UNIVERSITY
OF BAHRAIN

Risk Management Policy

Authority / Owner of Policy: Projects and Strategic Planning Directorate

Effective: 23 June 2023

Table of Contents

POLICY INFORMATION

Title:	Enter Policy Title	Risk Management Policy
Policy Description:		The University of Bahrain's Risk Management Policy aims to establish a comprehensive institutional framework for identifying, assessing, and addressing potential risks in a systematic and proactive manner. This ensures the achievement of the University's strategic objectives, continuity of educational and administrative operations, maintenance of performance quality, and promotion of a risk-aware culture within the university work environment.
Policy Scope:		☐ Academic ☐ Administrative ☐ Research ☐ Student ☒General
Policy Status		☐ New policy ☒ Revision of existing policy
Approval Authority:		University of Bahrain Council
Authority/ Owner of Policy:		Projects and Strategic Planning Directorate
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Related Documents:		HH Prime Minister's Decision No. (13) of 2013 regarding the adoption of the government institutions

governance guide and the executive program for its implementation.

Policy Stakeholders

☐ President

☐ Vice President

☐ Legal Advisor

☐ Deans

☐ Directors

☐ Faculty members

☐ Students

☐ Admin Staff

☒ All University Affiliates

1   Definitions

Risk:

The likelihood of an event occurring that may impact the University of Bahrain's ability to achieve its vision, mission, and objectives. This is assessed based on the frequency and severity of the risk.

The term "risk" includes events or circumstances that may have a negative or positive effect on achieving objectives. It covers multiple areas such as physical safety, data security, educational quality, the university's reputation, and financial and administrative aspects.

Risk Management:

A systematic process for identifying, assessing, controlling, monitoring, and documenting risks, aimed at eliminating or mitigating their effects and seizing opportunities that contribute to achieving the university's objectives. This includes the necessary infrastructure and responsibilities for managing this process, including opportunities for institutional improvement and enhancing operational efficiency.

Risk Assessment:

A systematic analysis process to determine the level of impact and frequency of risk occurrence, based on standardized criteria for measuring probability and impact, with the goal of classifying risks according to the University's approved probability and impact matrix.

Inherent Risk:	Risks in their initial state before applying any measures or controls to limit their impact or manage them.
Residual Risk:	Risks that remain in terms of impact or presence after implementing measures or controls to limit their impact or likelihood of occurrence.
Risk Identification:	A systematic process aimed at recognizing potential threats or opportunities that may affect the achievement of the University's objectives, through the collection and analysis of information using various methods such as surveys, workshops, interviews, and audit reports.
Early Warning Indicators:	Metrics or mechanisms used to monitor changes or indicators that signal a potential increase in risk levels or a decrease in the effectiveness of controls. Their results are included in the committee's periodic follow-up reports.
Risk Register:	An official document that documents prioritized risks, including identification data, assessment results, risk levels, control measures, treatment plans, and related responsibilities.
Control Procedures:	Policies, processes, and activities designed to prevent the occurrence of risks or limit their impact, ensure compliance with institutional procedures, and maintain the effectiveness of the risk management system.

2   International Reference and Standards

The University of Bahrain's Risk Management Policy is based on globally recognized international standards and frameworks in the field of risk management, and specifically draws upon the following:

1. **International Standard ISO 31000:2018 – Risk Management: Principles, Framework, and Implementation**, issued by the **International Organization for Standardization (ISO)**, it serves as the primary reference for risk management principles and frameworks at the organizational level.

This standard aims to integrate risk management practices into all organizational activities and decision-making processes to ensure the efficient and sustainable achievement of its objectives.

2. **COSO ERM 2017 Framework – Enterprise Risk Management: Integrating with Strategy and Performance**, issued by the **Committee of Sponsoring Organizations of the**

Treadway Commission (COSO). It emphasizes the integration of risk management into strategic planning and performance processes, thereby enhancing organizational resilience and value creation.

3   Policy Purpose

This policy aims to establish a unified institutional and systematic framework for risk management at the University of Bahrain, ensuring the integration of risk management practices into all administrative and academic processes. It seeks to reduce the likelihood of losses, enhance the quality of decision-making, improve the efficiency of resource utilization, and support the achievement of the University's strategic objectives. Furthermore, it aims to embed an institutional risk-aware culture and strengthen stakeholder confidence in response to organizational and institutional challenges that require proactive and well-considered risk management.

4   Policy Scope

The provisions of this policy apply to all organizational units of the University of Bahrain, as well as activities, projects, and programs carried out under the University's supervision or in collaboration with relevant external entities, whenever these entail obligations that may result in risks affecting the achievement of the University's objectives.

5   Policy Statement

5.1 Policy Statement

The University of Bahrain is committed to implementing effective risk management practices across all its academic and administrative activities and

operations. This aims to reduce undesirable impacts, ensure business continuity, and achieve a safe and effective university environment that supports the quality of education, research, and administration.

5.2 General Principals

The following principles form the foundation of the University of Bahrain's Risk Management Policy:

1. Risk management is an integral part of the institutional governance system and the achievement of the University's strategic objectives.

2. All functional levels share a collective responsibility in supporting risk management practices.

3. Risks are assessed proactively before approving or implementing new initiatives, projects, or programs whenever required.

4. All risks and their updates are recorded and maintained in an official dedicated register.

5.3 Types of Risks Covered by the Policy

This policy encompasses all categories of risks that the University of Bahrain may face, including, but not limited to:

1. Internal Risks: Including strategic, operational, academic, financial, legal, health and safety, technological, reputational, human resources, and teaching and learning risks.

2. External Risks: Such as economic, legislative, technological, and environmental risks, as well as natural disasters and pandemics, changes in the labor market, and social developments.

5.4 Risk Classification and Assessment Mechanism

Risks are assessed based on the two criteria of probability and impact, using a standardized assessment matrix across the University. The results are classified

according to the following severity levels: Very Low, Low, Medium, High, and Very High. The appropriate response or control level is determined based on the approved classification for each risk.

5.5 Risk Treatment by Severity Level

Risk treatment mechanisms are determined according to their severity level as follows:

1. **Very Low and Low Risks**: Basic awareness measures and periodic monitoring are sufficient.
2. **Medium Risks**: A specific treatment plan is developed and its implementation is regularly followed up.
3. **High Risks**: Strict controls, mandatory training, and regular follow-up meetings are implemented, along with the preparation of a suitable contingency plan.
4. **Very High Risks**: Immediate action is taken in coordination with senior management, involving comprehensive documentation, expert consultation, and the activation of a specific contingency plan.

5.6 Risk Register

The risk register within each organizational unit is managed by a Risk Management Coordinator, who is responsible for updating the register, consolidating data, and submitting it to the Central Committee. A designated "Risk Owner" is identified for each risk recorded in the register. This owner is the entity or individual operationally responsible for implementing treatment measures and reporting on the progress of implementation. The coordinator works in direct coordination with the Risk Owner to ensure comprehensive risk treatment and the submission of periodic reports.

6 Roles and Responsibilities

6.1 Projects and Strategic Planning Directorate

The Projects and Strategic Planning Directorate is responsible for institutional oversight of the University's risk management process, including monitoring and coordinating the work of the Risk Analysis and Corporate Operations Department. Its responsibilities include the following:

1. Monitor the implementation of the approved risk management policy and procedures in collaboration with the Central Committee and risk coordinators in organizational units.
2. Develop the necessary models and tools to identify, assess, and classify risks at the university level.
3. Analyze and compile institutional risk data into periodic reports submitted to the Central Risk Management Committee.
4. Propose early warning indicators and control mechanisms to enhance proactive risk management.
5. Provide technical and procedural support to organizational units in policy implementation and related capacity building.
6. Participate in the preparation of the annual institutional risk report that is submitted to the University Council.

6.2 Central Risk Management Committee:

The Central Risk Management Committee is established by a decision of the President of the University of Bahrain. It serves as a leading supervisory committee responsible for setting policies, providing guidance, and overseeing risk management at the university level, while organizational units are responsible for the practical implementation of risk management and report to the Central Committee.

The Committee consists of a chairperson from the Projects and Strategic Planning Department and representatives from various relevant organizational units. The decision establishing the committee specifies its term and other related provisions. The Central Risk Management Committee undertakes the following tasks:

1. Establishing the general guidelines for strategic and operational risk management at the University.
2. Prioritizing risks in consultation with the University President.
3. Ensuring the availability of necessary resources for effective risk management.
4. Monitoring the effectiveness of communication with risk officers in colleges and departments.
5. Reviewing high and critical risks and making decisions regarding them (approval, management, sharing, or avoidance).
6. Monitoring the implementation of risk management plans and ensuring compliance with the University's policies.
7. Submitting periodic reports and a comprehensive annual report to the University President regarding the risk status and recommendations for improvement.
8. Establishing and maintaining a university risk register.

9. Promoting a culture of risk management among all University affiliates and providing support to relevant units.

6.3 Risk Management Coordinators in Organizational Units:

A risk management coordinator is appointed in each organizational unit by the unit head. This coordinator serves as the link between the unit and the Central Committee and undertakes the following tasks:

1. Monitoring the implementation of the risk management policy within the organizational unit.
2. Identifying, assessing, and documenting risks related to the unit's activities according to approved forms.
3. Updating the unit's risk register and submitting it periodically to the Central Committee.
4. Developing a risk mitigation plan for risks within the unit's scope and monitoring its implementation.
5. Submitting periodic reports on the risk status and response level within the unit.
6. Promoting awareness among academic and administrative staff regarding the importance of implementing risk management.
7. Coordinating with senior management in the college or unit regarding the establishment of an internal risk management committee, if needed, depending on the nature of the activity and the associated risks.

6.4 Risk Analysis and Institutional Operations Department:

The department aims to support decision-making processes by collecting and analyzing risk data and providing the necessary technical indicators for enterprise risk management and risk analysis, which is done in direct coordination with the Central Risk Management Committee and the coordinators of organizational units. The department's responsibilities include:

1. Analyzing risk data received from organizational units and identifying key risk trends and patterns at the university level.
2. Developing and updating measurement and analysis tools, such as risk matrices and associated performance indicators, in coordination with the Central Committee.
3. Preparing periodic analytical reports on risk levels and providing technical recommendations on areas for improvement and control to the Director of Project Management and Strategic Planning.

4. Supporting the development of the university risk register by reviewing and auditing risk data submitted by organizational units.
5. Developing early warning indicators in collaboration with relevant stakeholders to help monitor potential risks in their early stages.
6. Providing technical and advisory support to risk management coordinators in organizational units regarding analysis and evaluation methods.
7. Proposing and developing initiatives aimed at enhancing the efficiency of enterprise risk management.
8. Participate in preparing the University's official risk reports and submit them to the Central Committee for approval.
9. Document and follow up on the results of the analysis to ensure the availability of an updated database used in the annual risk assessment.
10. Participate in developing awareness and training programs in the field of risk analysis and assessment, whenever requested by the Central Risk Management Committee.

7 Final Provisions

Projects and Strategic Planning Directorate, as well as the Risk Analysis and Institutional Operations Section, shall be activated immediately upon the completion of appointing the approved administrative and technical staff. The aforementioned entities shall commence their operational duties according to the responsibilities specified in this policy. The provisions of this policy will be subsequently reviewed to update roles and responsibilities in alignment with practical implementation and institutional work requirements.

8 Policy Procedures

8.1 Understanding the Internal and External Environment

The risk management process begins with understanding the University's internal and external environment to define the overall risk context. The internal environment includes:

organizational culture, values and objectives, administrative structure, regulations and policies, quality standards, and the level of institutional maturity in risk management.

The external environment includes: economic and regulatory conditions, technological and educational developments, social changes and academic competition, as well as political or environmental factors that may impact the achievement of the University's objectives.

8.2 Risk Identification, Classification, and Exploration

At the beginning of each new academic year, Risk Management Coordinators in organizational units shall conduct a process to identify, explore, and classify risks, and develop preliminary plans to address them, in coordination with the Central Risk Management Committee. Coordinators are also required to identify potential risks when initiating any new initiative or project, using various tools such as interviews, workshops, document and report reviews, surveys, and meetings. The outcomes of this stage form the foundation for risk assessment and the development of appropriate treatment plans. Risks are classified according to the types outlined in this policy.

8.3 Risk Prioritization and Documentation

Risk priorities are determined according to their probability of occurrence and potential impact using the matrix approved by the Central Risk Management Committee. All results are documented in the risk register of each organizational unit, along with assigned responsibilities and response plans.

The register is updated periodically or when substantial changes occur in the unit's activities or operational environment, and is submitted to the Central Committee for periodic review.

8.4 Review and Approval of Risk Reports

The Central Risk Management Committee reviews the risk registers and plans submitted by organizational units to ensure their adequacy and comprehensiveness, and to recommend necessary actions to mitigate high-priority risks.

The Committee prepares a comprehensive institutional risk report and treatment plans, which is submitted to the University Council for approval. The implementation of recommendations is followed up in coordination with Risk Management Coordinators in the organizational units.

8.5 Risk Assessment

Risks are assessed by determining the level of probability (frequency) and the level of impact (consequence) using standardized and calibrated criteria. The risk level is calculated according to the following formula:

Risk Level = Probability of Occurrence × Impact of Occurrence

a. **Risk Probability (Frequency) Scale:**

Probability of Risk Occurrence	Weight	Expected Frequency of Occurrence
Very Low	1	Once or more every five years
Low	2	Once or more every two years
Medium	3	Once or more per year
High	4	Once or more every six months
Very High	5	Once or more per month

b. **Risk Impact Scale (consequence):**

Impact of Risk	Weight
Marginal	1
Low	2
Medium	3
High	4
Catastrophic	5

How to Calculate the Risk Level:

The table below serves as a guide for calculating the risk level. The final calculation shall be based on the procedural guide to be issued by the Risk Management Committee.

c. **Risk Assessment Matrix (Risk Matrix) :**
The following matrix is used to determine the overall risk level:

Risk Assessment Matrix					
Probability of Occurrence	Impact of Occurrence				
	Marginal (1)	Low (2)	Medium (3)	High (4)	Catastrophic (5)
Very High (5)	Medium (5)	High (10)	Very High (15)	Very High (20)	Very High (25)
High (4)	Low (4)	Medium (8)	High (12)	Very High (16)	Very High (20)
Medium (3)	Low (3)	Medium (6)	High (9)	High (12)	Very High (15)

| Low
(2) | Very Low
(2) | Low
(4) | Medium
(6) | Medium
(8) | High
(10) |
| Very Low
(1) | Very Low
(1) | Very Low
(2) | Low
(3) | Medium
(4) | Medium
(5) |

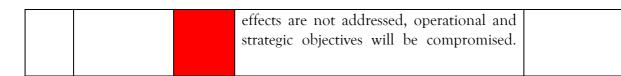### 8.6 Acceptable Risk Levels and Control Measures

The Central Committee determines the acceptable risk levels (the University's risk tolerance), taking into consideration the effectiveness of existing controls and the level of risk exposure.

A risk level of 9 or higher is considered unacceptable, and immediate actions must be taken to reduce, treat, transfer, or avoid it.

Risk Level Classification:

Risk Level	Classification	Color Code	Description	Tolerance
1 - 2	**Very Low**	Green	No or minimal harm; operations uninterrupted. Minimal material losses, negligible impact on achieving objectives. Effects can be recovered from within a day.	**Acceptable**
3 - 4	**Low**	Light Green	Minimal damages; very minor operational disruption, low financial losses, potential for minor impact on objective achievement. No permanent effects. Effects can be recovered from within days.	**Acceptable**
5 – 8	**Medium**	Yellow	Moderate damages and marginal operational disruption, with moderate financial losses; reputation may be damaged; difficulties in achieving operational objectives are expected. Effects can be recovered from within months.	**Tolerable**
9 – 12	**High**	Orange	Significant damages with operational disruption and substantial financial losses; reputation may be significantly damaged; major operational difficulties in achieving objectives; strategic objectives may be partially affected.	**Unacceptable**
13 – 25	**Very High**	Red	Very severe damages, operations are halted, with major financial losses. Reputation is severely damaged to the utmost extent. If	**Unacceptable**

			effects are not addressed, operational and strategic objectives will be compromised.	

These levels serve as the primary reference for making treatment decisions and escalating cases in accordance with Clause (7.7).

8.7 Responsible Entities for Risk Treatment

The entity responsible for treating risks and making decisions regarding them is determined according to the risk level, ensuring clear lines of accountability and institutional accreditation, as follows:

Risk Level	Responsible Treatment Entity	Decision Scope and Action
Low - Very Low	The Risk Owner in the organizational unit, in coordination with the Risk Management Coordinator	Implement simple corrective actions and periodic awareness, documenting the case in the risk register.
Medium	The Risk Owner, approved by the College Dean or Department Director, in coordination with the Risk Management Coordinator.	Approve the treatment plan and monitor its implementation, providing necessary resources and submitting follow-up reports.
High	The concerned University Vice President or the General Director of Administrative Services, in cooperation with the Risk Owner.	Review the situation, approve preventive measures, activate contingency plans when needed, and ensure business continuity.
Very High (Strategic)	The University President.	Assess the institutional impact, make strategic decisions regarding risk mitigation or avoidance, and approve corrective actions.

In the event that a risk escalates from one level to a higher one, the Risk Management Coordinator shall immediately report it to the higher authority according to the classification above, ensuring the prompt implementation of appropriate decisions and the activation of preventive measures.

8.8 Procedures for Handling Classified Risks (Treatment)

Procedures for handling risks include the following types, based on the risk level. These procedures will be detailed in a separate procedural manual to be prepared by the Central

Risk Management Committee and approved by the Vice President for Partnerships and Development.

9   Contact Information

For further assistance regarding the implementation of this procedure, related inquiries may be directed to the Projects and Strategic Planning Directorate,

     Email: risk@uob.edu.bh