

RISK MANAGEMENT POLICY

Termez University of Economics and Service (TUES)

1. Introduction

1.1 This Policy sets out the institutional approach of Termez University of Economics and Service (TUES) to risk management. It explains how the University identifies, evaluates, manages, monitors, and reports risks that may affect the achievement of its academic, research, financial, operational, reputational, and strategic objectives. In doing so, the Policy provides a clear governance framework for risk oversight and clarifies the respective responsibilities of the Rector, the Academic Council, the Risk Management Committee, vice-rectors, deans, heads of departments, administrative units, and project leaders. It also outlines the main components of the University's risk management process, the reporting procedures applicable to institutional and project-level risks, and the arrangements through which the effectiveness of internal control is reviewed on a regular basis.

2. Aim and objectives of the risk management policy

2.1 Termez University of Economics and Service is committed to achieving its institutional mission, academic priorities, and long-term development ambitions as reflected in its strategic planning framework and in its broader commitment to educational quality, research development, student success, and responsible institutional governance. In pursuing these objectives, the University recognises that it operates in a dynamic internal and external environment and will therefore be exposed to a range of risks arising from changes in regulation, finance, technology, partnerships, reputation, infrastructure, teaching and learning, and the broader higher education landscape.

2.2 The principal aim of this Risk Management Policy is to ensure that appropriate principles, procedures, responsibilities, and reporting mechanisms are in place so that risks can be identified and managed in a timely, structured, and proportionate manner. The Policy is intended not only to reduce exposure to adverse events, but also to support better decision-making, institutional resilience, and the responsible pursuit of opportunities that may advance the University's strategic priorities.

2.3 In order to inform sound management decisions, TUES adopts a measured and integrated approach to risk management. This approach is designed to ensure that the University understands the level of risk exposure it is prepared to tolerate in pursuit of its objectives, understands the nature and sources of the risks it faces, applies appropriate mitigation where exposure becomes excessive, reviews regularly whether controls remain effective, responds promptly when weaknesses or emerging threats are identified, and maintains awareness of risk at all levels of the institution so that matters can be escalated to the appropriate level of authority without delay.

2.4 TUES recognises that effective risk management is a fundamental component of good university governance. For that reason, the arrangements described in this Policy are intended to be systematic, transparent, and capable of regular review. Risk management at TUES is therefore not treated as a separate compliance exercise, but as an integral part of institutional planning, performance management, internal control, and long-term sustainability.

3. Principles underlying risk management at the University

3.1 The following principles define the approach of TUES to risk management and internal control.

I) The University, acting through its Rectorate and relevant governance bodies, will seek to understand the nature, source, significance, and possible consequences of risks before making major institutional decisions. In particular, decisions will be taken with due regard to risks that may seriously threaten academic quality and standards, the student experience, the health, safety, welfare, and security of staff and students, the reputation and public standing of the University, the financial sustainability of the institution, and compliance with legal, regulatory, and policy obligations.

II) The Risk Management Committee, acting on behalf of the University's senior governance structure, shall oversee the implementation of risk management arrangements and ensure that key institutional risks are appropriately identified, evaluated, and monitored.

III) TUES will adopt a prudent and responsible approach to the recognition, communication, and disclosure of both financial and non-financial risks. This includes the expectation that significant risks are neither understated nor ignored, and that the University maintains a culture in which risk issues can be raised openly and handled constructively.

IV) Responsibility for coordinating institutional risk management shall rest with the unit or officer designated by the Rector for strategic planning, compliance, or internal control purposes, working in close cooperation with vice-rectors, deans, administrative leaders, and relevant committees. This coordinating function shall ensure that significant risks are recorded, reviewed, reported, and followed up through an institutional Strategic Risk Register.

V) The Strategic Risk Register shall inform internal oversight, managerial review, planning priorities, and where relevant the internal audit agenda, so that the University's assurance processes remain aligned with its most significant areas of risk exposure.

4. Roles and responsibilities

4.1 The Rector, supported by the Academic Council and relevant advisory and oversight structures, has a fundamental role in the management of risk within TUES. This role includes setting the tone for institutional risk culture, ensuring that risk management is taken seriously across the University, determining the general level of risk the University is prepared to accept in pursuit of legitimate strategic objectives, approving major decisions with due regard to institutional risk exposure, and ensuring that integrity, accountability, and prudent conduct remain central to institutional practice.

4.2 On behalf of the senior governance structure of the University, the Risk Management Committee shall monitor the management of significant institutional risks and review whether mitigation actions are appropriate and effective. The Committee shall satisfy itself that material risks are being actively managed, that emerging risks are identified in a timely manner, and that improvements to processes and procedures are proposed where weaknesses are identified. The Committee shall also review periodically the overall risk management framework and report its conclusions and recommendations to the Rector and the Academic Council.

4.3 The Rectorate and vice-rectors are responsible for the active management of risk within their respective portfolios. Their responsibilities include identifying key risks, ensuring that mitigation actions are developed and implemented, reviewing whether controls remain effective, and ensuring that relevant information is reported through the University's formal management channels. This responsibility should be discharged through regular management meetings, strategic review processes, and operational monitoring arrangements in which risk is treated as a standing and substantive matter.

4.4 Members of the University's senior leadership structure are expected to contribute directly to the effective operation of the risk management system. They are responsible for developing and implementing policies and practices related to risk management and internal control, identifying and evaluating significant risks within their areas of responsibility, reviewing the effectiveness of controls on a regular basis, ensuring that risks arising in faculties, departments, centres, or services are properly managed and, where necessary, escalated to institutional level, and providing accurate and timely information on the status of risks, controls, and mitigation actions.

4.5 Deans, heads of departments, heads of administrative units, and leaders of professional services are responsible for managing risk at faculty, departmental, and service level. They must ensure that risks relevant to their area are identified, assessed, documented, and reviewed regularly. They are also expected to determine appropriate controls, monitor whether those controls remain effective, and report significant or

emerging concerns through the annual planning cycle and through routine management reporting arrangements.

4.6 The sponsor or responsible leader of any major institutional project has a specific duty to ensure that project-related risks are identified, assessed, monitored, and escalated where appropriate. Project risks must not be treated in isolation from the wider institutional risk framework; rather, they should be integrated into the broader governance and reporting system wherever they may affect strategic priorities, finances, compliance, timelines, reputation, or institutional performance.

5. Risk appetite

5.1 The risk appetite of TUES may vary over time depending on changes in the institutional, national, financial, technological, and regulatory environment. The University recognises that not all risk can or should be eliminated. As a developing and forward-looking higher education institution, TUES must be capable of taking well-judged and proportionate risks in areas such as academic innovation, partnership development, digital transformation, research growth, and strategic investment. At the same time, the University adopts a cautious and controlled approach in relation to risks that may affect academic standards, institutional reputation, student welfare, legal compliance, or financial sustainability.

5.2 The University shall therefore maintain a formal position on risk appetite and review it periodically. As a general principle, TUES will seek, wherever reasonably possible, to reduce risks to the lowest level consistent with the effective pursuit of its strategic objectives and the responsible use of opportunities. Risk appetite statements may be refined over time at institutional or functional level in order to reflect the maturity of governance processes and the evolving priorities of the University.

6. Risk management as part of the system of internal control

6.1 The system of internal control at TUES incorporates risk management as one of its central components. The purpose of this integrated system is to support efficient and effective operations while enabling the University to respond appropriately to academic, administrative, financial, technological, compliance-related, and strategic risks. The main elements of this system include the following.

I) Policies and procedures

Risk management at TUES is supported by institutional policies, regulations, procedures, and guidance documents that collectively define expected standards, reporting lines, decision-making rules, and control arrangements. These policies are approved and implemented through the appropriate governance and management channels and are communicated to staff as part of the University's accountability framework. Written procedures should exist wherever necessary to support consistent implementation and reduce avoidable uncertainty.

II) Reporting

Effective risk management depends on timely, structured, and transparent reporting. TUES shall therefore maintain reporting arrangements that allow key risks and their associated controls to be reviewed at regular intervals by relevant management bodies. Risk information should be sufficiently clear, current, and evidence-based to support decision-making and corrective action. The institutional risk register should be reviewed through senior leadership processes, and high-level risks should be escalated without delay.

III) Business planning and budgeting

The annual planning and budgeting cycle is a critical mechanism through which objectives are translated into action and resources are allocated. At TUES, risk considerations must be integrated into this cycle so that proposed activities, investments, and institutional targets are assessed in light of potential threats, dependencies, and control requirements. Progress toward agreed objectives should be monitored regularly, with due attention to any changes in risk exposure.

IV) Strategic Risk Register

TUES shall maintain a Strategic Risk Register that records the most significant risks facing the institution. This register should be informed by internal analysis, changes in the external environment, the University's strategic objectives, and the risk registers maintained by faculties, departments, centres, and administrative services. The Strategic Risk Register should be reviewed formally at defined intervals, with new risks added as necessary and mitigation actions, responsible owners, and key indicators updated to reflect the current position.

V) Faculty, departmental, and service-level risk frameworks

Risk management must operate not only at institutional level but also within the operational units where many risks first arise. Faculties, academic departments, research units, and professional services should therefore maintain their own risk assessment and monitoring arrangements, proportionate to the scale and complexity of their activities. These local arrangements should be reviewed by relevant managers, aligned with institutional reporting requirements, and used to identify any issues requiring escalation to University level.

VI) Risk Management Committee

The Risk Management Committee plays an essential role in the University's internal control framework. In addition to reviewing risks and mitigation actions, it provides assurance to senior governance bodies that risk management arrangements remain appropriate and effective. It may also draw attention to emerging issues, systemic weaknesses, or areas requiring additional review, investigation, or policy revision.

VII) Internal audit programme

Internal audit is an important source of independent assurance within the University's internal control environment. The internal audit programme should be

informed, at least in part, by the Strategic Risk Register so that areas of greatest exposure or uncertainty receive appropriate scrutiny. Audit findings should be reported through the appropriate governance channels, and management responses should be tracked to completion.

VIII) External audit and external assurance

External audit and other forms of external assurance provide an additional perspective on the adequacy of the University's control environment, particularly in relation to financial management, compliance, accountability, and governance practice. Reports arising from such assurance processes should be reviewed by the relevant University bodies, and any recommendations should be considered seriously within the broader risk management framework.

IX) Project risk management

Projects can create significant institutional opportunities, but they may also introduce concentrated risks relating to finance, timelines, procurement, staffing, compliance, stakeholder expectations, and delivery quality. For that reason, project risk management shall form an explicit part of project governance at TUES. Project leaders and sponsors must ensure that risks are identified at an early stage, reviewed throughout the life of the project, and communicated through the appropriate reporting lines where strategic implications arise.

7. Annual review of effectiveness

7.1 The effectiveness of the University's risk management and internal control arrangements shall be reviewed on an annual basis through the mechanisms established by the Rectorate and the relevant oversight structure, including the Risk Management Committee and, where applicable, internal and external audit processes. This review should consider whether the overall framework remains appropriate, whether significant risks are being identified and managed effectively, whether mitigation measures are operating as intended, and whether reporting arrangements remain sufficiently robust and timely.

7.2 Following this review, the University shall record its assessment of the adequacy of its risk management and internal control arrangements and identify any actions required to strengthen them further. Where appropriate, the conclusions of the review may inform institutional reporting, governance statements, annual performance review, strategic planning updates, and future audit priorities. In this way, the annual review process shall support not only compliance and assurance, but also continuous institutional improvement and long-term resilience.

APPROVED

Termez University of Economics and Service

Approved by the Rector

Effective date: 08.12.2022