ORGANIZATION OF RISKS AND OPPORTUNITY MANAGEMENT PROCEDURE AT AZERBAIJAN TOURISM AND MANAGEMENT UNIVERSITY

I. General provisions

1.1. The Risk and Opportunity Management procedure encompasses identifying and addressing weaknesses, seizing opportunities, and overall improvement through structural analyses of Azerbaijan Tourism and Management University (hereinafter referred to as ATMU) to achieve its goals and objectives.

1.2. The Charter of ATMU, laws and practices used in other public and private institutions of the Republic of Azerbaijan on the relevant issue, requirements of ISO 21001:2018 were based on the preparation of the procedure.

1.3. Risk and opportunity management is conducted in all entities by gathering the results of the analysis and summarizing them in the Quality Assurance department (hereinafter referred to as the Department)

1.4. This procedure is applicable to all entities of ATMU for the identification of risks and opportunities

1.5. Risk and opportunity management is an integral part of ATMU's quality policy and strategy.

II. The Purpose of Risk and Opportunity Management

2.1. The aim of Risk and opportunity management is to support the achievement of strategic goals and objectives of the ATMU, the expansion and development of their use by identifying opportunities, through a regular way of identifying weaknesses or shortcomings, as well as a description of their elimination.

III. Organization of Risk and Opportunity Management

The following steps are carried out to identify the risk and opportunity:

3.1. SWOT analysis is used as the main method of risk and opportunity identification.

3.2. The SWOT analysis of activities is carried out in all entities of ATMU at the end of each academic year.

3.3. In all entities, the analysis is performed by the employees of this entity.

3.4. According to the results of the analysis, opportunities are determined by distinguishing between weaknesses and shortcomings/dangers, risks, strengths and opportunities.

3.5. Assessment of expected risks and available opportunities is carried out (Appendix 1 and 2)

3.6. Outcomes of the analysis carried out in all entities, risk and opportunity assessment tables are handed over by the structures to the Quality Assurance Department on the specified date.

3.7. As a result of the SWOT analysis collected from the entities, the Department identifies the weaknesses or shortcomings, strengths and opportunities for the ATMU in general, the expected risks and opportunities for the ATMU are determined in accordance with the noticeable weaknesses or shortcomings, strengths and opportunities, as well as the risk and Opportunity Assessment of the entities.

3.8. Risk and opportunity assessment tables for ATMU are prepared by the department and sent to relevant entities.

3.9. In accordance with the risk assessment schedule, safety measures are implemented by the entities and repeated risk assessment is applied within the specified period.

3.10. The process persists on until the expected outcome of the risk is minimized.

3.11. In accordance with the opportunity assessment schedule, additional measures are determined by the entities to increase it in the future and an assessment is carried out until the opportunity is increased.

3.12. The process continues until the lower capacities are upgraded.

IV. Conducting analysis to determine risks and opportunities

4.1. It is advisable to carry out an analysis as the main method for determining risk and opportunity and this is carried out in the following form:

4.2. SWOT analysis is carried out to identify Risk and opportunity (for example: Appendix 3).

4.3. The analysis is performed by their employees on all entities of ATMU.

4.4. The analysis distinctly reflects the strengths, weaknesses, opportunities, and threats encountered during the activity of the entity.

4.5. During the analysis, the opinions of relevant parties (students, sector representatives, public sector representatives, etc.) should be obtained and included in the process.

4.6. During the analysis, it is necessary to document and substantiate the entire process.

4.7. Analysis of their activities by entities is carried out annually at the end of the academic year.

4.8. If necessary, repeated analyzes can be conducted in order to minimize risks and enhance opportunities.

V. Risk and opportunity assessment

When assessing risks and opportunities, the following are taken into account:

5.1. Risk and Opportunity Assessment is conducted in alignment with and referring to the requirements of ISO 9001:2015, ISO 21001:2018 standards.

5.2. Risks and opportunities are identified and assessed based on the outcomes of the analysis conducted in the entities.

5.3. During the assessment, risk and opportunity assessment tables are prepared in Microsoft Excel program for the results with title sheet, risk and Opportunity Assessment headings (Appendix 1).

5.4. On the “risk assessment” page in the table, the hazard, the expected risk from that Hazard, the probability of the risk, the weight of the risk, the amount of the risk, the amount of the risk aligned with probability and weight are noted.

5.5. If the risk amount is deemed excessively high, it is deemed unacceptable, and proposed measures are documented in the "added security" column.

5.6. The "procedural risk" column in the table reflects the probability and weight measurement process employed during the assessment.

5.7. Identification and assessment of risk is continued until threats are minimized.

5.8. On the “opportunity assessment” page in the table, the measures added for chance, opportunity, probability, weight, amount of Opportunity, Assessment, realization are mentioned (Appendix 2).

5.9. If the opportunity amount is low and deemed unremarkable, proposed provisions are recorded in the column "additional measures for realization" are considered in such cases.

5.10. The probability, the process of measuring the weight used during the evaluation, is reflected in the” procedural possibility " column of that table.

5.11. The identification and evaluation of the opportunity is continued until its use (evaluation) is promoted..

VI. Rights and obligations of responsible entities

All organizational units are responsible for risk and opportunity assessment. In this case, their rights and duties include the following;

6.1. Rights of structures during risk and opportunity assessment:

- 6.1.1. Obtaining clear information about the risk and Opportunity Assessment process
- 6.1.2. Acquiring information from other structures as needed

6.2. Duties of entities during risk and opportunity assessment:

- 6.2.1. Conducting SWOT analysis on entities.
- 6.2.2. To estimate the results of the analysis by identifying the corresponding risks and opportunities.
- 6.2.3. To present analysis results and assessment on the dates determined by the Department.

6.3. Rights of the department during risk and opportunity assessment:

- 6.3.1. The department has the right to obtain analysis results and assessment of risks and opportunities from entities.
- 6.3.2. The department has the right to receive revaluation results from entities.

6.4. Duties of the department during risk and opportunity assessment:

6.4.1. The department coordinates the risk and opportunity assessment and management process.

6.4.2. The Department identifies and evaluates risks , opportunities by conducting general analysis on ATMU in accordance with analysis results collected from entities and risk and opportunity assessment schedule.

6.4.3. The final assessment is sent to the entities again in order to minimize the risks and maximize the opportunities.

6.4.4. Provides support to the process of risk and opportunity assessment and reassessment.

VII. Final provisions

7.1. This procedure is taken as the basis by all entities when assessing risks and opportunities.

7.2. In matters not regulated by the procedure, ATMU Charter and the legislation of the Republic of Azerbaijan are taken as the basis.

7.3. A modification in the procedure is made at the proposal of the department, discussed in the Scientific Council of ATMU and approved by the rector.

Appendix 1. Risk assessment schedule

Title sheet

Information about changes			
Date	**Version**	**Compiled**	**Explanation of the change**

Risk assessment

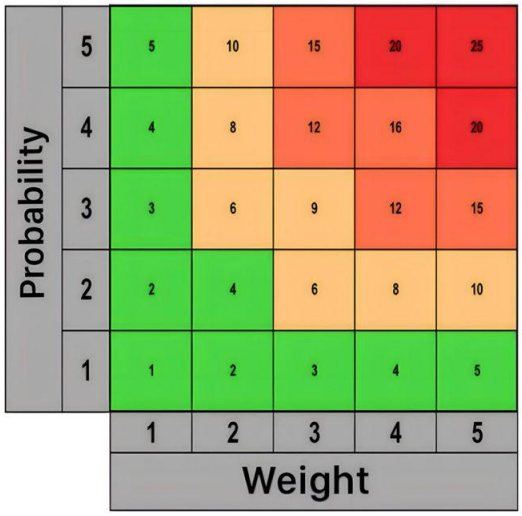
№	**Threat**	**Risk**	**Probability**	**Weight**	**Amount of risk**	**Perception of risk**	**Added security measures**

Risk = Probability X Weight

Risk Assessment Process:
The risk assessment process was created primarily to determine the threat and assess the severity of the threat.
After determining the probability, an assessment of the dangers is carried out.
Existing control measures are documented and additional control measures required are determined.
It is necessary to reassess the amount of risk on the basis of the implementation of additional control.
The measures taken are signed and responsible persons implement them.

Probability	
1	Very unlikely
2	Less likely
3	It is likely
4	Possible
5	High probability

Weight	
1	Small - no impact on Business
2	Impacted - It has a minor impact on the business
3	Major - Has a short-term impact on business
4	Heavy - has long-term/permanent impact on Business
5	Catastrophic-closure of the company



Amount of risk	Measures taken
0-5	Currently, there is adequate control. It is necessary to continue to follow. (Small risk)
6.-10	Some activities may be required to reduce the risk. To reduce the risk wherever possible and regular control is required. (Medium risk)
12.-16	Personnel/property controls are required to reduce risk as much as possible and avoid unattended work. (High risk)
17-25	Uncontrolled and immediate serious action is required. (Very high risk)

Appendix 2. Opportunity Assessment table

Title sheet

Information about changes			
Date	**Version**	**Compiled**	**Explanation of the change**

№	Chance	İmkan	Opportunity	Weight	Amount of opportunity	Opportunity assessment	Additional measures for implementation

Possibility = Probability X Weight

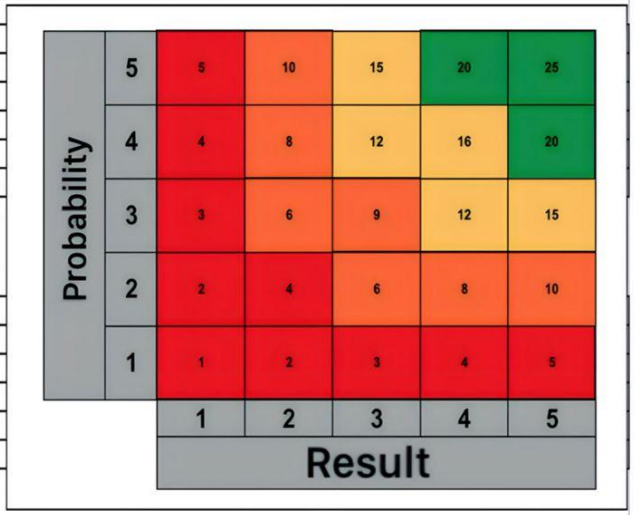
Process

Opportunities may arise as a result of a favorable situation for achieving the intended result, for example, there may be a number of conditions that allow the organization to attract customers, develop new products and services, reduce waste and increase productivity. Measures to address opportunities may also include a review of associated risks. Risk is the effect of uncertainty, and any uncertainty can have positive and negative effects. It may give the opportunity to deviate from the emergence of risk, but not all the positive effects of risk result in opportunities.

As the first assumption is being established, the results that may be positive are evaluated. The controls are then assigned to specific individuals or groups with deadlines for completion set on the basis of discussions with the owners of the activities.

Probability	
1	Rare (<10% chance of occurring during the lifetime of the organization or project)
2	Low Probability (10% - 35% chance of occurring during the lifetime of the organization or project)
3	Possible (35% - 65% chance of occurring during the lifetime of the organization or project)
4	Probable (65% - 90% chance of occurring during the lifetime of the organization or project)
5	High Probability (more than 90% chance of occurring during the lifetime of the Organization or project)

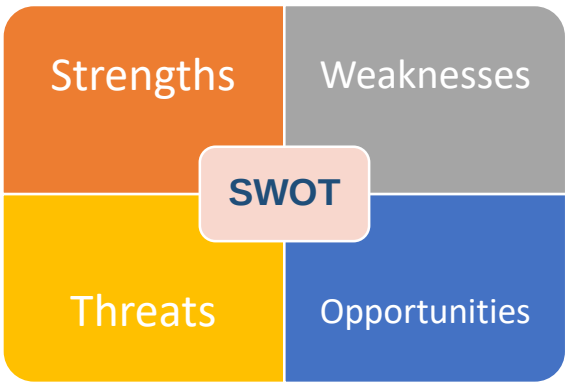
Result	
1	Random
2	Small
3	Medium
4	Seriously
5	Critical



İnterval	Measure
0-5	Low probability. Additional measures are needed to achieve the possibility
6-10	Some measures may be required to increase the capacity in the future
12-16	The possibility is monitored and more activities are needed to increase the possibility
20-25	It is a very high possibility

Appendix 3.

SWOT analysis



The purpose of **SWOT** analysis is to fortify strengths, eliminate weaknesses, mitigate threats, and capitalize on opportunities.

Strengths and weaknesses of the enterprise its they are **internal factors**, and threats and opportunities are **external factors**.

Conduct a **SWOT** analysis of ATMU and the department where you work.