

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
	Policy Subject	Financial Risk Management	Last Review date	18/12/2025
	Policy Number	FRP-03	Next Review date	10/03/2028
	Responsible Entity	Procurement and Supply Chain Department	Approved By	VCFAA

Overview

The University of Sharjah as higher education institute may face some economic and financial uncertainty or instability. The UoS has a financial risk management policy to manage this financial uncertainty and to be sustainable in all operations. This policy outlines the standardized framework to identify financial threats and avoid fiscal risk.

Scope

This policy applies to all staff in the compliance office, risk management office, finance, Procurement departments and the office of VCFAA.

Purpose

The main purpose of this policy is to:

- Provide a structured approach to identify, assess and control the fiscal risk.
- Mitigate risks related to financial and fiscal issues.
- Manage the financial risk that could threaten the UoS.
- Mitigating procurement risks and managing business affairs with vendors.
- Avoid the risks or challenges that might affect the overall Procurement and Supply Chain activity.

Abbreviations and Definitions

UoS: University of Sharjah.

VCFAA: Vice Chancellor for Financial and Administrative Affairs.

BoT: Board of Trustees.

Policy

- UOS shall also consider keeping all vendors engaged by spreading orders if materials are common and can be delivered by more than one vendor, such approach can reduce the risk of relying on one vendor.
- Requirements need to be urgently procured (matter of weeks) in order to avoid future / potential stoppage or discontinuity of UOS's operations. The results of operational halt or stoppage are within UOS's risk appetite.
- The Procurement team might request vendors to submit the respective bank guarantees as part of the bidding and contracting process in order to mitigate the risk of failure to adhere to the bids' requirements or contracts' terms and conditions by vendors.
- Vendor's alternatives exist, but sourcing would expose UOS to an above average cost or order fulfilment risk.
- Vendor who offers goods / material / services that are considered not critical or vital to UOS's operations and absence or delay in providing such goods / material / services does not expose UOS to a high or significant risk.

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
	Policy Subject	Financial Risk Management	Last Review date	18/12/2025
	Policy Number	FRP-03	Next Review date	10/03/2028
	Responsible Entity	Procurement and Supply Chain Department	Approved By	VCFAA

- Vendor who offers competitive pricing, but alternatives exist and resourcing exposes UOS to only routine cost and order fulfilment risk.
- The University's Risk Appetite statement is influenced by changes in governance, operations, strategy, structure, market position, institutional ranking, financial health, and other dynamic changes in the global, macro, and micro environments. Hence, it will be reviewed, as and when needed, to improve the alignment of Risk Management activities with the key decisions made in pursuit of the University's strategic goals and objectives.

Procedures

General Procedures for Financial Risk Management

The University of Sharjah will maintain procedures to provide the University with a systematic view of the risks faced in financial activities. This will require the University to:

1. Establish a context: This is the strategic, organizational, and risk management context against which the rest of the risk management process in the University will take place. Criteria against which risk will be evaluated should be established, and the structure of the risk analysis defined.
2. Identify Risks. This is the identification of what, why, and how events arise as the basis for further analysis.
3. Analyze Risks: This is the determination of existing controls and the analysis of risks in terms of the consequence and likelihood in the context of those controls. The analysis should consider the range of potential consequences and how likely those consequences are to occur. Consequence and likelihood are combined to produce an estimated level of risk.
4. Evaluate Risks: This is a comparison of estimated risk levels against pre-established criteria. This enables risks to be ranked and prioritized.
5. Treat Risks: For higher priority risks, the University is required to develop and implement specific risk management plans, including funding considerations. Lower priority risks may be accepted and monitored.
6. Monitor and Review: This is the oversight and review of the risk management system and any changes that might affect it. Monitoring and reviewing occur concurrently throughout the risk management process.
7. Communication and Consultation: Appropriate communication and consultation with internal and external stakeholders should occur at each stage of the risk management process as well as on the process as a whole.

Risk Analysis

- Risk analysis shall also be considered when conducting the spend analysis exercise while taking into consideration the below risk factors for each category:
 - o Nature of the supply market;
 - o Probability of supply failure;
 - o Impact of supply failure on UOS;

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
	Policy Subject	Financial Risk Management	Last Review date	18/12/2025
	Policy Number	FRP-03	Next Review date	10/03/2028
	Responsible Entity	Procurement and Supply Chain Department	Approved By	VCFAA

- Strategic importance of supply to UOS;
- Complexity of the procurement; and
- Mitigation plans.

Students at Financial Risk Situation

Students can be considered as at-risk situation for different reasons such as:

- Bad circumstances and financial Problem.
- Risky Fiscal Situation.
- Can not pay the tuitions fees.
- Has sudden shortage in the financial resource.
- Stopped the scholarship fund.

Steps and procedures for advising student at-risk situation

- UoS provide free consultation and advising for any problem may face the students during the study period include financial issues via different channels. UoS should assign direct supervisor for each student who can guide the student during the academic journey.
- The academic supervisor can expect to support students in study skills, learning skills, time management for study plan and study workload, career advising and any difficulties in studies.
- Academic supervisor should stay calm during advising session, deal with students professionally, keep the situation in safe mode, give correct assistance and be clear in giving instructions.
- When the academic supervisors feel the situation need extra support and advising, they can transfer the case to the student counseling, student affairs committee, academic advising committee and social advisor or specialist based on the level of risk may the student face.
- UoS deal with each case in high level of privacy and confidentiality.
- Each case should be under monitoring and supervision until receiving full support and the student solve her/his problem and be in the safe situation.
- UoS encourage students to seek advising and asking for consultation for any type of challenges via different ways.
- UoS provide multi channels for advising such as face to face advising or distance advising throw Microsoft Teams apps, email, phones and messages. These channels play important role to stimulate student for advising and consultation without embarrassment.

The Risk from Impairment of Financial Assets

- Impairment of financial assets, under IFRS 9, shall either be calculated under a general approach or simplified approach.
- Under the simplified approach, UOS shall use an allowance matrix to measure the expected credit loss (ECL) of trade receivables from individual customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Impairment allowances shall be measured at an amount equal to lifetime ECL.

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
	Policy Subject	Financial Risk Management	Last Review date	18/12/2025
	Policy Number	FRP-03	Next Review date	10/03/2028
	Responsible Entity	Procurement and Supply Chain Department	Approved By	VCFAA

- Under the general approach, ECL shall be calculated as probability-weighted estimate of credit losses. Credit losses shall be measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to UOS in accordance with the contract and the cash flows that UOS expects to receive). ECLs shall be discounted at the effective interest rate of the financial asset.
- UOS shall apply a 3-stage approach to measure allowance for credit losses. Financial assets migrate through the three stages based on the change in credit risk since initial recognition.
 - o Under Stage 1, where there has not been a significant increase in credit risk since initial recognition, an amount equal to 12 months ECL will be recorded.
 - o Under Stage 2, where there has been a significant increase in credit risk since initial recognition but the financial instruments are not considered as credit impaired, an amount equal to the default probability-weighted lifetime ECL will be recorded,
 - o Under Stage 3, there is objective evidence of impairment at the reporting date these financial instruments are classified as credit impaired and an amount equal to the lifetime ECL will be recorded for the financial assets.
- The ECL model shall be forward-looking and requires the use of reasonable and supportable forecasts of future economic conditions in the determination of significant increases in credit risk and measurement of ECL.
- When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, UOS shall consider reasonable, reliable and supportable information that is relevant and available. This includes both quantitative and qualitative information and analysis, based on UOS's historical experience and informed credit assessment and including forward-looking information.

Steps to Avoid the Risk from Derecognition of Financial Assets

- UOS shall derecognize a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which UOS neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.
- UOS enters into transactions whereby it transfers assets recognized in its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Steps to Avoid risk from Impairment of non-financial assets

- At each reporting date, UOS reviews the carrying amounts of its non-financial assets, other than investment property, to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.
- For impairment testing, assets are grouped together into the cash generating unit (CGU) i.e. the smallest group of assets that generates cash inflows from continuing use, that are largely independent of the cash inflows of other assets or CGUs.

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
	Policy Subject	Financial Risk Management	Last Review date	18/12/2025
	Policy Number	FRP-03	Next Review date	10/03/2028
	Responsible Entity	Procurement and Supply Chain Department	Approved By	VCFAA

- The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Avoid the Risk when Vendor Advances

- Finance Department shall set up threshold limits on amount of permissible advance credit for each type of purchase (i.e. Goods, Services, Projects, Utilities and Foreign purchases)
- All advance payment requests shall require submission of the following documents.
 - o For local Vendors - Valid Tax Invoice
 - o For foreign Vendors - Commercial/Performa Invoice for the advance amount
 - o For amounts exceeding AED 100,000 - Bank Guarantee from an authorized UAE Bank covering the advance amount
 - o For amounts below AED 100,000 - Bank Guarantee requirements are at the discretion of the Procurement and Supply Chain Director based on the situational assessment of the Vendor, such as satisfactory due diligence of the Vendor or low financial risk of the underlying Contract
- AP Accountant shall monitor the current advance credits against the threshold and escalate to Head of AP in case of any potential breach.
- Upon approval of the relevant GRN/SRN/MCC, the open amount shall be adjusted in the Vendor's Account. Unadjusted vendor advances for more than 3 months shall be escalated to AP Head and Procurement Head for appropriate action.

UoS Financial Risk Management Focused Category

- **Liquidity Risk(Cash flow):** Maintaining long-term and short-term financial resources and cash flow.
- **Financial statement(Reporting Risk):** Ensuring Accuracy and Transparency in the financial reporting and auditing.
- **Revenue Risk(Reduction in income):** Mitigate Funding Shortfalls, Income Volatility and Revenue Diversification.
- **Budget and resource allocator Risk:** Optimization strategy of using budget.
- **Procurement Risk(Tenders and purchasing):** Budget and Purchasing control.
- **Insurances:** Asset Protection and Liability Coverage.
- **Financial penalty impact on reputation:** Plan and manage resources to develop the capabilities needed to timely execute Risk Management activities

Risk Management Financial Planning Report

To cascade the University's Risk Appetite statement, Risk likelihood and impact matrices were developed to provide a standard, regimented and transparent methodology to assess the identified Risks and define the University's Risk Level Thresholds and tolerance limits. The University's Risk likelihood and impact matrices include descriptors for each of the key Risk impact areas (strategic, operational, legal, financial,

	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
	Policy Subject	Financial Risk Management	Last Review date	18/12/2025
	Policy Number	FRP-03	Next Review date	10/03/2028
	Responsible Entity	Procurement and Supply Chain Department	Approved By	VCFAA

academic and globalization, people, reputation, research and innovation) to assess the Inherent and Residual Scores for each identified Risk to evaluate it and determine the adequate treatment strategy, according to the defined Risk Level Thresholds. Stakeholders' accountability and objectivity in identifying, detailing and assessing Risks is essential for effective Risk Management.

Risk Classifications

Where possible, we should use quantitative data and risk expressions to measure the likelihood and impact of any identified risks. We use both quantitative & qualitative data for risk management. An example of a qualitative approach follows.

Risk Categories

For the purposes of the University-wide Risk Management profile, risk elements can be classified under the following categories:

No.	Category	General Example
1	Reputation (local/international)	<ul style="list-style-type: none"> - Negative impression in media reports - Number of claims and complaints. - Lack of Employability of graduates. - Damaging regional and international involvement and agreement.
2	Strategic	<ul style="list-style-type: none"> - Putting a sustainable Strategic plan. - Aligning between strategic plan, goals, vision, and mission of the UoS.
3	Academic (Quality, Course load, Logistics, Course curriculum)	<ul style="list-style-type: none"> - Monitoring process for improving the course and program. - Applying international and local standards. - Planning strategy for offering courses and programs.
4	Student Experience	<ul style="list-style-type: none"> - Strength of the Internship program. - Lab supervision. - Practical courses and assignments.
5	Research	<ul style="list-style-type: none"> - Research load and income. - Proportion of research contribution. - Quality of research.
6	Compliance	<ul style="list-style-type: none"> - Any Breach of laws and regulations. - Financial penalty impact on reputation.
7	Operational	<ul style="list-style-type: none"> - Applying lean and agile operation system. - Measuring the efficiency and effectiveness of our system.
8	Technological	<ul style="list-style-type: none"> - Keeping IT and teaching technology up to date. - Be with the current trend in the market. - Purchasing the latest technology in the education field.
9	Financial	<ul style="list-style-type: none"> - Cash flow. - Financial statement. - Reduction in income. - Budget and resource allocator.

	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
	Policy Subject	Financial Risk Management	Last Review date	18/12/2025
	Policy Number	FRP-03	Next Review date	10/03/2028
	Responsible Entity	Procurement and Supply Chain Department	Approved By	VCFAA

No.	Category	General Example
		<ul style="list-style-type: none"> - Tenders and purchasing. - Insurances.
10	Health, Safety, and Environmental	<ul style="list-style-type: none"> - Injury and Death - incidents causing damage - Air contamination. - Waste management.
11	Behavior	<ul style="list-style-type: none"> - Any misbehavior and attitude. - Observation for obeying policies and procedures. - Any activities seeking to affect the university. - Irresponsible activity.
12	Political & Legislation	<ul style="list-style-type: none"> - Flexibility in any changes in education policies and laws. - Dealing with any Government Issue and court.
13	Infrastructure	<ul style="list-style-type: none"> - Maintenance of the building, road, and parking. - Utilization of building, classrooms, water, and electricity. Space management.
14	Organization	<ul style="list-style-type: none"> - Strength of planning, morale, loyalty, policies and procedures, culture, management and leadership.

Risk Management Stakeholders' Roles and Responsibilities

- **Board of Trustees (BoT):** The University of Sharjah's Board of Trustees in the policy-making body and the leader of Internal Governance Bodies in the University.
- **The Chancellor:** The Chancellor leads the University's Executive Management to effectively implements the University's Risk-Based Approach.
- **Vice Chancellors:** The Vice Chancellors significantly influence the University's Executive Management contribution to Risk Management operations and effective implementation. They cascade Risk Management within their respective portfolios and associated departments and functions.
- **Director of the Office of Risk Management:** The Director of the Office of Risk Management is the subject-matter expert on Risk-related matters. He plans, executes, monitors and controls the office's activities and reports to the Board of Trustees, after liaising with The Chancellor.

Risk Register Owner (RRO)

The Risk Register Owner is the Portfolio, College, Department, Office and function leaders, managers and/ or their delegations managing Risks in their respective disciplines. He/ She manages the decentralized Risk Management operations. His/ Her roles and responsibilities include the following activities:

1. Implement and embed the University's Risk Management Governance and Operating Model and procedure in their respective Portfolios, Colleges, Departments, Office and/ or functions' operational frameworks and procedures to achieve their strategic, operational and project objectives.

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
	Policy Subject	Financial Risk Management	Last Review date	18/12/2025
	Policy Number	FRP-03	Next Review date	10/03/2028
	Responsible Entity	Procurement and Supply Chain Department	Approved By	VCFAA

2. Assign a Risk Management Coordinator, within the Portfolio, College, Department, Office and/ or function, to ensure timely coordination of the Risk Management activities and seamless communication with the Office of Risk Management.
3. Develop and continuously update Risk Registers for their respective Portfolios, Colleges, Departments, Offices and/ or functions.

Risk Management Deliverables

The Risk Management Stakeholders are delegated different levels of authority to enable them timely to fulfill their roles and responsibilities. This section presents the distribution of different levels of authority to administer controls across different management levels and make well-informed decisions. The different levels of authority are the following:

Prepare: The preparation activity can include designing, implementation, controlling and reporting of data collection and analysis, in compliance with Internal and External Governance Bodies' documents, to ensure timely delivery and compliance, consistency and accuracy of information.

Review: The review activity can include challenging rationales and outputs and/ or proposing and investigating alternatives to actively contribute to the impactful refinement of the decision-making process and ensure compliance with Internal and External Governance Bodies' documents.

Endorse: The endorsement activity includes recommending a final decision. The recommendation shall be supported by the necessary clarifications and justifications to facilitate the final decision. An activity workflow can't proceed to the final decision without the endorsement of the delegated party, where applicable.

Approve: The authority is the highest and final decision level. An endorsement can't be considered final, implemented and/ or embodied in the Internal Governance Body documents, without the approval of the delegated party.

Inform: It is an explicit and formal notification to Risk Management Stakeholders that don't need to actively participate in any of the risk management activities to deliver the desired results, outcomes and/ or deliverables, yet need to be informed.

Risk Management Strategy

- The University of Sharjah's Risk Management goal is to adopt a holistic future-based approach that looks at Risk Management strategically from the perspective of the entire University to achieve its strategic objectives and establish a robust and efficient operations platform for its growth.
- The University of Sharjah's Risk Management goal is manifested in five objectives that aim to balance stability with innovation, to enhance strategic and operational performance. The objectives are:

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
	Policy Subject	Financial Risk Management	Last Review date	18/12/2025
	Policy Number	FRP-03	Next Review date	10/03/2028
	Responsible Entity	Procurement and Supply Chain Department	Approved By	VCFAA

1. Plan and manage resources to develop the capabilities needed to timely execute Risk Management activities.
2. Design and continuously improve the University's Risk Management governance and operation practices.
3. Conduct data-driven Risk analysis to support the University leaders in managing the Enterprise Risk profile, within the University's Risk Appetite.
4. Support all portfolio leaders and teams exploit Opportunities to realize future benefits and resolve challenges that can have future implications.
5. Conduct special reviews to enable well-informed and Risk-based decisions to develop the University's future readiness and leverage its agility.

Risk Analysis

- Ensure that the different types of *Enterprise Risks* are managed and controlled by respective portfolio leaders to continuously improve their operations and services, achieve their strategic objectives and comply with regulatory requirements.
- Support all portfolio leaders and teams exploit *Opportunities* to realize future benefits and resolve challenges that can have future implications

Risk Control

- Leverage the Risk-Based Approach to enhance the University's readiness to timely achieve its 2030 strategy, by managing and aligning key operational, Portfolio and Enterprise Risks with the 5 strategy pillars.
- Conduct special reviews to enable well-informed and Risk-based decisions to develop the University's future readiness and leverage its agility Based on the University's circumstances and Risk levels, the Office of Risk Management may conduct special reviews and analyses to enhance the understanding of Risks that aren't covered in Portfolio, College, Department and/ or Function operational reviews. Special reviews can involve the consideration of strategic options (including initiatives, investments and/ or major projects) to treat key Risk scenarios. The objectives and desired results and outcomes of special reviews are defined to ensure their effective contribution to a well-informed and Risk-based decision.

Risk Management Operating Model

The University of Sharjah developed the Risk Management operating model to facilitate periodic Risk reviews, enabling the preparation and continuous update of Risk Registers, which transparently communicate new Risks and track changes to the registered ones:

1. **Risk Identification:** The identified Risks are assessed using a standard and regimented methodology, based on the University's Risk Appetite, to determine key Risks.
2. **Risk Analysis:** Risk likelihood and impact matrices were developed to provide a standard, regimented and transparent methodology to assess the identified Risks and define the University's Risk Level Thresholds and tolerance limits.

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
	Policy Subject	Financial Risk Management	Last Review date	18/12/2025
	Policy Number	FRP-03	Next Review date	10/03/2028
	Responsible Entity	Procurement and Supply Chain Department	Approved By	VCFAA

3. **Risk Assessment, Rating and Score:** After the Inherent Assessment, Rating and Scoring of Risks, the existing Risk controls are succinctly identified, assessed and documented in the Risk Register to ensure the availability of sufficient information for Residual Assessment, Rating and Scoring of Risks.
4. **Risk Treatment Strategy and Planning:** The University's Risk Register format includes the Risks' treatment plans, their desired results, owners, planned completion dates and status to ensure that the planned actions are specific, measurable, achievable, realistic and time-bound (SMART), enabling effective tracking, monitoring and control.
5. **Monitor and Control:** In the University of Sharjah, *Risk* reports target several different stakeholder groups, which require different levels of detail and types of *Risk Management* information.
6. **Key Risk Indicators:** The University of Sharjah defines a set of *Key Risk Indicators* based on the actual performance of stakeholders (measured by the key performance indicators) to meet their objectives.
7. **External Reporting:** Generally, External Governance Bodies define the levels of detail and types of Risk Management information that they require to fulfill their responsibilities. They provide forms and templates to the University to gather the required Risk Management information.
8. **Internal Reporting:** The University developed a standard Risk Register template for internal Risk Management Stakeholders to ensure the availability of sufficient, comparable and updated Risk Management data and information to develop different reports for different stakeholder groups in the University.
9. **Embedding Risk-Based Approach in Strategic and Operational Management:** The Office of Risk Management uses *Key Risk Indicators* to monitor the stakeholders' decentralized *Risk Management* activities, in all parts of the organization, by linking it with the *University* objectives and targets.

10. Risk Treatment Options

Actions to Reduce or Control Likelihood. These can include but are not limited to:

1. Review and compliance programs;
2. Contract conditions;
3. Formal reviews of requirements, specifications, design, engineering and operations;
4. Inspection and process controls;
5. Investment and portfolio management;
6. Project management and Preventative maintenance;
7. Quality assurance, management and standards;
8. Research and development and technological development;
9. Structured training and other programs;

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
	Policy Subject	Financial Risk Management	Last Review date	18/12/2025
	Policy Number	FRP-03	Next Review date	10/03/2028
	Responsible Entity	Procurement and Supply Chain Department	Approved By	VCFAA

10. Effective governance processes, strategic, operational and tactical planning processes.
11. Supervision and testing;
12. Organizational arrangements and Technical controls.

11. Procedures to Reduce or Control Consequences

These can include, but are not limited to:

1. Contingency planning;
2. Contractual arrangements;
3. Contract conditions and Design Features;
4. Business continuity and disaster recovery plans;
5. Control planning and Portfolio planning;
6. Minimizing exposure to sources of risk;
7. Pricing policy and controls;
8. Separation or relocation of activities and resources;
9. Succession planning, and
10. Public Relations

12. Risk Management Documentation

To manage Financial risk properly, appropriate documentation is required. For each risk identified, risks register records should include :

1. Source;
2. Nature;
3. Existing controls;
4. Consequences and likelihood;
5. Initial risk rating; and
6. Vulnerability to external or internal factors.

A risk treatment and action plan documents the managerial controls to be adopted and contains the following information:

1. Who has responsibility for the implementation of the plan;
2. What resources are to be used;
3. Budget allocations;
4. Implementation timetables; and
5. Details of the control mechanism; and
6. Frequency of review of compliance with the treatment plan.

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
	Policy Subject	Financial Risk Management	Last Review date	18/12/2025
	Policy Number	FRP-03	Next Review date	10/03/2028
	Responsible Entity	Procurement and Supply Chain Department	Approved By	VCFAA

Appendix 1 Financial Risk Impact Matrix

Financial Risk Impact Matrix		
Rating	Score	Financial
Catastrophic	5	Additional budget/ cost \geq AED 500,000. <u>and</u> Budget deviation \geq 10%. <u>and/ or</u> Drop in revenue \geq 50%.
Major	4	AED 500,000 > Additional budget/ cost \geq AED 350,000. <u>and</u> 10% > Budget deviation \geq 8%. <u>and/ or</u> 50% > Drop in revenue \geq 35%.
Moderate	3	AED 350,000 > Additional budget/ cost \geq AED 200,000. <u>and</u> 8% > Budget deviation \geq 6%. <u>and/ or</u> 35% > Drop in revenue \geq 20%.
Minor	2	AED 200,000 > Additional budget/ cost \geq AED 50,000. <u>and</u> 6% > Budget deviation \geq 4%. <u>and/ or</u> 20% > Drop in revenue \geq 5%.
Insignificant	1	Additional budget/ cost < AED 50,000 <u>and</u> Budget deviation < 4%. <u>and/ or</u> 5% > Drop in revenue \geq 1%.

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
	Policy Subject	Financial Risk Management	Last Review date	18/12/2025
	Policy Number	FRP-03	Next Review date	10/03/2028
	Responsible Entity	Procurement and Supply Chain Department	Approved By	VCFAA

Appendix 2: Risk Likelihood Matrix

Rating	Score	Descriptors	
		Probability	Expected time of <i>Risk</i> occurrence
Almost Certain	5	81% - 99%	Within 6 months
Likely	4	61% - 80%	Within 1 year
Possible	3	41% - 60%	Within 18 months
Unlikely	2	21% - 40%	Within 2 years
Rare	1	1% - 20%	More than 2 years

Appendix 3: Risk Score, Level, and Rating Matrix

Catastrophic	6	7	8	9	10
Major	5	6	7	8	9
Moderate	4	5	6	7	8
Minor	3	4	5	6	7
Insignificant	2	3	4	5	6
	Rare	Unlikely	Possible	Likely	Almost Certain

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
	Policy Subject	Financial Risk Management	Last Review date	18/12/2025
	Policy Number	FRP-03	Next Review date	10/03/2028
	Responsible Entity	Procurement and Supply Chain Department	Approved By	VCFAA

Appendix 4: Risk Control Assessment Matrix

Rating	Descriptors
Excellent	Sufficient and adequate <i>Risk</i> controls are embedded in strategic and operational management. The controls' management responsibilities are well-defined and the control is periodically monitored by the owning discipline. The <i>Risk</i> controls are effective in reducing <i>Threats'</i> likelihood of occurrence and/ or impact.
Good	There are some existing <i>Risk</i> controls. Further treatment action planning is 100% complete and their implementation is more than 60% complete. The <i>Risk</i> controls' improvement opportunities (if any) are identified and included in the planned treatment actions for implementation.
Fair	There are some existing <i>Risk</i> controls, yet more actions are required. Further treatment action planning is 100% complete and their implementation is more than 30% complete, but less than 60%. The <i>Risk</i> controls' improvement opportunities (if any) are identified and included in the planned treatment actions for implementation.
Poor	There are some existing <i>Risk</i> controls, yet more actions are required. Further treatment action planning is 100% complete, yet their implementation is less than 30% complete.
Insufficient	There are no existing <i>Risk</i> controls. Further treatment action planning is in progress and subject to significant change to ensure sufficiency and adequacy of actions to effectively reduce <i>Threats'</i> likelihood of occurrence and/ or impact.

	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
	Policy Subject	Financial Risk Management	Last Review date	18/12/2025
	Policy Number	FRP-03	Next Review date	10/03/2028
	Responsible Entity	Procurement and Supply Chain Department	Approved By	VCFAA

Appendix 5: Residual Risk Assessment and Treatment Strategy Matrix

