organization.

Regulatory support for the risk management process has been implemented partially due to ongoing refinement of the Risk Portfolio and the Action Plan. At the same time, the approved Interaction Regulation within the RMICS ensures vertical and horizontal connectivity among participants of this system.

The integration of risks with the KPIs of Board Members complies with the COSO ERM principles and ISO 31000 standards. As of the first quarter, the risk management system has transitioned from a project phase to an operational stage; responsibility loops and digital document management have been established. Moreover, the automation of reporting in the Automated Risk Management System (ARMS), including the addition of ESG attributes, is aimed at implementing sustainable development principles. The analytical capabilities of ARMS have been expanded through the introduction of risk reassessment functionality.

The University employs a targeted risk response approach based on actual data and incurred damage. The current effectiveness of the undertaken measures requires subsequent evaluation (including within ongoing monitoring).

Despite the structured nature of the risk management processes, further refinement and alignment with the KPI system of risk owners is highlighted at this stage.

The identified incident within a structural unit indicates the need to strengthen internal control and planning at the department level (monitoring departmental development plans).

As a result of the analysis, additional measures are planned to improve the RMICS:

1. Refinement of KPI and risk integration with the establishment of feedback logic: reports on the effectiveness of measures in ARMS (June 2025).
2. Development of effectiveness metrics for preventive measures for key risks (September 2025).
3. Regulation of ARMS usage as the primary digital platform for risk management, including automated deadline control.
4. Expansion of risk analysis practices for structural units through ARMS with quarterly reporting exports, including incident registration.
5. Evaluation of the effectiveness of measures taken based on Q2 results and reassessment of risks considering accumulated incidents.
6. Further integration of ARMS as a mandatory tool for reporting and risk monitoring at all levels.