	MADANAPALLE INSTITUTE OF TECHNOLOGY & SCIENCE		
	PROCEDURE FOR RISK AND OPPORTUNITIES		
	Issue No : 01	Revision No: 01	Doc. No: EOMS-MITS/PRO/ R & O/01
	Issue Date: 01/06/2023	Revision Date: 20/05/2025	Page 1 of 5

1. Introduction to Risk Management

Risk management is a systematic process of identifying, assessing, and controlling threats to an organization's capital and earnings. In the context of Educational Institutions, risks may arise from a variety of sources, including internal processes, external environments, regulatory changes, technological advancements, and stakeholder expectations.

2. Purpose of Risk Management

The primary objective of risk management in education is to ensure the achievement of institutional goals such as quality education, student satisfaction, regulatory compliance, and continuous improvement by proactively addressing potential threats and leveraging opportunities.

3. Risk Management Process

Risk management process typically follows these steps:


1. **Context Establishment:** Understanding the internal and external environment and identifying relevant stakeholders.
2. **Risk Identification:** Recognizing possible events or conditions that could affect objectives.
3. **Risk Assessment:** Evaluating the likelihood and impact of identified risks.
4. **Risk Treatment:** Deciding on actions to mitigate, transfer, accept, or exploit risks.
5. **Monitoring and Review:** Regularly reviewing risks and the effectiveness of controls.
6. **Communication and Consultation:** Engaging stakeholders throughout the process.

4. Risk Register

A **Risk Register** is a structured document or database that records:

- Identified risks and opportunities
- Their likelihood and severity ratings
- Calculated risk scores and levels
- Existing controls and mitigation measures
- Actions required, responsible owners, status

The register serves as a living document, supporting transparency, accountability, and continuous improvement in risk management.

	MADANAPALLE INSTITUTE OF TECHNOLOGY & SCIENCE		
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	Issue No : 01	Revision No: 01	Doc. No: EOMS-MITS/PRO/ R & O/01
	Issue Date: 01/06/2023	Revision Date: 20/05/2025	Page 2 of 5

5. Benefits of the 5x5 Risk Matrix and Register

- **Systematic Assessment:** Provides a standardized method for evaluating risks.
- **Prioritization:** Helps focus attention and resources on high and extreme risks.
- **Documentation:** Ensures risks and actions are recorded, tracked, and reviewed.
- **Compliance:** Supports alignment and other quality management standards.
- **Continuous Improvement:** Facilitates regular review and adaptation of risk controls.

6. Application in Educational Organizations

In educational settings, the 5x5 risk matrix and register can be used to manage risks related to:

- Academic quality and student outcomes
- Admissions and enrolment
- Examinations and assessments
- Infrastructure and safety
- Regulatory compliance
- Technology and data security
- Stakeholder satisfaction

By embedding risk management into institutional processes, educational organizations can enhance resilience, safeguard reputation and create a proactive culture of quality and improvement.


Purpose:

To systematically assess and document all internal and external issues, as well as the needs and expectations of interested parties, in order to maintain and improve the quality of educational services.

Internal Issues	External Issues	Interested Parties
Organizational structure	Regulatory requirements	Students
Staff competency	Technological advancements	Parents
Resource availability	Societal expectations	Faculty & Staff
Culture and values	Market trends	Regulatory bodies

Process Ownership

- Principal
- Dean Academics
- EOMS Coordinator
- All HoDs
- Section Heads

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	Issue No : 01	Revision No: 01	Doc. No: EOMS-MITS/PRO/ R & O/01
	Issue Date: 01/06/2023	Revision Date: 20/05/2025	Page 3 of 5

Sequential Activities & Responsibilities


S. No.	Activity	Process Owner	Stage Output
1	Assess context and stakeholder expectations to identify risks and opportunities.	Concerned Faculty	Documented information on risks, opportunities, and context.
2	Rate risks using 5x5 Severity and Likelihood matrix.	Concerned Faculty	Risk level determined.
3	Do not rate identified opportunities (but document and act on them).	Concerned Faculty	-
4	Decide actions for risks and opportunities to ensure system objectives, enhance effects, prevent/reduce undesired effects, and achieve improvements.	Concerned Faculty	Actions determined.
5	Address risks (avoid, take, eliminate, change, share, retain).	Concerned Faculty	Risk mitigation strategies.
6	Decide on opportunities (new practices, products, markets, partnerships, technology).	Concerned Faculty	Opportunity strategies.
7	Evaluate effectiveness of actions; iterate if results are not achieved.	Concerned Faculty	Updated documentation.
8	Review effectiveness in Management Review Meeting (MRM).	Top Management	MRM minutes.

5x5 Risk Assessment Methodology -Severity (Consequence) Rating

Level	Description
1	Insignificant (No effect)
2	Minor (Slight effect)
3	Moderate (Noticeable effect)
4	Major (Serious effect)
5	Critical (Severe effect)

Likelihood (Probability) Rating

Level	Description
1	Rare (May occur only in exceptional cases)
2	Unlikely (Could occur at some time)
3	Possible (Might occur at some time)
4	Likely (Will probably occur)
5	Almost Certain (Expected to occur)

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	Issue No : 01	Revision No: 01	Doc. No: EOMS-MITS/PRO/ R & O/01		
	Issue Date: 01/06/2023	Revision Date: 20/05/2025	Page 4 of 5		

5x5 Risk Matrix

A 5x5 risk matrix is a visual tool used to assess and prioritize risks based on two dimensions:

- **Likelihood (Probability):** The chance of a risk event occurring, rated from 1 (Rare) to 5 (Almost certain).
- **Severity (Consequence):** The potential impact if the risk event occurs, rated from 1 (Insignificant) to 5 (Critical).

The intersection of these two ratings gives a **Risk Score** (Likelihood × Severity), which is then classified into risk levels (Low, Moderate, High, Extreme). This approach enables organizations to focus resources on the most significant risks.

Likelihood \ Severity	1. Insignificant	2. Minor	3. Moderate	4. Major	5. Critical
5. Almost Certain	5	10	15	20	25
4. Likely	4	8	12	16	20
3. Possible	3	6	9	12	15
2. Unlikely	2	4	6	8	10
1. Rare	1	2	3	4	5

Risk Level Key


- **1–4:** Low (Acceptable)
- **5–9:** Moderate (Controls needed)
- **10–16:** High (Controls & improvement required)
- **17–25:** Extreme (Immediate action required)

Output / Intended Result

- Actions on identified risks and opportunities
- Continuous process improvement
- Enhanced student satisfaction

Monitoring and Measurement

Parameter	Indicator	Methodology	Frequency	Responsibility	Document Retention
Correct identification of risks/opportunities	Number of missed reviews	Count incidences	Every 6 months	Concerned Faculty	Documented info on risks/opportunities, context, needs/expectations

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	Issue No : 01	Revision No: 01	Doc. No: EOMS-MITS/PRO/ R & O/01
	Issue Date: 01/06/2023	Revision Date: 20/05/2025	Page 5 of 5

Review and Improvement

- Effectiveness of actions is reviewed in Management Review Meetings (MRM).
- If desired results are not achieved, further actions are determined and implemented.

Summary Flow

- Assess Context & Stakeholder Needs
- Identify Risks & Opportunities
- Rate Risks (5x5 Severity & Likelihood Matrix)
- Determine and Implement Actions
- Monitor Effectiveness
- Review in MRM
- Document and Retain Evidence

Best Practices

- Train all faculty and staff in 5x5 risk identification and assessment.
- Keep risk documentation updated and accessible.
- Engage stakeholders regularly for feedback.
- Use data from reviews to drive continuous improvement.