Policy Management System

INSTITUTIONAL RISK MANAGEMENT POLICY

Policy Code:	AD-040-2		
Policy Name:	Institutional Risk Management Policy		
Classification:	Internal		
Handler/Owner:	President Assistant for Administrative and Financial Affairs		
Date Created:	November 2024		
Approved by:	Board of Trustees		
Date of Approval:	May 7, 2025		
Current Version:	2		
Update History:	**Version**	**Date of approval**	**File Link**
	1		
	2	May 7, 2025	
	3		
Review due date:	September 2028		

Institutional Risk Management Policy

1. Overview

Risks of Fahad Bin Sultan University (FBSU) can be defined as *"the threat or opportunity that an action or event will affect FBSU's ability to achieve its strategic goals".* Risk management is important in key operational areas of FBSU to ensure that threats and opportunities affecting the successful delivery of operating plans are appropriately addressed and effectively managed. 'Threat' in terms of risks can be termed as an uncertain event (a negative effect on the likelihood of achieving FBSU's strategic goals); and on the other hand, 'opportunity' is an uncertain event (a favorable effect on the likelihood of achieving FBSU's strategic goals).

Three types of risks will be identified:

- Academic Risk
- Financial Risk
- Others Risk

2. Purpose

The aims of Risk Management Policy of FBSU are threefold:

- To outline FBSU's underlying commitment to risk management in achieving strategic goals and objectives;
- To ensure all significant risks are identified, evaluated, managed and updated periodically;
- To assign accountability to all staff for risk management.

3. Policy

This policy sets out FBSU's approach to risk management and the mechanisms it employs to identify, analyze and manage risk. All unit managers are required to be responsible and accountable for managing risk.

4. Scope

This policy applies to all academic and non-academic departments and staff Fahad Bin Sultan University.

5. Definition and Risk Management Framework

FBSU's risk management framework is a continuous process and is the responsibility of all unit managers. The process includes:

i. **Identification and Analysis:** Identify probable risks that could possibly occur and analyze the likelihood and impact (Please refer to Appendix for AD-040 in the guidelines).

ii. **Risk Response Action Plan:** Monitoring and control of actions employed to deal with identified risks (Please refer to Appendix for AD-040 in the guidelines).

iii. **Reporting:** All risks raised will be recorded on the FBSU Risk Register and will be owned by Risk Management Committee (Please refer to Appendix for AD-040 in the guidelines). Reporting of risks will be carried out every two years.

The process is illustrated in the diagram below:

6. Definition and Crisis Management Framework

Crisis could be defined as "*a sudden event or series of events that may seriously threatens the operations of FBSU*".

FBSU will act proactively in identifying and managing 'crisis' that may have the potential to threaten the FBSU community. The Crisis Management & Response Management Team (CMRMT) will determine the classification of crisis incident. In compliance with FBSU and Saudi Ministry Policies/guidelines, the CMRMT will then communicate with FBSU communities and take appropriate actions to overcome the crisis that has the potential threat on operations and activities of FBSU.

Following an emergency or crisis, the CMRMT of university will then evaluate the action plans and its impact and incorporate its continuous risk management and crisis management policies. Following the crisis and evaluation of response to crisis, FBSU, may update other relevant policies and provide regular, tailored training for managing the crisis.

Crisis Management Framework

Crisis Incident Classification:

- Level 1 – Minor (low impact)
- Level 2 – Moderate (potential to escalate)
- Level 3 – Major/catastrophic

Crisis Management & Response Management Team (CMRMT): The University Senior Management Team in relation to a crisis event will priorities safety of students, faculties, staff and affected FBSU community.

As part of the crisis management, due Coronavirus disease (COVID-19) outbreak in March 2020, all programs were instructed to do online teaching and assessment.

7. Annual Review and Reporting of Risks and Crisis

The Institutional Risk Management Committee is responsible for reviewing the effectiveness of FBSU's risk management in every two years based on information provided by each unit. For each significant risk identified, the committee will review the prior actions and examine the institution's track record on risk management. This will help the Institutional Executive Quality and Planning Committee and the Board of Trustees to view the overall risk management of FBSU.

Fahad Bin Sultan University Risk Register example is shown in Appendix for AD-040 in the guidelines.

- Each College-Department / Unit / Centre will be denoted by their respective Acronyms e.g. CE-CIVE means College of Engineering, Department of Civil Engineering. For Units / Centers: TLC for Teaching and Learning Center;
- Each Risk statement is categorized as Academic/Financial/Other risk: AR = Academic Risk statement; FR = Financial Risk; OR = Other Risk;
- Each Risk statement has a unique number (e.g. CE-CIVE-AR-001), which is called Risk ID;
- A unit manager is responsible for identifying and managing each risk statement;
- Each Risk statement should have a cause and impact description;
- Each Risk statement should have a score: 1 - Low; or 2 - Medium; or 3 - High;
- Based on the overall risk score, unit manager should provide a risk response action plan;
- After the action plan, the unit manger also determines the risk control score: 1 - Low response; or 2 - Medium response; or 3 - High response;
- Residual risk score will provide the significance of the action plan. How overall risk can be reduced after necessary actions? and
- Finally, a unit manager provides the evaluation of each risk statement every two years.

In addition to **Fahad Bin Sultan University (FBSU) Risk Register,** the risk management committee and unit managers may identify any risks, including ones specific to circumstances.

Appendices: Guidelines for FBSU's Risk Management Policy (UP0004)

The guidelines include three sub-sections:

- AD-040.1 Risk Management Committee, and its Roles & Responsibilities
- AD-040.2 Formation of Crisis Management & Response Management Team (CMRMT)
- AD-040.3 Risk Assessment Methodology and Matrix
- AD-040.4 Fahad Bin Sultan University Risk Register (Example)

AD-040.1 Risk Management Committee

The vision and mission of the Risk Management Committee are as follows:

Vision

The effective management of risk which is an integral part of FBSU Strategic Planning.

Mission

To evaluate the effectiveness of risk management of risks identified by the unit manager.

Roles and Responsibilities

The responsibility of the risk management committee includes:

1. Determine FBSU's approach to risk management involving unit managers;
2. Discuss and approve issues that significantly affect FBSU's risk profile or exposure;
3. Continually monitor risks and ensure that actions are being implemented; and
4. Review risks every two years.

Membership

Memberships of the risk management committee for AY 2024-2025 are as follows:

#	Name, Administrative / Academic Position	Committee Position
1	Dr. Abdalla Qudah	Chair
2	Dr. Mohammad Mezher	Co-Chair
3	Dr. Ali Gohar	Member
4	Dr. Abdullah Al-Ali	Member
5	Mr. Odai Ghzawi	Member
6	Eng. Taha Baraka	Member

AD-040.2 Formation of Crisis Management & Response Management Team (CMRMT)

The CMRMT will be chaired by the FBSU President and consists of:

- President, Fahad Bin Sultan University (FBSU), (Chair of CMRMT)
- President Assistant for Administrative and Financial Affairs
- President Assistant for Academic Affairs
- President Assistant for Development
- President Assistant for Information Technology & Digital Transformation
- Dean, Deanship of Quality Assurance and Development
- Dean, Deanship of Admission and Registration
- Dean, Deanship of Student Affairs (DSA)
- Dean, College of Business Administration (CBA)
- Dean, College of Computing (CC)
- Dean, College of Engineering (CE)
- Dean, College of Humanities and Science (CHS)
- Chair/Co-Chair, Institutional Risk Management Committee
- Other Related centers/units at FBSU depending on the crisis response (Nominee by the President)

AD-040.3 Risk Assessment Methodology and Matrix

Each risk will be assessed based on two components: likelihood and impact of risk occurrence. Each component will be evaluated based on a 3-point scale.

Likelihood: How likely is the risk going to happen?

- Low – Likelihood of occurrence (<20% chance of occurrence)
- Medium – Likelihood of occurrence (20% - 60% chance of occurrence)
- High –Likelihood of occurrence (>60% chance of occurrence)

Impact: What would the impact be if the risk occurs?

- Low – Unlikely to have a significant effect
- Medium– Potential impact but may be managed through existing processes
- High– Significant impact on performance

Risk Level Determination (Overall Risk Score)

3x3 matrix below can be used to calculate the overall risk score:

IMPACT	3	3	6	9
	High	(Low likelihood & High impact)	(Medium likelihood & High impact)	(High likelihood & High impact)
	2	2	4	6
	Medium	(Low likelihood & Medium impact)	(Medium likelihood & Medium impact)	(High likelihood & Medium impact)
	1	1	2	3
	Low	(Low likelihood & Low impact)	(Medium likelihood & Low impact)	(High likelihood & Low impact)
		1 - Low	2 - Medium	3 - High
	LIKELIHOOD/PROBABILITY			

Overall Risk Score (in color) and Risk Level

Color	Overall Risk Score	Risk Level	Action
	6 – 9	High	High priority remedial action
	3 - 4	Medium	Medium priority remedial action
	1 – 2	Low	Risk acceptable; There are no imminent dangers

Risk Control Score based upon Action Plan

Risk Control Score is based upon appropriate action of individual risk for mitigating risks. Each control score ranged between 1 and 3:

- High: 3, significant control measures are fully in place
- Medium: 2, i.e. some controls in place but further actions to be planned
- Low: 1, i.e. no action is in place

Risk Control Score Calculation and Risk Level in Color

Risk Control Score (Residual Score) = Overall risk score/ Risk control score.

This is the scale of the risk after taking necessary actions.

Color	Residual Risk Score	Risk Level After Actions
	6 - 9	High
	3 – 4	Medium
	1 - 2	Low

AD-040.4 Fahad Bin Sultan University Risk Register (Example)

Fahad Bin Sultan University Risk Register												
Risk ID	**Risk Category**	**Risk Statement**	**Cause**	**Impact description**	**Likelihood/ Probability**	**Impact**	**Overall Risk Score**	**Risk Response Action Plan**	**Control score**	**Residual Risk Score**	**Responsible Unit Manager**	**Reporting Date**
ACADEMIC RISK												
R01	Academic Risk	SIS is not working	University IT Server update	Students unable to login SIS	1	1	**1**	ITC updates its servers.	3	**0**	ITC	
					0	0	**0**		0	**#DIV/0!**		
					0	0	**0**			**#DIV/0!**		
FINANCIAL RISK												
R20	Financial Risk	Revenue dependency on tuition fees	More than 90% revenues are from tuition fees	Other sources of revenues are unavailable	3	3	**9**	Identify other sources of revenues including: offering online training course & in person community training in cooperation with NEOM.	3	**3**		
					0	0	**0**		0	**#DIV/0!**		
					0	0	**0**			**#DIV/0!**		
					0	0	**0**			**#DIV/0!**		
OTHERS RISK												
R30	Others Risk				0	0	**0**			**#DIV/0!**		
					0	0	**0**			**#DIV/0!**		