

NPJS
"Abylkas Saginov Karaganda Technical University"

REPORT
On the Current Status of the Risk Management Process of the NJSC
"Abylkas Saginov Karaganda Technical University"
for the 2nd Quarter of 2025

Karaganda 2025

REPORT ON THE CURRENT STATUS OF THE RISK MANAGEMENT PROCESS
NJSC "ABYLKAS SAGINOV KARAGANDA TECHNICAL UNIVERSITY"
FOR THE 2ND QUARTER OF 2025

Contents

1. Implementation of Risk Management Measures	3
1.1. General Information on the Integration of Risk Management into the Corporate Governance System	3
1.2. Information on the Implementation of Planned Measures to Improve the Effectiveness of the Risk Management and Internal Control System.....	5
2. Analysis of the Current Situation Regarding Materialized Key Risks	6
2.1 Materialized Key Risks and Response Measures	6
2.1 Analysis of Materialized Risks Using the "5 WHY" Method	8
Conclusion	10

1. Implementation of Risk Management Measures

1.1. General Information on the Integration of Risk Management into the Corporate Governance System

As part of integrating risk management into the corporate governance system, the following work was carried out in the 2nd quarter of 2025:

1. To analyze macro-environmental factors and develop a stakeholder map, a PESTEL analysis was conducted in the 2nd quarter of 2025, and a stakeholder map was prepared.

At the first stage of the work, stakeholders were assessed in terms of influence and importance based on the following attributes: influence, legitimacy, and urgency.

Calculation of Stakeholder Importance

The calculation took into account feedback; participation in the Company's initiatives; behavior in crisis situations; and analysis of publications, statements, and participation in the Company's governing bodies.

Criteria were developed to assess the degree of influence on the Company's activities (each criterion is scored from 1 to 5):

- ability to change the university's policy or program structure;
- administrative and regulatory role;
- the Company's economic dependence on the stakeholder;
- significance of feedback.

An expert panel was developed to identify the most significant and unstable macro-environmental factors. The prioritization of stakeholder opinions in the macro-environment analysis is based on the importance range (D): stakeholders with a high D (≥ 5) are included in the expert panel.

At the second stage, assessment sheets were prepared for the experts. The assessment sheets included a list of macro-environmental factors, which the experts evaluated in terms of impact and probability of occurrence. The following experts were engaged:

List of Stakeholders for the Expert Survey within the PESTEL Analysis

#	Stakeholder	Expert Details		
		Full Name	Place of Employment	Work Experience / Year of Study
1.	MSHE RK	Serik Karbayevich Kalkamanov	Director of the Department of International Cooperation, MSHE RK	more than 10 years
2.	CU Enterprises and Other Employers	D.A. Lepekhov	Technical Director, KAZPROMAVTOMATIKA LLP	more than 15 years
3.	Academic Staff	Valentina Vladimirovna Gotting	KarTU, ANKiSGD	more than 15 years

REPORT ON THE CURRENT STATUS OF THE RISK MANAGEMENT PROCESS
 NJSC "ABYLKAS SAGINOV KARAGANDA TECHNICAL UNIVERSITY"
 FOR THE 2ND QUARTER OF 2025

4.	Administrative, Educational Support, and Other University Staff	Kozhukhova Madina Muratovna	KarTU, AYD	more than 20 years
5.	Trade Union of Academic Staff and University Employees	Alpysbayeva Nazym Amangazievna	KarTU, Trade Union Committee	more than 40 years
6.	Students (Bachelor's Degree)	Student Summary (19)	KarTU	all years
7.	Master's Students	Master's Student Summary (72 persons)	KarTU	all years
8.	Doctoral Students	Doctoral Student Summary (55 persons))	KarTU	all years
9.	Consumers of R&D Services	Director, Zhanat Arinuly	Global Light Ltd LLP	more than 10 years
10.	Accreditation, Ranking, and Audit Organizations	Gulnar Kozhagulovna Iskakova	Strategic Development Advisor, Non-governmental Institution "Independent Agency for Accreditation and Rating" (IAAR)	More than 40 years
11.	Potential Investors	Damir Irekovich Kayumov	Light Engineering LLP	More than 20 years
12.	Local Executive Bodies	Aisulu Erniyazova	Head of the Youth Policy Department of Karaganda Region	more than 5 years
13.	Executive and Legislative Bodies	Vladimir Alexandrovich Shnel	Karaganda Regional Maslikhat	more than 30 years

Based on the weighted average value ($N_{avg} \geq 3.8$) for each factor, taking into account the forecast of changes, the final PESTEL analysis matrix was prepared with ranked macroeconomic environment factors.

Based on the analysis results obtained, scientific and technological factors were identified as the most risk-generating macro-environmental factors (average rank - 4.01); the relationship between macro-environmental factors and the names of potential risks was determined, and the risk classifier was updated by defining groups of risk factors for further work with risk owners.

2. Training of 23 university employees on the topic "Integration of the Risk Management Process into Existing Processes, Including the Decision-Making Process in Accordance with ISO 31000:2018" is planned for November 2025.

REPORT ON THE CURRENT STATUS OF THE RISK MANAGEMENT PROCESS
 NJSC "ABYLKAS SAGINOV KARAGANDA TECHNICAL UNIVERSITY"
 FOR THE 2ND QUARTER OF 2025

1.2. Information on the Implementation of Planned Measures to Improve the Effectiveness of the Risk Management and Internal Control System

#	Activity Name	Timeline	Responsible Party	Result
1.	Assessment of macro-environmental factors to identify potential risks	April-June 2025	Sustainable Development Center, engaged experts	The list of key risks has been processed Risks of structural units were entered into the system, and risk assessment analysis by impact and probability was carried out
2.	Analysis of risk owners' self-reports on the effectiveness of risk prevention and response measures. Risk Management Report for the 1st Quarter	June 2025	Vice-Rector for Strategic Development and Digitalization, Sustainable Development Center	An analysis of risk owners' self-reports on the effectiveness of risk prevention and response measures was conducted. The need to link incidents to preventive measures was identified
3.	Development of an Incident Register based on the analysis of emerging external threats	June 2025	Sustainable Development Center, Department of Innovative Technologies	Development of an Incident Register based on the analysis of emerging external threats
4.	Updating action plans for risk prevention and response	June 2025	Sustainable Development Center, risk owners	Work was carried out in the automated risk management system to update sections containing preventive measures, and the option to complete implementation reports was added for analysis of activity effectiveness. An export template by structural unit was prepared
5.	Reassessment of existing risks based on monitoring results and the number of registered incidents	June 2025	Sustainable Development Center	Reassessment of existing risks based on monitoring results and the number of registered incidents has been moved to the 4th quarter due to the need to analyze recurring incidents over a longer period (comparison of incidents over two quarters)

NPJS
"Abylkas Saginov Karaganda Technical University"

2. Analysis of the Current Situation Regarding Materialized Key Risks

2.1 Materialized Key Risks and Response Measures

Risk Name	Risk Factor	Risk Description	Incident Identification on Source	Consequences of Risk Realization	Reactive Measures
Risk of Decline in Positions in the QS International Ranking	Change in the QS ranking methodology (addition of new indicators), increase in the number of international ranking participants,	Decline in the university's ranking positions in the QS World University Rankings due to deterioration of key indicators: academic reputation, scientific publications, citations, international activity, etc.	Ranking results: QS WUR fact file	<p>Actual consequences:</p> <p>1. Failure to achieve the KPI of the Rector and the Vice-Rector for SDD: "Ensure strengthening of positions in the QS international ranking to 651+ by 2029" (quarterly target: 801+, quarterly actual: 951+)</p> <p>Probable consequences:</p> <p>1. Reduced international recognition of the university.</p> <p>2. Lower interest among certain categories of foreign students and partners.</p> <p>3. Limited external visibility of educational programs.</p>	<p>1) Analysis of the university's competitive position in QS</p> <p>2) Inclusion of QS-related KPIs in the performance evaluation system for deans and heads of departments</p> <p>3) Development of a matrix aligning the university's strategic initiatives with key QS indicators</p>
Risk of No Growth in Additional Income of Academic Staff from Various Types of Academic Activities	Low motivation of academic staff to participate in professional development programs, language courses, and development of digital educational resources	Absence of, or insufficient increase in, income of academic staff through participation in research projects, grants, publication activity, paid educational services, and other academic activities.	Report on KPI Achievement by Members of the Management Board for the 2nd Quarter of 2025	<p>Actual consequences:</p> <p>1. Failure to achieve the KPI of the Member of the Management Board - Vice-Rector for Academic Affairs in Q2 2025 by 12.5% (achievement level - 87.5%): "Increase academic staff income (DER, professional development, LPV, language courses, IELTS, named scholarships) from KZT 3,200 thousand per person in 2024 to KZT 6,000 thousand per person by 2026" (quarterly target: KZT 1,500 thousand per person; quarterly actual: KZT 1,311 thousand per person)</p>	<p>1) Improvement of the motivation program and KPI accounting</p> <ul style="list-style-type: none"> • Strengthening differentiated incentive packages, including incentives for high-performing employees (adoption of the Regulation on the Comprehensive Development Program and revision of criteria for differentiated remuneration of academic staff). <p>2) Preparation of a list of continuing education courses for the upcoming academic period.</p>

REPORT ON THE CURRENT STATUS OF THE RISK MANAGEMENT PROCESS
 NJSC "ABYLKAS SAGINOV KARAGANDA TECHNICAL UNIVERSITY"
 FOR THE 2ND QUARTER OF 2025

				<p>Probable consequences:</p> <p>1. Reduced motivation of academic staff to participate in research, methodological, project, and grant activities.</p> <p>2. Refusal to take on additional workload or activities beyond basic duties.</p>	<p>3) Increasing the hourly rate for academic staff under hourly payment for professional development courses</p>
Risk of Reduced Employee Labor Productivity	<p>Shortfall in university revenue during the reporting period from partners (including tuition-paying students), as well as from grant funding, program-targeted funding, and contractual activities</p>	<p>Failure to achieve the required level of university revenue in the 2nd quarter of 2025.</p>	<p>Report on KPI Achievement by Members of the Management Board for the 2nd Quarter of 2025</p>	<p>Actual consequences:</p> <p>1. Failure to achieve the KPI of the Chairman of the Management Board - Rector in Q2 2025 by 12.2% (achievement level - 87.8%): "Increase employee labor productivity from KZT 8,200 thousand per person in 2024 to KZT 12,200 thousand per person by 2029" (quarterly target: KZT 2,175 thousand per person; quarterly actual: KZT 1,910 thousand per person)</p> <p>Probable consequences:</p> <p>1. Overall failure to achieve the Company's established labor productivity indicator</p> <p>2. Slowdown in the fulfillment of current and project obligations</p>	<p>1) Intensifying work with enterprises and organizations on letters of guarantee for training</p> <p>2) Implementation of measures to increase income from educational, scientific, and social-educational activities:</p> <ul style="list-style-type: none"> • Expansion of the list of continuing education programs and involvement of CU enterprises in courses • Submission of applications for grant funding and program-targeted funding

NPJS
"Abylkas Saginov Karaganda Technical University"

2.1 Analysis of Materialized Risks Using the "5 WHY" Method

1. Risk of Decline in Positions in the QS International Ranking

1 WHY	2 WHY	3 WHY	4 WHY	5 WHY
Increase in the Number of International Ranking Participants	1. Unfavorable positions compared with new participants 2. Insufficiently high international research indicators	1. Lack of international collaborations, including in surveying academic experts; in research, insufficient citation level; insufficient number of foreign students and academic staff	Insufficient geographic coverage of academic experts; need to attract more foreign students and academic staff	Need to expand geographic coverage
	3. Insufficient employer activity	Insufficient number of employers who completed the survey compared with the declared number	Ineffective monitoring of employer activity during the survey	

Enhanced monitoring of employer survey completion is required, along with expanded geographic coverage. Measures implemented as part of reactive actions will help reduce the negative impact associated with employer activity during the survey.

At the same time, measures aimed at intensifying work on international agreements and attracting new partners from non-CIS countries are long-term in nature. Therefore, a significant reduction in the probability of the risk recurring in the next calendar year is not expected.

2. Risk of No Growth in Additional Income of Academic Staff from Various Types of Academic Activities

1 WHY	2 WHY	3 WHY	4 WHY	5 WHY
Insufficient number of academic staff participating in additional types of academic activity	Lack of built-in motivation for academic staff to participate in income-generating academic activities	Participation is perceived as an additional workload that is not sufficiently compensated in terms of time and effort	1. Insufficient variety of course topics offered 2. Low hourly remuneration rate for academic staff 3. Insufficient points under differentiated remuneration	-

Reactive and preventive measures should focus on improving the motivation program and KPI accounting through differentiated incentive packages, expanding the list of continuing education courses for the upcoming academic period to involve academic staff who have not previously participated in course delivery, and increasing the hourly rate under the hourly payment system.

REPORT ON THE CURRENT STATUS OF THE RISK MANAGEMENT PROCESS
 NJSC "ABYLKAS SAGINOV KARAGANDA TECHNICAL UNIVERSITY"
 FOR THE 2ND QUARTER OF 2025

In addition, it is necessary to increase awareness among academic staff and employees about support and incentive programs by organizing explanatory meetings with the team and working through heads of departments.

3. Risk of Reduced Employee Labor Productivity

1 WHY	2 WHY	3 WHY	4 WHY	5 WHY
Low level of labor productivity according to the formula: university revenue/staffing level	Insufficient revenue-related financial flows in the 2nd quarter	The main revenue growth is observed following grant funding and program-targeted funding competitions and the admission of applicants	Late payment of obligations by stakeholders	-
			Insufficient coverage of potential revenue sources	

An analysis of potential revenue sources is required, along with intensified fundraising and the establishment of an endowment fund (development of internal regulatory documents), expansion of the list of continuing education programs, and involvement of CU enterprises in course participation.

Conclusion

The analysis of materialized risks showed that five key risks were the most significant for the university in the second quarter of 2025. The materialized risks are interrelated and form a unified threat profile that reflects structural and institutional challenges amid competition, updated ranking methodologies, and limited resources.

Despite growth in the university's own indicators, the international competitive environment has become significantly more complex, which led to a decline in the university's position in the QS ranking. Application of the "5 Why" method identified a set of causes related to insufficient activity in expanding the geography of international collaborations, as well as reduced control over employer participation in the QS survey. Reactive measures have a long-term effect; therefore, the forecast for the upcoming period includes risks that the current negative trend may persist.

The risk of insufficient growth in additional income for academic staff also showed a tendency to materialize. Low motivation to participate in continuing education programs, distance courses, grant activities, and project work is assumed to be among the potential causes. The planned corrective measures will contribute to sustainable improvement, provided that active interaction with departments is ensured and the transparency of motivation mechanisms is increased.

The risk of reduced employee labor productivity, associated with failure to achieve planned revenue due to delays in financial flows from partners, remains significant and also shows a negative trend. Structural analysis using the "5 Why" method shows that insufficient diversification of revenue sources and uneven cash inflows during the year may be among the causes. Special attention should be paid to the need to develop fundraising, an endowment fund, and broader involvement of industrial partners in continuing education programs.

Overall, the level of risk manageability is assessed as satisfactory; however, the persistence of negative trends in key strategic risks requires stronger proactive risk management, closer integration of motivation tools, development of international partnerships, and systematic control over the implementation of corrective measures.