

| | | |
|-------------------------|---|-----------------------------------|
| Babes-Bolyai University | SYSTEM PROCEDURE for risk management | Edition: 1 No. of issues: 1 |
| Monitoring Committee | Code: CM-P.S. 01 | Revision: - No. of issues: : 1 |
| | | Page 0 |
| | | Issue No.: 1 |

Addendum to Administrative Council Decision No. 19 080 / 23.12.2024

SYSTEM PROCEDURE for risk management

| | | |
|--------------------------------|---|---------------------------|
| Babes-Bolyai University | SYSTEM PROCEDURE for risk management | Edition: 1 |
| | | No. of issues: 1 |
| Monitoring Committee | Code: CM-P.S. 01 | Revision: - |
| | | No. of issues: : 1 |
| | | Page 1 |
| | | Issue No.: 1 |

1. List of persons responsible for drafting, reviewing and approving the edition or, as applicable, the revision of the System Procedure edition

| | Related information | Last name and first name | Position/Committee | Date | Signature |
|-----|---------------------|---|---|------------|-----------|
| | 1 | 2 | 3 | 4 | 5 |
| 1.1 | Approved | Daniel DAVID | Rector | | |
| 1.2 | Endorsed | Alexandra MUTIU Horea POENAR Bálint MARKÓ Cristian LITAN Simona TATOMIR | Monitoring Committee | | |
| 1.3 | Drafted by | Ioana RATIU | Technical Secretary Monitoring Committee | 06/11/2024 | |

2. Status of editions and revisions for the System Procedure editions:

| Edition or, as applicable, revision of edition | | Revised segment | The edition provisions or edition revisions become effective on |
|--|---|-----------------|---|
| 1 | 2 | 3 | 4 |
| Edition 01 | | in full | December 2025 |

3. List of System Procedure edition or, as applicable, revision edition recipients:

| | Distribution purpose | Issue No. | Academic unit | Position | Last name and first name | Received date | Signature |
|-----|----------------------|-----------|---|---------------------|--------------------------|---------------|-----------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 3.1 | Implementation | 1 | All UBB academic units | ----- | ----- | | |
| 3.5 | Archiving | 2 | Technical secretariat of the Monitoring Committee | Technical Secretary | Ioana RATIU | | |

4. Purpose of System Procedure

The purpose of the system procedure for identifying risks is to:

- identify risks related to the activities set out in the specific objectives, implementation of which could be affected by the actualisation of risks;
- identify existing threats/vulnerabilities in the ongoing activities of the university that could potentially prevent the achievement of the proposed objectives and result in acts of corruption and fraud;
- assess risks by estimating the probability of occurrence and the impact on activities under objectives if these risks should occur;
- rank and prioritize risks according to risk tolerance;
- establish the risk management strategy (risk response) by identifying the most effective ways to address risks, including control measures;
- analyse and manage risks subject to the risk tolerance limit approved by the university management;

| | | |
|-------------------------|---|-----------------------------------|
| Babeş-Bolyai University | SYSTEM PROCEDURE for risk management | Edition: 1 No. of issues: 1 |
| Monitoring Committee | Code: CM-P.S. 01 | Revision: - No. of issues: : 1 |
| | | Page 2 |
| | | Issue No.: 1 |

g) monitor the implementation of control measures and review them according to the effectiveness of their results;
 h) periodic reporting on existing risks.

5. Supporting documents (regulations) applicable to the procedural activity

- Government Ordinance No. 119/1999 on internal/managerial control and preventive financial control, as amended and supplemented;
- Order No. 600/2018 of 20 April 2018 approving the Internal management control code for public entities;
- Risk management methodology developed by the Government General Secretariat.
- HCA No. 14610/8.11.2021 on the Procedure for the organisation and operation of the Monitoring Committee for the development of the internal management control system at Babeş-Bolyai University of Cluj-Napoca (UBB)

6. Definitions and abbreviations of terminology used in the system procedure

6.1. Definition of terminology

| Sr.No | Terminology | Definition and/or, where applicable, the legal act defining the term |
|-------|-----------------------------|---|
| | Risk acceptance (tolerance) | type of risk response through non-implementation of control measures, suitable for inherent risks with exposure below the tolerance limit. Risk acceptance refers to situations where the risks identified at the AU level are owned by decision makers or where no other type of risk response is possible. |
| | Risk classification | procedure applicable to risks assessed by the MC as not relevant to the specific objectives of the administrative unit, involving the filing and archiving of risk alert forms, including the documentation used to substantiate the respective risks |
| | Monitoring Committee | Committee appointed by decision of the university rector in order to monitor, coordinate, and provide methodological guidance on the implementation and development of the internal management control system |
| | Internal management control | set of control measures operated at university level, including internal audit, established by management in accordance with its objectives and legal regulations, designed to ensure the economical, efficient, and effective management of funds; it also includes organisational structures, methods, and procedures. |
| | Risk escalation | a process whereby the management of an administrative unit alerts the higher or first level of management about risks that the academic unit cannot adequately control; |
| | Risk assessment | assessment of the impact of risk materialisation, combined with assessment of the probability of risk materialisation. Risk assessment refers to the extent of risk exposure. |
| | Risk avoidance | type of response to risk that involves the removal/limitation of circumstances/activities that generate risk; |
| | Risk exposure | the consequences, in terms of probability and impact, that the university may expect to experience in relation to its predefined objectives, should the risk materialise. |
| | Risk factors | access to material, financial, and informational resources without having the authority to do so or possession of an authorisation document; activities carried out under conditions of monopoly, exclusive or special rights; the assignment of powers; assessment and consulting that may have potentially severe consequences; public procurement of goods, services, works by circumventing the relevant legal regulations; failure to perform or improper performance of the tasks assigned, as set out in the job description; working in direct contact with members of the academic community; positions with exclusive decision-making authority, etc. |
| | Risk management | measures implemented to mitigate the probability (possibility) of risk occurrence and/or mitigate the consequences (impact) on results (objectives) should the risk materialise. Risk management involves limiting exposure to risk if it poses a threat. |
| | Impact | the consequences/effects on the results (objectives) should the risk materialise. If the risk is a threat, the impact on results is negative, and if the risk is an opportunity, the impact is positive. |

| | | |
|-------------------------|---|-----------------------------------|
| Babes-Bolyai University | SYSTEM PROCEDURE for risk management | Edition: 1 No. of issues: 1 |
| Monitoring Committee | Code: CM-P.S. 01 | Revision: - No. of issues: : 1 |
| | | Page 3 |
| | | Issue No.: 1 |

| | | |
|--|---|--|
| | Risk tolerance limit | the level of risk exposure accepted by the university through its decision not to implement risk control measures. |
| | Risk management | the process of identifying, evaluating, managing (including addressing) and establishing a plan of risk mitigation measures, periodic review, monitoring, and setting responsibilities. |
| | Risk materialisation | the transfer of risk from the area of uncertainty (the possible) to that of certainty (the accomplished fact). The actualised risk turns from a potential threat into a problem if the risk represents a negative event, or into a positive situation if the risk represents an opportunity. |
| | Control measures | actions established for risk management and ongoing or periodic monitoring of an activity, situation, etc. |
| | Monitoring | ongoing collection of relevant information about how the process or activity is conducted. |
| | Performance monitoring | supervision and monitoring by the university management, using relevant indicators, of the overall output of the coordinated activities and to identify any possible failure to meet the established objectives and take remedial action. |
| | General objectives | general statement of outputs to be delivered and improvements to be achieved; an objective describes an expected result or impact and outlines the reasons for taking a course of action. |
| | Specific objectives | derived from general objectives and which usually describe the expected results or effects of activities that must be achieved in order for the underlying general objective to be met; these are described in terms of results and are set at the level of each administrative unit within the university; specific objectives must be defined in such a way as to meet the SMART set of requirements (specific, measurable, achievable, relevant, time-bound). |
| | First level of management | the heads of administrative units within the university reporting directly to the university rector. |
| | Probability of risk occurrence | the possibility or likelihood of a risk occurring. A measure of the likelihood of risk occurring, determined either by assessment or quantification, where the nature of the risk and the information available allow such an assessment to be made. |
| | Risk profile | a table containing an overall documented and prioritised assessment of the range of specific risks identified, faced by the university |
| | Risk prioritization | action determined by the limited nature of resources and the imperative to establish a risk response for each identified and assessed risk, which consists of setting priorities for addressing risks through the efficient and careful allocation of resources; |
| | Risk Register | a document that identifies, assesses, and tracks potential risks. |
| | Risk Officer | person appointed by the head of an administrative unit who identifies, assesses, and manages risks within the administrative unit, draws up and updates the risk register at the level of the administrative unit |
| | Risk | a situation or event which has not yet occurred but may occur in the future, a case in which the planned output is threatened or boosted; thus, risk may either pose a threat or present an opportunity and should be addressed as a combination of probability and impact. |
| | Significant/ strategic/ high risk | a major, significant risk that could adversely impact the ability of the university to achieve its objectives; a risk that could have a high impact and a high probability of occurrence and that affects the university as a whole. |
| | Inherent risk | the risk of failure to achieve objectives, unless management takes action to reduce its likelihood and/or impact. |
| | Residual risk | the risk related to the achievement of objectives, still present after the risk response is set up and implemented. |
| | Technical secretariat of the Monitoring Committee | person(s) appointed by the chair of the Monitoring Committee or the academic unit whose main responsibility is the management of documents falling within the remit of the committee, depending on the organisational structure of the university. |
| | Strategy | the set of major long-term objectives of the university, the key implementation methods, coupled with the allocated resources, with a view to achieving a competitive advantage in line with the university's mission. The strategy involves establishing overall objectives and priorities (drawing on forecasts of the outside environment and the resources of the university) and mapping out operating plans to achieve these objectives. |
| | Risk management strategy | the type of risk response or risk strategy adopted, including control measures, where relevant. |
| | Risk tolerance | the amount of risk that the university is able to afford or is willing to be exposed to at any given time. |
| | Risk transfer | recommended type of response to financial and property risks, which involves entrusting risk |

| | | |
|-------------------------|---|-----------------------------------|
| Babes-Bolyai University | SYSTEM PROCEDURE for risk management | Edition: 1 No. of issues: 1 |
| Monitoring Committee | Code: CM-P.S. 01 | Revision: - No. of issues: : 1 |
| | | Page 4 |
| | | Issue No.: 1 |

| | |
|----------------------------|--|
| (outsourcing) | management to a third party with the requisite expertise in managing that risk, under an agreement signed to that effect; |
| Risk handling (mitigation) | type of risk response that involves action (implementation of internal control measures) to contain the risk within acceptable (tolerable) limits; this is the most common approach for addressing most of the risks confronting the university. |
| Academic unit | Faculty, research institute, centre, office within a university department |

6.2 Abbreviations of terms

| Sr. No. | Abbreviation | Abbreviated term |
|---------|--------------|----------------------|
| 1. | AU | Academic unit |
| 2. | MC | Monitoring Committee |
| 3. | S.P. | System Procedure |

7. Description of System Procedure

7.1 General information

1. The heads of academic units (AU) in the top management structure of the university appoint risk managers and provide the necessary organisational and procedural framework for identifying and assessing risks, establishing a risk management strategy, monitoring the implementation of control measures, and reviewing and reporting on them periodically.
2. All activities and actions initiated and implemented as part of the risk management process are carefully documented, and a summary of the data, information, and decision-making involved in this process is documented in the Risk Register, a document that certifies the existence and operation of a risk management process within the university. The university risk register lists only significant risks.
3. Risk managers within the AU compile the risks attached to activities, identify the risk strategy, draw up the Risk Register at the AU level of the top management, recommend control measures and monitor their implementation, subject to prior approval by the head of the AU.
4. Risks are updated at the AU level as often as necessary, but at least once a year, by updating the entries in the Risk Register.
5. The control measures established by the AU are collected at the university level and approved by the rector. Control measures are compulsory for effective risk management at the AU level and are updated whenever necessary.
6. AU top management reports annually on the risk management process, which mainly includes the total number of risks managed at AU level, the number of risks addressed and outstanding at the end of the year, the implementation status of control measures and any revisions to the risk assessment, in compliance with the risk tolerance limit approved by the university management.
7. Based on the annual reports received from the AU, the technical secretariat of the Monitoring Committee (MC) prepares a report on the implementation of the risk management process at the university level; the report is reviewed and approved by the MC and subsequently submitted to the university rector.

7.2. Setting specific objectives and related activities

| | | |
|-------------------------|---|-----------------------------------|
| Babes-Bolyai University | SYSTEM PROCEDURE for risk management | Edition: 1 No. of issues: 1 |
| Monitoring Committee | Code: CM-P.S. 01 | Revision: - No. of issues: : 1 |
| | | Page 5 |
| | | Issue No.: 1 |

1. The head of each AU sets annual specific objectives at the beginning of each academic year, in accordance with SCIM Standard 5 – Objectives.
2. The AU-specific objectives are based on:
 - a. the UBB strategic plan;
 - b. the strategic plan developed at faculty level;
 - c. the current operating plan at the AU level;
 - d. the external environment and the available capacity of the AU.
3. Specific objectives must be framed to meet the SMART requirements, i.e., they must be specific, measurable, achievable, relevant, and time-bound.
4. The responsibility for achieving the objectives falls on the management of the AU and its employees.
5. After setting specific objectives and informing all subordinate staff, the head of each AU identifies the ***activities that support the achievement of the specific objectives***. Activities are commensurate with the available human, financial, premises, and other resources of the AU.
6. After agreeing on the activities, the head of the AU assesses the current internal regulation level for each activity, namely:
 - a. the activity is procedural or not.
 - b. whether there are approved internal actions for procedural activities.
7. The template for specific objectives and activities is provided in Addendum 1.
8. ***Performance indicators*** are associated with each specific objective and disseminated to staff. The template for specific objectives and performance indicators is provided in Addendum 2.

7.3. Risk identification and assessment

1. The top management of the AU appoints a ***risk officer*** at the AU level for an effective risk management.
2. The risk officer identifies, with the AU staff, and collates the risks identified in relation to the objectives and/or activities undertaken by the head of the AU. The risk officer identifies vulnerabilities, i.e., weak points that may potentially lead to risks and threats against the achievement of objectives.
3. Risks are identified at any level where the possibility of not achieving objectives is identified, and control measures are taken.

4. The ***rules associated with the identification of risks*** are:

- a. Risk is connected to uncertainty and has a likelihood of realization. Risk is not something certain and does not refer to a challenging issue that has already materialized.
- b. Challenging issues that have already materialized at the AU level may constitute potential risks in the future if the university continues to operate in the same set of circumstances.
- c. Situations or issues that cannot occur do not count as risks.
- d. One should not identify as risks issues that are certain to materialize. These are not risks but certainties. Certainties are managed and usually involve resource allocation, shifting objectives, and strategy changes.
- e. Risks are not defined by their impact on objectives. Impact is not risk, but a consequence of how the occurrence of a risk affects those objectives.

| | | |
|-------------------------|---|-----------------------------------|
| Babes-Bolyai University | SYSTEM PROCEDURE for risk management | Edition: 1 No. of issues: 1 |
| Monitoring Committee | Code: CM-P.S. 01 | Revision: - No. of issues: : 1 |
| | | Page 6 |
| | | Issue No.: 1 |

- f. Risks are not defined by denying objectives.
- g. There are no risks not affecting the objectives; there are only risks in relation to the objectives.
- h. Risks have a cause and effect - there is a cause and effect of risk occurrence. The cause represents a context conducive to the emergence of risk, and the effect is the impact of the risk occurring.
- i. A distinction must be made between inherent risk and residual risk. Inherent risk is a specific risk that comes with achievement of an objective without taking any risk management measures, while residual risk is the risk that persists after the risk response was established and implemented. Residual risk recognizes that inherent risks cannot be fully controlled. Despite the measures taken, uncertainty cannot be removed.
- j. Risk identification is not a process that is purely objective, but largely a question of perception. We operate with perceptions of risk rather than risks themselves.
- k. Risk identification is essential but not enough.
- l. The identified risks must be grouped. Risks are grouped according to the insight and needs of the university, as follows:

1. Depending on the scale of the impact, the risks may be:
 - a. Significant / strategic / high risks
 - b. Operational risks
2. Based on the contexts where potential causes of risk arise, the following may be identified:
 - a. External causes - these are factors typical of external environments and are called threats. These threats are not entirely within the control of the university, but risk management measures may be taken.
 - b. Internal causes - these are university-specific and are called vulnerabilities. These vulnerabilities can be typically managed in-house and may be identified in specific areas of university activity, resulting in several types of vulnerabilities.

- m. Outlining the causes and describing the conditions that may contribute to the risk
- n. Outlining the consequences should the risk materialise.

5. Risk assessment consists of:

- a. **assessing the probability of risk occurrence.** A probability estimate involves establishing a probability/uncertainty based on the following scale, as follows:
 - low probability (L): between 0 and 20%
 - medium probability (M): between 20% and 80%
 - high probability (H): between 80% and 100%
- b. The **impact of risk on objectives is assessed** both in terms of quality and quantity. The impact may involve: the qualitative component, the patrimonial-budget component, the input component (human resources), and the time component, though it is not imperative to assess the impact across all components, as this may sometimes be impossible or irrelevant. The results of quantitative impact estimates feed into a qualitative assessment that reflects a measure of perceived relevance to objectives on a qualitative scale as follows:
 - low impact (L): between 0 and 20%
 - medium impact (M): between 20% and 80%
 - high impact (H): between 80% and 100%

| | | |
|--------------------------------|---|-------------------------|
| Babes-Bolyai University | SYSTEM PROCEDURE for risk management | Edition: 1 |
| | | No. of issues: 1 |
| Monitoring Committee | Code: CM-P.S. 01 | Revision: - |
| | | No. of issues: 1 |
| | | Page 7 |
| | | Issue No.: 1 |

c. risk exposure assessment is derived as the factor of probability and impact. It is a two-dimensional indicator which may be measured by quantitative or qualitative scales, as a matrix with 9 values, as follows:

| | | | | |
|---------------|-------------|-------------|----------------------|--------------|
| Impact | Ridicat (3) | 3 (SR) | 6 (MR) | 9 (RR) |
| | Mediu (2) | 2 (SM) | 4 (MM) | 6 (RM) |
| | Scăzut (1) | 1 (SS) | 2 (MS) | 3 (RS) |
| | | Scăzută (1) | Medie (2) | Ridicată (3) |
| | | | Probabilitate | |

6. The risk officer fills out the Risk Alert Form, a template of which is provided in Addendum 3, and provides:

- risk classification, if the risk is not relevant to the specific objectives of the AU. This involves filing and archiving risk alert forms, including the documentation underlying the respective risk.
- risk escalation to the upper management tiers. This involves reporting to the relevant management level any risks that the AU is failing to manage adequately.
- taking the risk into account for action, in which case one of the types of risk response (the strategy adopted) is proposed: tolerate, monitor, avoid, transfer, address.

7. After completion of the risk analysis, the risk officer within the AU submits the Risk Alert Form along with the related documentation to the head of the AU for review.

8. The head of the AU and the risk officer assess the risk exposure.

9. The head of the AU determines the identified risks and approves the Risk Alert Form.

10. Drawing on the approved risk alert forms, the risk officer prepares the Risk Register at the AU level, a template of which is provided in Addendum 4, and submits it to the head of the AU and subsequently to the technical secretariat of the MC.

11. The technical secretariat of the MC forwards the Risk Register at AU level to the Monitoring Committee for review. The MC assesses the risks and the chair of the MC approves the risk register at the AU level. The MC categorizes the identified risks by recording significant risks in the risk register at university level, provided in Addendum 5.

7.4. Risk management - strategy

1. A strategy is applied to each identified and assessed risk, namely the type of risk response judged as the most appropriate by the risk officer/technical secretariat of the Monitoring Committee through the risk registers, namely:

- accepting (tolerating)** the risk, where low exposure risks are involved or where it is not possible to implement a risk response strategy;
- ongoing risk **monitoring**, for high impact risks with a low probability of occurrence;
- risk **avoidance**, with the caveat that the application of this strategy is subject to limitations for activities that fall within the scope of the university's mission and the decisions of its management;
- transferring (outsourcing)** risk, especially when financial and patrimony risks are involved;

| | | |
|-------------------------|---|-----------------------------------|
| Babes-Bolyai University | SYSTEM PROCEDURE for risk management | Edition: 1 No. of issues: 1 |
| Monitoring Committee | Code: CM-P.S. 01 | Revision: - No. of issues: : 1 |
| | | Page 8 |
| | | Issue No.: 1 |

e) **addressing (mitigating)** the risk, whereby possible control actions are identified so that risks may be contained in a satisfactory manner.

2. Based on the Risk Register at university level, the technical secretariat of the Monitoring Committee puts forward a risk profile and risk tolerance limit, which are then scrutinized at the MC meeting.

3. The *risk profile* provides a comprehensive overview, including a general, documented, and prioritized assessment of the range of specific risks faced by the university. The risk profile is interpreted as follows:

a). risks in the red zone present the highest exposure to risk and deviation from risk tolerance, and require priority control measures.

b). risks in the yellow zone have an exposure that exceeds the risk tolerance limit, but the margin of deviation is moderate. These risks may be addressed through control measures or monitored, subject to the decision of the university management.

c). risks in the green zone indicate exposure below the risk tolerance limit, and this zone includes the accepted risks.

4. The level of risk exposure accepted by the university through its decision not to implement risk control measures is represented by the *tolerance limit*.

5. The handling of risks will necessarily take into account the high exposure risks (red colour) and, subject to management's decision (through the approval of the tolerance limit), the medium risks (yellow colour) that are above the tolerance limit. Medium risks below the tolerance limit will be monitored at the AU level.

6. In accordance with the tolerance limit, the university accepts a level of risk that it is prepared to tolerate or is willing to expose itself to at a given moment through risk tolerance. Therefore, control measures will be taken at university level only for risks outside the tolerance limit.

7. The risk profile and tolerance limit are approved by the chair of the MC and subsequently submitted to the university rector for approval.

7.5. Monitoring the implementation of control measures

1. After developing the University Risk Register, using the risk profile and risk alert forms submitted by the AU, the technical secretariat of the Monitoring Committee draws up a Plan for the Implementation of Control Measures (Action Plan), a template of which is provided in Addendum 6, covering risks above the tolerance limit.

2. The action plan may also include recommendations on control measures covered in the audit reports.

3. After drafting the Action Plan, the technical secretariat of the MC submits it to the chair of the MC for endorsement and to the university rector for approval.

4. The technical secretariat of the MC forwards the approved Action Plan to the AU in charge of the identified risks for the implementation and monitoring of the relevant control measures.

5. The monitoring process covers the stage of implementation of the control measures provided for in the Action Plan by completing the Risk Tracking Sheet (RTS), a template of which is provided in Addendum 7.

6. At the AU level, the risk officer fills out the Risk Tracking Sheet and submits it to the head of the AU for review and signature.

| | | |
|-------------------------|---|-----------------------------------|
| Babes-Bolyai University | SYSTEM PROCEDURE for risk management | Edition: 1 No. of issues: 1 |
| Monitoring Committee | Code: CM-P.S. 01 | Revision: - No. of issues: : 1 |
| | | Page 9 |
| | | Issue No.: 1 |

7. Over the course of the year, monitoring the implementation of measures includes reviewing their status, identifying challenges, suggesting new actions, and marking the date when the assessment was carried out.

8. The risk officer reports to the head of the AU top management, whenever necessary, on the status of implementation of control measures.

7.6. Periodic review and reporting of risks

1. During the review process, the AU risk officer ensures the review of the implementation status of control measures, their effectiveness, and the reassessment of risks within their remit, whenever necessary, or at least once a year, in the following situations:

- a) the risks remain;
- b) new risks have emerged;
- c) the impact and probability of risks have changed;
- d) control measures are ineffective;
- e) changing the deadlines for implementing control measures;
- f) escalation of risks;
- g) risk prioritization;
- h) addressed risks may be closed following:
 - h1). the elimination of the causes that led to the emergence of those risks;
 - h2). withdrawal from certain activities associated with those risks;
 - h3). other situations, duly grounded by the head of the AU or the MC.

2. Reporting on the risk management process is performed annually at the AU level by drafting a Report on the implementation of the risk management process (Report), the template of which is provided in Addendum No. 8.

3. The risk officer prepares the Report, which contains an analysis of all risks listed in the Risk Register at the AU level and a summary of the information provided in the Risk Tracking Sheets and Risk Alert Forms for emerging risks.

4. After drawing up the report, the risk officer submits it to the head of the AU for review and approval and to the Technical Secretariat of the MC for briefing.

5. Drawing on the reports submitted by the AU, the Technical Secretariat of the MC prepares the Risk Management Process Report (Report), a template for which is provided in Addendum 9, which outlines the risk management process at the university level.

6. The report is submitted to the chair of the MC for review and approval and to the university rector for approval.

7.7. Responsibilities and duties in carrying out the activity:

1. At the AU level, risk management involves the following steps:

a. The person who identified a risk performs the following actions:

- a1. prepares the Risk Alert Form, assisted by the Risk Officer;
- a2. submits the Risk Alert Form to the AU risk officer, enclosing the supporting evidence for risk rationale;
- a3. prepares the Risk Tracking Sheet assisted by the risk officer;
- a4. implementation of control measures approved by the Action Plan.

b. AU risk officer:

| | | |
|-------------------------|---|-----------------------------------|
| Babes-Bolyai University | SYSTEM PROCEDURE for risk management | Edition: 1 No. of issues: 1 |
| Monitoring Committee | Code: CM-P.S. 01 | Revision: - No. of issues: : 1 |
| | | Page 10 |
| | | Issue No.: 1 |

- b1. collects Risk Alert Forms and related documentation from persons who have identified risks within the AU;
- b2. reviews each Risk Alert Form, assesses risk exposure against risk probability and impact, and forwards the Risk Alert Forms to the head of the AU;
- b3. provides input on the type of risk response (adopted strategy) and control measures;
- b4. implements the decision of the line manager in relation to the identified risk;
- b5. prepares and submits the AU Risk Register to the head of the AU;
- b6. submits the approved AU Risk Register to the technical secretariat of the monitoring committee;
- b7. monitors the implementation of control measures and contributes to the implementation of control measures;
- b8. reviews the Risk Tracking Sheet for each risk listed in the approved Action Plan and fills in the control measures, as required, as well as any new actions proposed;
- b9. reviews risks at the end of the year in order to update the AU Risk Register;
- b10. prepares the Annual Report on the risk management process at AU level, which it submits to the head of the AU for approval.

c. The head of the AU top management:

- c1. appoints the risk officer at the AU level;
- c2. reviews, assesses, and takes action on risks listed in Risk Alert Forms,
- c3. approves the Risk Register at the AU level;
- c4. monitors the implementation of control measures in relation to the Action Plan, approved at university level, through Risk Tracking Sheets;
- c5. approves the Annual Report on the risk management process at AU level, which is then forwarded to the MC technical secretariat.

2. At the university level, risk management involves the following steps:

a. MC members

- a1. provide for the implementation of the steps involved in the risk management process;
- a2. review the Risk Register at university level;
- a3. review and determine the risk profile and risk tolerance limit;
- a4. reviews audit reports, noting the risks identified therein and the measures recommended for implementation, as necessary;

b. Technical secretariat of the Monitoring Committee:

- b1. prepares the Regulation governing the organisation and operation of the MC and submits it to the chair of the MC for approval;
- b2. organises the MC meetings in order to analyse and address risks and draws up the minutes/decisions/proceedings of the meetings;
- b2. reviews, jointly with the MC members, the risk registers at the AU level and identifies medium and high risks, with a view to drafting the risk register at the university level, which is submitted for approval to the chair of the MC;
- b3. proposes, in conjunction with MC members, the risk profile and risk tolerance limit;
- b4. draws up the Action Plan for risks outside the tolerance limit, submits it to the chair of the MC for endorsement and to the university rector for approval;
- b5. submits to the AU the Action Plan approved for implementation;

| | | |
|-------------------------|---|-----------------------------------|
| Babes-Bolyai University | SYSTEM PROCEDURE for risk management | Edition: 1 No. of issues: 1 |
| Monitoring Committee | Code: CM-P.S. 01 | Revision: - No. of issues: : 1 |
| | | Page 11 |
| | | Issue No.: 1 |

- b6. monitors the risk management process;
- b7. reviews and compiles annual Risk management process reports at the AU level;
- b8. prepares the Risk management process report and submits it to the chair of the MC for endorsement and to the university rector for approval.

c. Chair of the MC

- c1. approves the Regulation governing the organisation and operation of the MC;
- c2. issues the agenda for the MC meetings, chairs the meetings, and approves the minutes/decisions/records of the meetings;
- c3. reviews the Risk Register at university level;
- c4. endorses the risk profile and risk tolerance limit proposed in the MC;
- c5. endorses the Action Plan;
- c6. reviews and approves the Risk management process report at the university level.

d. University Rector:

- d1. approves the risk profile and risk tolerance limit;
- d2. approves the Action Plan;
- d3. reviews and approves the Report.

8. Addenda

| Addendum No. | Addendum title |
|--------------|--|
| 1 | Specific objectives and activities at the AU level |
| 2 | Performance indicators associated with specific objectives |
| 3 | Risk alert form |
| 4 | Risk register at the AU level |
| 5 | Risk register at the university level |
| 6 | Plan for implementing control measures (Action Plan) |
| 7 | Risk tracking sheet (RTS) |
| 8 | Report on the implementation of the risk management process (Report) |
| 9 | Risk management process report (Report) |

9. Table of Contents

| Component number within S.P. | Component name within the system procedure | Page |
|------------------------------|---|------|
| 1. | List of persons responsible for drafting, reviewing and approving the edition or, as applicable, the revision of the System Procedure edition | 1 |
| 2. | Status of editions and revisions for the System Procedure editions | 1 |
| 3. | List of System Procedure edition or, as applicable, revision edition recipients | 1 |
| 4. | Purpose of System Procedure | 1 |
| 5. | Supporting documents (regulations) applicable to the procedural activity | 2 |
| 6. | Definitions and abbreviations of terminology used in the system procedure | 2 |
| 7. | Description of System Procedure | 4 |
| 7.1. | General | 4 |

| | | |
|--------------------------------|---|---------------------------|
| Babes-Bolyai University | SYSTEM PROCEDURE for risk management | Edition: 1 |
| | | No. of issues: 1 |
| Monitoring Committee | Code: CM-P.S. 01 | Revision: - |
| | | No. of issues: : 1 |
| | | Page 12 |
| | | Issue No.: 1 |

| | | |
|------|---|----|
| 7.2. | Setting specific objectives and related activities | 5 |
| 7.3. | Risk identification and assessment | 5 |
| 7.4. | Risk management - strategy | 8 |
| 7.5. | Monitoring the implementation of control measures | 8 |
| 7.6. | Periodic review and reporting of risks | 9 |
| 7.7. | Responsibilities and duties in carrying out the activity | 10 |
| 8. | Addendum 1 - Specific objectives and activities at the AU level | 13 |
| | Addendum 2 - Performance indicators associated with specific objectives | 14 |
| | Addendum 3 - Risk alert form | 15 |
| | Addendum 4 - Risk register at the AU level | 16 |
| | Addendum 5 - Risk register at the university level | 17 |
| | Addendum 6 - Plan for implementing control measures (Action Plan) | 18 |
| | Addendum 7 - Risk tracking sheet (RTS) | 19 |
| | Addendum 8 - Report on the implementation of the risk management process (Report) | 20 |
| | Addendum 9 - Risk management process report (Report) | 21 |

| | | |
|-------------------------|---|-----------------------------------|
| Babes-Bolyai University | SYSTEM PROCEDURE for risk management | Edition: 1 No. of issues: 1 |
| Monitoring Committee | Code: CM-P.S. 01 | Revision: - No. of issues: : 1 |
| | | Page 13 |
| | | Issue No.: 1 |

Addendum 1 - Specific objectives and activities at the AU level

[Name of AU]

No. of

SPECIFIC OBJECTIVES AND ACTIVITIES
For the academic year.....

| Sr. No. | Specific objectives | Application process and deadlines | Operative | Existing procedures | Inoperative | Comments |
|---------|---------------------|-----------------------------------|-----------|---------------------|-------------|----------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Head of the AU

.....

| | | |
|-------------------------|---|-----------------------------------|
| Babes-Bolyai University | SYSTEM PROCEDURE for risk management | Edition: 1 No. of issues: 1 |
| Monitoring Committee | Code: CM-P.S. 01 | Revision: - No. of issues: : 1 |
| | | Page 14 |
| | | Issue No.: 1 |

Addendum 2 - Performance indicators associated with specific objectives

[Name of AU]

No. of

PERFORMANCE INDICATORS ASSOCIATED WITH SPECIFIC OBJECTIVES

For the academic year.....

| Sr. No. | Specific objectives | Performance indicators associated with objectives |
|---------|---------------------|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Head of the AU

.....

| | | |
|-------------------------|---|-----------------------------------|
| Babes-Bolyai University | SYSTEM PROCEDURE for risk management | Edition: 1 No. of issues: 1 |
| Monitoring Committee | Code: CM-P.S. 01 | Revision: - No. of issues: : 1 |
| | | Page 15 |
| | | Issue No.: 1 |

Addendum 3 - Risk alert form

RISK ALERT FORM

| | | | | | |
|--|---|--------------------------|---|---|---|
| AU: | | | | | |
| RISK DETAILS | | | | | |
| Risk description | Identified risk:..... | | | | |
| | Specific objective:..... | | | | |
| | Causes:..... | | | | |
| | Effects:..... | | | | |
| Risk assessment | Assessment of probability of occurrence | | | | |
| | 1 | 2 | 3 | 4 | 5 |
| | 1. very low; 2. low; 3. medium; 4. high; 5. very high | | | | |
| | Impact assessment | | | | |
| Risk treatment: | 1 | 2 | 3 | 4 | 5 |
| | 1. very low; 2. low; 3. medium; 4. high; 5. very high | | | | |
| | Risk exposure:..... | | | | |
| | Recommended control measures: | | | | |
| Documentation used to substantiate the identified risk: | | | | | |
| Name | Signature | Date | | | |
| Date of receipt of the form | Date of the risk assessment meeting | Risk assessment decision | | | |
| | | Irrelevant | | | |
| | | Escalating | | | |
| | | To be addressed | | | |

| | | |
|-------------------------|---|-----------------------------------|
| Babes-Bolyai University | SYSTEM PROCEDURE for risk management | Edition: 1 No. of issues: 1 |
| Monitoring Committee | Code: CM-P.S. 01 | Revision: - No. of issues: : 1 |
| | | Page 16 |
| | | Issue No.: 1 |

Addendum 4 - Risk register at the AU level

[Name of AU]
No. of

Approved

RISK REGISTER For the academic year.....

| Objective / Activities | Risk | Causes that favour the emergence of risk | Inherent risk | | | Strategy adopted | Date of last revision | Residual risk | | | Comments |
|------------------------------|------|---|---------------|---|---|---------------------|-----------------------------|---------------|---|---|----------|
| | | | P | I | E | | | P | I | E | |
| | | | | | | | | | | | |

Head of the AU

.....

NOTE

P = probability, I = impact, E = risk exposure

| | | |
|-------------------------|---|-----------------------------------|
| Babeş-Bolyai University | SYSTEM PROCEDURE for risk management | Edition: 1 No. of issues: 1 |
| Monitoring Committee | Code: CM-P.S. 01 | Revision: - No. of issues: : 1 |
| | | Page 17 |
| | | Issue No.: 1 |

Addendum 5 - Risk register at the university level

RISK REGISTER
At the level of Babeş-Bolyai University of Cluj-Napoca
For the academic year.....

1. Administrative structures under the authority of the Rector's Office

| Objective / Activities | Risk | Causes that favour the emergence of risk | Inherent risk | | | Strategy adopted | Date of last revision | Residual risk | | | Comments |
|------------------------------|------|---|---------------|---|---|---------------------|-----------------------------|---------------|---|---|----------|
| | | | P | I | E | | | P | I | E | |
| | | | | | | | | | | | |

2. Research structures under the authority of the Rector's Office

| Objective / Activities | Risk | Causes that favour the emergence of risk | Inherent risk | | | Strategy adopted | Date of last revision | Residual risk | | | Comments |
|------------------------------|------|---|---------------|---|---|---------------------|-----------------------------|---------------|---|---|----------|
| | | | P | I | E | | | P | I | E | |
| | | | | | | | | | | | |

3. Faculties

| Objective / Activities | Risk | Causes that favour the emergence of risk | Inherent risk | | | Strategy adopted | Date of last revision | Residual risk | | | Comments |
|------------------------------|------|---|---------------|---|---|---------------------|-----------------------------|---------------|---|---|----------|
| | | | P | I | E | | | P | I | E | |
| | | | | | | | | | | | |

Drafted

.....

| | | |
|---|--|--|
| Babes-Bolyai University <hr/> Monitoring Committee | SYSTEM PROCEDURE for risk management Code: CM-P.S. 01 | Edition: 1 No. of issues: 1 Revision: - No. of issues: : 1 Page 18 Issue No.: 1 |
|---|--|--|

Addendum 6 - Plan for implementing control measures (Action Plan)

PLAN FOR IMPLEMENTING CONTROL MEASURES (ACTION PLAN)
For the academic year.....

| Sr. No. | Risk name | Control measures | Implementati on deadline | Persons responsible for implementation | Comments |
|------------|-----------|---------------------|-----------------------------|--|----------|
| | | | | | |
| | | | | | ... |
| | | | | | |

| | | |
|-------------------------|---|-----------------------------------|
| Babes-Bolyai University | SYSTEM PROCEDURE for risk management | Edition: 1 No. of issues: 1 |
| Monitoring Committee | Code: CM-P.S. 01 | Revision: - No. of issues: : 1 |
| | | Page 19 |
| | | Issue No.: 1 |

Addendum 7 - Risk tracking sheet (RTS)

RISK TRACKING SHEET

| | | | |
|--|--|--|-------------------------|
| Department: _____ | | | |
| Person responsible for monitoring the implementation of measures: (Last name, first name) _____ | | | |
| Monitored risk: | | | |
| Name: _____ | | | |
| Exposure: _____ | | | |
| Risk tracking date | Preventive actions proposed | Status of implementation of preventive actions | |
| | Difficulties encountered: _____ _____ | | |
| | New actions proposed | Responsible | Implementation deadline |
| | | | |
| | | | |
| | | | |

| | | |
|--------------------------------|---|---|
| Babes-Bolyai University | SYSTEM PROCEDURE for risk management | Edition: 1 No. of issues: 1 |
| Monitoring Committee | Code: CM-P.S. 01 | Revision: - No. of issues: : 1 |
| | | Page 20 |
| | | Issue No.: 1 |

Addendum 8 - Report on the implementation of the risk management process (Report)

Annual report on the implementation of the risk management process
in the academic year
at the level of (name of AU)

Framework contents

Purpose of the Report

Analysis of the risk management process for the academic year....

Risk review

Conclusions and recommendations

Prepared by
Risk officer

| | | |
|--------------------------------|---|---|
| Babes-Bolyai University | SYSTEM PROCEDURE for risk management | Edition: 1 No. of issues: 1 |
| Monitoring Committee | Code: CM-P.S. 01 | Revision: - No. of issues: : 1 |
| | | Page 21 |
| | | Issue No.: 1 |

Addendum 9 - Risk management process report (Report)

RISK MANAGEMENT PROCESS REPORT

Framework contents

1. Analysis of the risk management process for the academic year... at the level of structures reporting to the rector's office and faculties
2. Conclusions and recommendations:

Approved,
MC President

Prepared,
MC technical secretariat