

**Non-profit Joint-Stock Company
"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 3rd Quarter of 2025**

Karaganda 2025

REPORT ON THE CURRENT STATUS OF THE RISK MANAGEMENT PROCESS
NJSC "ABYLKAS SAGINOV KARAGANDA TECHNICAL UNIVERSITY"
FOR THE 3RD QUARTER OF 2025

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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 completed in the 3rd quarter of 2025:

1. The Risk Portfolio of the NJSC "Abylkas Saginov Karaganda Technical University" was approved.

The Portfolio includes procedures for forming the Risk Register, including measures for risk identification and documentation, as well as the structure of the Register and the list of risk owners. As part of the Risk Portfolio, a Stakeholder Map was also prepared indicating areas of direct and indirect influence of stakeholders.

As part of the Risk Portfolio, a Risk Map was designed, representing a graphical display of risks depending on the magnitude of their potential impact and likelihood of occurrence, arranged in a rectangular table where the vertical axis shows the extent of risk damage and the horizontal axis shows the probability of its occurrence. Risk assessment ranking is performed using a Probability and Impact Matrix.

Based on the completion of the Risk Map, 24 key risks of the Company were identified. The Company's key risks include risks located on the Risk Map in the area above the Hazard Scale or in the areas that it crosses (Table 1).

Table 1 – Key Risks of the Company

#	Risk Name	Risk Code	Impact	Probability
1.	Risk of Reduced University Revenue	F1	5	2
2.	Risk of Reduced Quality of Students' Practical Skills	A1	5	2
3.	Risk of Non-compliance with Information Security Requirements	O1	5	2
4.	Risk of Providing Inaccurate Information to External Information Systems and Databases	O2	5	2
5.	Risk of Deterioration in the Quality Composition of Academic Staff	S1	3	3
6.	Risk of Reduced Orientation of Research toward the Needs of Production and Business	A2	3	3
7.	Risk of Reduced International Collaborations and Publication Activity of the University's Academic Staff	A3	3	3
8.	Risk of Employees' Digital Competencies Not Meeting Current Requirements	O3	3	3
9.	Risk of Reduced Teaching Quality	A4	4	2
10.	Risk of Reduced Employee Labor Productivity	F2	4	2
11.	Risk of Obsolescence of the Material and Technical Base and Its Non-compliance with Research Oriented toward the Needs of Modern Industries	F3	4	2
12.	Risk of Reduced Student Engagement in Social-Educational Activities	S2	2	4

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#	Risk Name	Risk Code	Impact	Probability
13.	Risk of Non-compliance of the Internal Quality Assurance System with International Standards	S3	2	4
14.	Risk of No Growth in Additional Income of Academic Staff from Various Types of Academic Activities	F4	2	3
15.	Risk of Reduction in the Number of Marketable Results of Scientific and Scientific-Technical Activity at TRL 7-9	A5	3	2
16.	Risk of Decline in Positions in the QS International Ranking	S4	3	2
17.	Risk of Decline in Positions in the National Institutional Ranking among Technical Universities	S5	3	2
18.	Risk of Reduction in the Graduation Contingent for TVET, Bachelor's, Master's, and Doctoral Educational Programs	A6	3	2
19.	Risk of Non-compliance with Internal Regulations and Labor Discipline by Academic Staff and Employees	O4	3	2
20.	Risk of Insufficient Centralized Management of Innovative Projects	S6	3	2
21.	Risk of Reduction in the Number of Students in Continuing Education Programs	A7	3	2
22.	Risk of Violation of Qualification Requirements	O5	5	1
23.	Risk of Administrative, Corruption, and Criminal Offenses by Students and Employees	L1	5	1
24.	Risk of Reduced Profitability from the University's Research Activities	F6	4	1

Within the Risk Portfolio, the Company's tolerance for key risks was established and a risk appetite matrix was developed:

An unfavorable risk appetite was established for 4 strategic management risks, 1 personnel management risk, and 1 educational activity management risk.

A cautious risk appetite was established for 4 strategic management risks, 4 personnel management risks, 2 educational activity management risks, and 2 research activity management risks.

A moderate risk appetite was established for 1 social-educational activity management risk, 1 educational activity management risk, and 2 research activity management risks.

A low risk appetite was established for 1 risk related to infrastructure development and material support for processes and 1 research activity management risk.

3. The Action Plan for Managing the Company's Key Risks was approved.

The Plan is a list of measures aimed at minimizing the Company's key risks, indicating specific measures, implementation deadlines, and responsible structural units.

4. The following work was completed within the automated risk management system (ARMS):

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- risk attributes "ESG" and "Key Risks" were added to the risk list; sorting is performed;
- the option to consolidate risks added to the system was implemented;
- a project was developed to identify information security risks and corruption risks in ARMS with delegated administration of these issues to responsible structural units;
- the risk owner's interface was updated with the option to digitally complete reports on the current status of the risk management process, register incidents, and complete reports on implemented measures;
- reporting by access level was implemented (risk owner/system administrator).

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

No.	Activity Name	Implementation Timeline	Responsible Party	Result
1.	Monitoring the Effectiveness of Risk Prevention Measures by Risk Owners	July 2025	Sustainable Development Center	Monitoring of the effectiveness of risk prevention measures by risk owners showed sufficient effectiveness: according to registered incidents, realized risks are either accepted (due to independent external factors) or mitigated through the implementation of reactive measures. Linking incidents to preventive measures improved the effectiveness of monitoring the measures applied.
2.	Monitoring of the Risk Management and Internal Control System in Accordance with Internal Document Requirements	June-July 2025	Sustainable Development Center	Monitoring of the risk management and internal control system in accordance with internal document requirements showed the need to identify key points in the university's high-level processes and identify potential risks for integrating risk management into processes
3.	Expansion of ARMS with an ESG Risk Section: Addition of Risk Attributes.	July-August 2025	Sustainable Development Center, Department of Innovative Technologies	The ESG risk attribute was added to ARMS; sorting is performed. As of the 3rd quarter, 17 ESG risks of different levels were registered: - 9 consolidated, key; - 8 non-consolidated
4.	Risk Management Report for the 2nd Quarter	September 2025	Vice-Rector for Strategic Development and Digitalization,	The Risk Management Report for the 2nd Quarter was prepared

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2. Analysis of the Current Situation Regarding Realized Key Risks

2.1 Realized Key Risks and Response Measures

Risk Name	Risk Factor	Risk Description	Incident Identification Source	Consequences of Risk Realization	Reactive Measures
<p>Risk of No Growth in Additional Income of Academic Staff from Various Types of Academic Activities</p> <p>Key Risk</p>	<p>Low motivation of academic staff to participate in professional development programs, language courses, and development of digital educational resources</p>	<p>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.</p>	<p>Report on KPI Achievement by Members of the Management Board for the 3rd Quarter of 2025</p>	<p>Actual consequences: 1. Failure to achieve the KPI of the Member of the Management Board - Vice-Rector for Academic Affairs in Q3 2025 by 87.02% (achievement level - 12.98%): "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 200 thousand per person; quarterly actual: KZT 25.96 thousand per person)</p> <p>Probable consequences: 1. Reduced motivation of academic staff to participate in research, methodological, project, and grant activities. 2. Refusal to take on additional workload or activities beyond basic duties.</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> <p>3) Increasing the hourly rate for academic staff under hourly payment for professional development courses</p>
<p>Risk of Reduced Income from Fundraising and Social-Educational Activities</p>	<p>Passivity of stakeholders in implementing socially significant</p>	<p>Decrease in income from social-educational infrastructure</p>	<p>Report on KPI Achievement by Members of the Management</p>	<p>Actual consequences: 1. Failure to achieve the KPI of the Member of the Management Board - Vice-Rector for Social-</p>	<p>1) Operational adjustment of short-term financial forecasts for 2026 (quarterly), taking into account the</p>

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Risk Name	Risk Factor	Risk Description	Incident Identification Source	Consequences of Risk Realization	Reactive Measures
Consolidated Risk	projects for the university		Board for the 3rd Quarter of 2025	Educational Work in Q3 2025 by 32.7% (achievement level - 67.3%): "Increase income from fundraising and social-educational activities from KZT 100,000 thousand in 2024 to KZT 200,000 thousand in 2026 - 10%" (quarterly target: KZT 100,000 thousand; quarterly actual: KZT 67,296 thousand) Probable consequences: 1. Reduction in funding for student initiatives and social programs.	summer decline in the activity of students, graduates, and partners

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

1. Risk of No Growth in Additional Income of Academic Staff from Various Types of Academic Activities (key)

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	-

Implementation of reactive measures continues due to the persistent realization of the risk (2 consecutive quarters). A regulation has been adopted providing for the relevant criteria within the differentiated remuneration system for academic staff. Work is underway to study enterprise needs to expand the list of continuing education courses. Standards for preparing MOOCs are being developed to improve their quality and place them on online educational platforms that generate income for the course author. In addition, to expand incentive methods, justification is being prepared for increasing the cost of 1 academic staff hour under hourly payment.

2. Risk of Reduced Income from Fundraising and Social-Educational Activities (consolidated)

1 WHY	2 WHY	3 WHY	4 WHY	5 WHY
Decline in stakeholder activity during the summer vacation period	Seasonal fluctuations in the engagement of students, graduates, and internal event organizers, who are key drivers of fundraising activity	The main fundraising formats (events, promotions, campaigns, social projects) are focused on in-person or mixed participation of the academic community and have pronounced seasonality	The structure of fundraising tools and social-educational projects is largely tied to the academic calendar	-

The realized risk is considered short-term and seasonal and does not require strategic adjustments.

Conclusion

The report reflects the systematic development of the University's RMS&ICS (risk management and internal control system) and demonstrates the transition from the implementation stage to regular operational work. In the 3rd quarter of 2025, a significant scope of methodological, organizational, and digital measures was implemented; the Risk Portfolio was approved; key risks and risk appetite levels were defined.

During the reporting period, both realized risks and department-level incidents were recorded. Several non-consolidated academic and operational risks manifested primarily in the areas of material resource provision and external academic mobility of students. The most critical financial risk was the failure to achieve threshold KPI values for additional income of academic staff. Overall, however, trends for key risks are assessed as manageable because corrective measures have been launched.

Digitalization of risk management processes through ARMS increased transparency and control: ESG risk attributes were added, risk sorting and reassessment were implemented, and structural units were connected to digital incident accounting. Monitoring of the effectiveness of preventive measures showed a satisfactory level: recorded risks are mainly accepted as external or mitigated through temporary corrective measures.