Lahore University of Management Sciences

Risk Management

Policy Number: LUMS/OR/20/00/21

Approval Date: January 15, 2021

Effective Date: January 15, 2021

Version Number: 00

Last Review Date: January 15, 2021

Next Review Date:

Policy Owner: Office of Research (OR)

Approval Authority Signature:

Approval Authority Name (Position):   University Research Council

Table of Contents

Document Change Record

Author	Version Number	Change Reference	Signature	Date
OR	00		Dr. Saad Azmat	January 15, 2021

Approvals

Name	Designations	Signature	Date
URC	Convener, URC	Mr. Uzair Kayani	January 15, 2021

1. Purpose of Policy

The purpose of this policy is to outline the university's approach towards risk management, provide direction to LUMS community for risk identification, management practices, and reporting procedures. This document also fosters an environment where risk management is considered an important element of Research management and decision making. Along with this, the roles and responsibilities to review, manage and mitigate risks are also defined in this policy.

2. Scope of Policy

This policy is applicable to any member of LUMS community carrying out sponsored or internally funded research at LUMS.

3. Definitions

3.1.1 Risk

Risk is defined as:

"Risk is the possibility or threat that an action, event or set of circumstances will adversely or beneficially affect the University's ability to achieve its objectives." It is generally evaluated in terms of likelihood of occurrence and the associated impact of certain activity/event.

4. Policy Statement

The University recognizes that effective risk management is central to strategic and operational planning and decision making at all levels. It not only improves the performance of university but also helps in identifying, assessing, and seizing opportunities, whilst protecting the reputation and sustainability of University.

The following key principles underpin the University's approach to risk management and control, and the role of Principal Investigator during research projects:

- LUMS is committed to managing and minimizing risks by utilizing a systematic approach for identification, evaluation and mitigation of risks that may impact university's objectives and effectiveness of its operations. Risk Management does not mean eliminating risks from all project activities, but rather to manage risks appropriately and leveraging opportunities;
- LUMS is not willing to pursue or retain risks having high likelihood of reputational damage, significant financial loss, lasting damage to provision of research or teaching, loss of life or harm to LUMS community, or fraudulent and unethical activity;
- Principal Investigator shall fully comply with policy and responsible for ensuring that Risk Management shall be integrated at all stages including planning, executing, controlling and monitoring of research projects;
- The financial and non-financial implications of risks must be taken into account while making decisions;

- Key risk indicators should be identified and monitored closely throughout the project duration;

5. Procedures

5.1 Risk identification

The identification of risks is an on-going process that is conducted throughout the life cycle of the research project. Principal Investigators are highly encouraged to carry out on-going reviews. Risk categories also facilitate in exploring potential risks; these categories include but limited to the following:

- Technical
- Financial
- Environmental
- Political/ Regulatory
- Economic
- Market/ Industry
- Legal
- People
- Schedule
- Scope
- Others

Principal Investigator shall maintain the complete record of all identified risks for a project in project risk log/ Risk Register for clear, concise tracking and monitoring of risks throughout the project. All activities/ actions that could stand in the way of achieving of project's objectives, must be documented.

Risk Register should include the following details:

- Risk Category
- Risk Description
- Risk trigger/ Cause
- Project Impact
- Likelihood of occurrence/ Probability
- Grading of risks e.g. low, medium, high, etc.
- Risk Mitigation Strategy
- Contingency Plan

5.2 Risk Evaluation

After identifying the risks, Principal Investigators shall evaluate each risk and estimate the impact and probability of its occurrence to decide where to focus first. The impact and likelihood shall be rated as high, medium, low.

Knowing the frequency and severity of risks gives not only the holistic view of the project but also directs the project team's time and resources in the right direction.

5.3   Risk Mitigation

The next step is the identification of control measures or designing a mitigation plan for reducing the impact of these risks. Risk Mitigation Plan encompasses the Risk management approach for each identified risk and the actions to be undertaken by the project team to reduce the risk.

PI can use following approaches to mitigate project risks:

- **Risk Avoidance:** Risks are avoided by not participating in that activity e.g. changing the scope of the project to avoid a certain risk.
- **Risk Acceptance:** Accepting that some risks are inherent in doing certain research projects and that the benefit from the project/activity outweighs the potential risks.
- **Risk Reduction/control:** Risks are treated by reducing the probability or reducing the impact of any activity. Risk control is ensured by identifying the root cause of unwanted event before occurrence and then taking measures to control it. E.g. hiring some highly skilled project personnel to manage risks in a research project is also a way to control risk.
- **Risk Transfer:** Risk reduction by transferring the responsibility of risk to another party e.g. outsourcing, sub-contracting and insurance.

6. Waiver of Policy

In exceptional cases, and on a showing of good cause, the Vice Chancellor or his designated authority may waive a policy or procedural requirement. A waiver must be granted in writing and be specific to each case. The written request for a waiver should be timely communicated to the Office of Research (OR). Repeated waivers of any requirement shall prompt a policy review of that requirement under the LUMS governance structure. To show good cause, the written waiver shall provide reasonable justifications that:

1. The requirement being waived is impossible or impracticable;
2. The waiver does not violate any applicable law; and
3. The waiver is fair, in the best interest of the University, and narrowly tailored to address an exceptional case.

7. Special Circumstances/Exceptions

No special circumstances are identified in this policy.

8. Roles and Responsibilities of Policy Implementation

Principal Investigator is responsible for risk identification, assessment, mitigation, and reporting of all project risks recognized during the lifecycle of the research project.

9. Title of Position with Maintenance Responsibility

Compliance Manager will be responsible for maintenance of the policy including its periodic review and approval of any subsequent modifications to the said policy.

10.   Non-Compliance with Policy

Any instances of non-compliance with this policy shall be dealt with in accordance with LUMS policy on Risk Management.

11.   Related Documents / Policies

Research Governance and Accountability Policy

12.   Related Laws

It is imperative to abide by all laws and regulations as applicable in Pakistan.

13.   Distribution & Physical Security

Access to these Policies & Procedures on the intranet portal shall be restricted and Director of OR shall provide access through following LUMS Access Management Process. For further information, refer Access Management Policies & Procedures. However, in case a hard copy is required, printing rights shall be granted to the respective stakeholder as part of standard Access Management Process. System shall track the number of hard copies printed against each Login ID and shall maintain log as well.

Where there is a change in responsibility of an employee, the copy / access that the employee has of policy document should be handed over to the new employee and this action shall be documented in the previous employee's handing over notes. When an employee leaves the employment of LUMS, then the copy of/access to policy document should be returned to/ revoked by the Head of Department / IT Department prior to his departure.

14.   Contacts

Contact	Designation	Phone
Office of Research (OR)	Director	8336, 8207, 8042