# AU Risk Management Framework

# Risk Management Framework

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## Purpose

The purpose of the risk management function at AU is to assist in the identification, quantification, and assessment of risks, recommend options for managing them to protect the University's interests, and increase the likelihood of achieving its stated goals and objectives. This role includes the long-standing practice of managing the traditional hazard risks, as well as monitoring the progress of risk mitigation and management. This report is divided into sections to assist the reader in understanding Risk Management at AU. The sections highlight key areas of risk management, risk assessment processes, a look back at the previous year risks and AU's proactive approach, a report on risk assessment methods employed during strategy formulation, a status report on the University's insurance program, and a status report on Environmental Health & Safety.

The University's objective is to be 'risk aware', by ensuring that risk management is an integral part of its governance, planning, management and review processes, including the evaluation of new development opportunities. The University's approach to risk management follows ISO 31000:2018, that serves as a beacon:

- Comprehensive Understanding: It fosters a shared understanding of risks, their nature, and ways to manage them across the University.
- Strategic Decision-Making: The guidelines help embed risk management into university's governance, strategy, planning, reporting processes, policies, values, and culture.
- Operational Excellence: Implementing ISO 31000 can lead to efficiency gains, as it helps organizations recognize potential threats and opportunities in time, allocate resources wisely, and enhance stakeholder confidence.
- Proactive Approach: Rather than being purely reactive, ISO 31000 equips university to anticipate and address risks head-on, turning potential challenges into strategic advantages.
- Stakeholder Confidence: A structured approach to risk management signals to stakeholders from investors to customers that the organization is robustly prepared to navigate uncertainties, reinforcing trust and credibility.

## Alignment with University Strategy and Governance

The RMF aligns directly with the university's strategic vision and pillars, that are Knowledge with Impact, Discovery, and New Ways of Working. It complements the governance structure by clarifying roles and responsibilities for risk ownership from the University Council and senior leadership to colleges, departments, and administrative units ensuring that risk management is integrated into strategic planning, academic quality assurance, and operational decision-making.

## Risk Assessment and Management Process

### I. Identifying risk

Risk identification is the foundation of the university's risk management process. It involves recognizing internal and external factors that may affect the achievement of institutional objectives. Risks are identified across diverse domains, including:

- Academic risks: curriculum relevance, learning outcomes, accreditation, and academic quality assurance.
- Research risks: funding challenges, research integrity, data ethics, and intellectual property.
- Operational risks: resource allocation, process efficiency, and service delivery.
- Cybersecurity risks: data breaches, system failures, and unauthorized access.
- Safety and environmental risks: health and safety incidents, emergency preparedness, and environmental compliance.
- Financial risks: budgetary constraints, investment volatility, and revenue diversification.

The university employs multiple sources and tools for identifying risks, such as:

- Internal and external audits
- Workshops and brainstorming sessions with leadership, faculty, and staff
- Surveys and stakeholder feedback, including student and employee input
- Performance indicators (KPIs) and trend analysis
- Incident reports, compliance reviews, and risk registers

### II. Risk Assessment

Once identified, risks are systematically assessed to determine their likelihood and impact on the university's operations and objectives. The university utilizes a Risk Scoring Matrix that quantifies risks on a scale (e.g., 1–5) for both dimensions.

| Impact | Likelihood | Risk rating |
|---|---|---|
| **Low** | Rare | Minimal |
| **Moderate** | Possible | Medium |
| **High** | Likely | Significant |
| **Very high** | Almost certain | Critical |

When assessing risk impact, we consider how potential risks may affect our mission, objectives, and reputation. We evaluate the extent to which risks could disrupt academic quality, research integrity, financial stability, and operational continuity, while also considering compliance, safety, and stakeholder confidence. Figure 1 illustrates our four primary internal risk categories- strategic, financial, operational, and hazard, each of which the University can influence to varying degrees. The framework also acknowledges the presence of external risks that lie beyond the University's direct control, although measures can still be taken to reduce their potential impact. This approach, shows how each risk may influence it is vital to effective risk management.

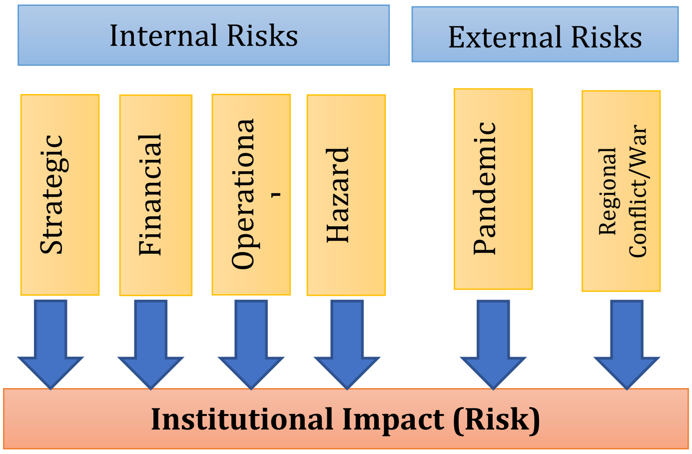

Figure 1 – Risk Categories & their Institutional Impact

At our university, we do not use a numeric risk threshold, instead assessing each risk in its own context. This allows us to consider the unique impact of academic, operational, financial, and strategic risks, as well as how they are connected. By evaluating risks individually, we can prioritize actions, apply targeted mitigation, and protect the University's mission, reputation, and long-term sustainability.

## III. Risk Mitigation and Control

Once risks are prioritized, mitigation and control strategies are developed and implemented. An individual/committee/department is designated to take responsibility for implementing agreed mitigation activities to a specified timescale. Progress is monitored by the BoT and Academic Council. Mitigation strategies include both:

- Preventive controls - measures that reduce the likelihood of occurrence, such as policy enforcement, training programs, and internal checks.
- Corrective controls - actions that minimize the impact after an incident, such as contingency planning, recovery systems, or revising operational procedures.

Common mitigation tools include:

- Development of standard operating procedures (SOPs)
- Awareness and capacity-building programs for staff and students
- Implementation of digital monitoring systems for real-time risk tracking
- Collaborative risk-sharing arrangements through partnerships and insurance coverage

## IV. Risk Monitoring and Review

Risk monitoring and review are essential for ensuring that the framework remains effective and responsive to changing internal and external environments. The university adopts a structured schedule for review and reporting:

- Semesterly reviews at the departmental and college levels
- Annual reports document all academic and administrative insights
- Internal audits and compliance checks to verify control effectiveness
- Performance tracking using KPIs and progress indicators
- Annual financial audit conducted by an external approved auditors
- Regular IT audits and cybersecurity updates
- Hazard monitoring and maintenance of facilities and logistics
- Insurance contracts
- Monitoring of social media

## Lessons from Past Risk Events

The University continuously learns from past experiences to strengthen its risk management practices. Two major events over the past years wee the COVID-19 pandemic and regional conflict. These highlighted the importance of preparedness, agility and resilient operational systems. While these events were largely unanticipated, the University demonstrated a swift and effective response, mitigating their impact on operations, staff, and students.

### COVID-19 Pandemic

The COVID-19 pandemic emerged suddenly, disrupting educational institutions worldwide. The University faced immediate challenges related to campus closures, transitioning to online learning, maintaining research continuity, and safeguarding student and staff well-being. Despite the absence of a pre-existing pandemic plan, the University quickly adapted through coordinated departmental efforts:

- IT Department: Rapidly deployed online learning platforms, video conferencing tools, and digital administrative systems to ensure continuity of teaching and operations.
- Academic Departments: Redesigned curricula and assessment methods to suit remote learning while maintaining academic standards. Faculty worked closely with students to provide guidance and support.
- Student Affairs: Provided mental health support, academic accommodations, and virtual engagement initiatives to maintain student well-being and a sense of community.

- Facilities and Campus Services: Implemented health and safety protocols, including sanitization of essential facilities and social distancing measures for limited on-campus activities.
- Administrative Units: Maintained consistent communication with students, staff, and stakeholders, providing updates on operational changes and safety measures.

### Regional Conflict / War

Regional war along with the threat of a nuclear conflict presented another unforeseen risk, with potential implications for student safety, staff security, and operational continuity. Although the University had not specifically anticipated a regional conflict, it responded swiftly by:

- Activating emergency response protocols for staff and student safety.
- Coordinating with local authorities and embassies to ensure situational awareness.
- Adjusting campus operations and academic schedules to maintain continuity.
- Enhancing communication with parents, students, and international partners regarding safety measures.

The Facilities and Campus Services department played a pivotal role in ensuring the safety and security of the University community during the period of regional instability. The department strengthened campus security measures, designated emergency shelters in each building, and stocked essential supplies, including water, food, and emergency equipment, to provide immediate support in the event of a nuclear threat. Simultaneously, Senior Management and the Board of Trustees (BoT) took decisive actions to maintain institutional continuity, making strategic decisions regarding staff deployment, academic scheduling, and the prioritization of critical functions.

## University Risk Mapping

| Specific Risk | Likelihood | Impact | Mitigation |
|---|---|---|---|
| **Academic risks** | | | |
| **Declining quality of teaching and learning** | Medium | High | Implementation of continuous professional development, peer review of teaching as per Classroom Observation Policy, and course evaluations as per the AU Validation and Moderation Policy and Procedure |
| **Curriculum relevance and** | Medium | High | Conduct regular curriculum reviews as per the AU Curriculum Review Policy, benchmark against peer institutions, and |

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| **accreditation compliance** | | | gather stakeholder feedback though SET surveys |
| **Student progression and retention issues** | Medium | High | Application of early intervention systems through Academic Warning letters, provide academic advising and tutoring services for students who need extra support. |
| **Academic misconduct and integrity issues** | Low | Low | We strongly enforce the Code of Academic Integrity, Exam Proctoring Policy, use plagiarism detection tools like the Turnitin for submission of assessments, and run awareness campaigns. |
| **Research risks** | | | |
| **Research ethics breach** | Low | High | All research activities are monitored as per the Research Code of Conduct, we enforce ethical approval processes, and provide research integrity training. |
| **Funding or grant mismanagement** | Medium | Medium | The University enforces clear governance through a centralized Scientific Research Center, standardized policies, periodic audits, automated tracking systems. Require documented justification and approval for all fund reallocations and provide mandatory training for PIs. |
| **Intellectual property misuse or disputes** | Low | High | AU implements IP policy, engage in legal counsel and ensure research contracts and collaboration agreements explicitly define IP ownership and authorship terms. |
| **Research project delays or failures** | Medium | Medium | Implement structured project planning with defined milestones, regular monitoring, and progress reporting. |
| **Operational risks** | | | |
| **IT system failures or prolonged downtime** | Low | High | AU maintains redundant systems, conduct regular backups, and implement disaster recovery protocols. Scheduled |

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| | | | maintenance, security updates, infrastructure capacity reviews, continuous IT support and staff training ensures system resilience. |
| **Administrative inefficiencies** | Medium | Medium | Streamlined workflows, automated repetitive processes, conduct regular process audits, performance monitoring via KPIs and update administrative policies and procedures remain current. |
| **Campus infrastructure or facility issues** | Low | Medium | Scheduled preventive maintenance, conduct facility inspections, and plan timely upgrades as per the Facilities Preventive and Routine Maintenance Procedure. |
| **Supply chain disruptions** | Low | Medium | Conduct supplier risk assessments, maintain multiple sourcing options, enforce service-level agreements and supplier performance management, all as per the Supplier Management Procedure. |
| **Data privacy breaches / cybersecurity incidents** | Medium | High | The University enforces robust data-related policies such as Archiving Request Policy, Records Management Procedure, Data Governance Policy and IT policy. These policies regulate data storage, access controls, backups, data use and implement regular system audits. AU IT Staff is also trained with cybersecurity program, they use encryption, and maintain an incident response plan. |
| **Contractual oversight** | Low | Medium to high | The University Administration and Contracts Administration department maintains a centralized contract repository and uses standardized templates with clear terms and obligations. Legal review, assigned contract ownership, and regular |

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| | | | monitoring ensure compliance with all commitments. |
| **Health and safety risks** | | | |
| **Campus accidents or injuries** | Low | High | AU enforces comprehensive health and safety policies such as HS Incident and Hazard Reporting Procedure, HS Inspection Procedure, HS Orientation Toolbox Talk, Security Incident Procedure and AU Emergency Procedures for Evacuation.<br><br>As per these policies AU conducts safety drills every semester, risk assessments, provide hazard awareness training, maintain emergency response systems and on-campus medical support. |
| **Fire or environmental hazards** | Low | High | Maintain fire detection systems, conduct regular drills and inspections, and ensure compliance with safety regulations as per Kuwait's Law. |
| **Occupational health and personal well-being** | Medium | Medium | AU offers regular workplace assessments through HR surveys, provides health insurance for its employees, well-being leaves and access to medical and counseling services on-campus. Wellness programs and a supportive leadership culture further promote a safe and healthy work environment. |
| **Pandemic or infectious disease outbreak** | Low | High | The University implements a comprehensive preparedness plan, health screenings, vaccination programs, and strict hygiene and sanitation measures. Remote learning, flexible work arrangements, and social distancing protocols minimize disruption and exposure. |
| **Financial Risks** | | | |

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| **Student recruitment, enrolment, and retention** | Medium | High | Plans to implement targeted marketing for key programs, competitive academic programs, and streamlined admissions processes. Scholarships, financial aid, and student engagement initiatives enhance satisfaction and support. |
| **Budget mismanagement** | Low | High | The University Finance department prepares budgets in coordination with other departments in advance as per the AU Budget Process Policy. There is a centralized oversight, multi-level approval processes for expenditures and annual financial audits to keep budget in check. |
| **Funding fluctuations** | Low | High | AU plans to diversifies its revenue streams, develops multi-year financial plans, and maintains contingency reserves. Engaging stakeholders, exploring alternative revenue sources, and conducting scenario planning ensure financial stability and resilience. |
| **Fraud or theft** | Low | High | Strengthen internal controls, segregate financial duties, enforce accountability measures and confidential reporting channels. Regular audits, staff training, and asset management ensure early detection and prevention of irregularities. |
| **Delayed or non-payment of tuition fees** | Medium | Medium | AU has clear payment policies in place and offer flexible payment options. The university implements an Academic Hold on students with deferred payments and maintain follow-up mechanisms. |
| **External Risks** | | | |
| **Socio-political instability affecting operations** | Low | High | The University maintains a comprehensive crisis management and business continuity plan supported by strong security measures in coordination with authorities, remote learning |

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| | | | readiness, and insurance coverage ensure operational resilience. |
| **Reputation damage or negative media exposure** | Medium | High | It maintains strong public relations through positive media coverage of major events and university milestones, complemented by an active social media presence. As part of its reputation management efforts, the University also nurtures strong alumni relations through targeted engagement initiatives and strategic partnerships. |
| **Competition from other institutions** | Medium | Medium | The University focuses on program differentiation, academic excellence, enhanced student experience, industry partnerships, international collaborations and institutional branding to strengthen its market position. It also regularly benchmarks its performance against competitors to identify areas for improvement. |
| **Deterioration of industry partnerships or stakeholder relations** | Medium | Medium | AU uses clear Memoranda of Understanding (MOUs) and conduct periodic reviews. Partnerships are designed to create mutual value through joint projects, internships, and research collaborations. |
| **Legislation or Regulatory Compliance** | Low | High | AU monitor regulatory updates, maintains legal advisory services, ensure policy compliance, and document decision-making processes. |

## Departmental Risk Ownership

Effective risk management at the University relies on clear responsibility and accountability across all organizational units. While the University does not maintain a dedicated risk management department, risk ownership is embedded within each department according to its functional responsibilities. This decentralized approach ensures that risks are identified, monitored, and mitigated by the units most closely associated with the operational, academic, financial, or research activity involved.

Major risk decisions, particularly those with strategic or financial implications, are taken by senior management or the Board of Trustees (BoT). This hierarchical oversight ensures that significant risks are evaluated in the context of the University's overall objectives, priorities, and governance framework. For risks that arise unexpectedly, the University relies on the **Academic Council** and the BoT for rapid assessment and resolution. This approach allows for timely decision-making while maintaining alignment with university policies and strategic direction. Below is a breakdown of the primary risk oversight responsibilities assigned to each department across the University.

| | |
|---|---|
| **Academic Departments** | Monitor risks related to curriculum quality, student learning outcomes, academic integrity, faculty performance, accreditation requirements and research compliance. |
| **Scientific Research Center** | Manage risks associated with research grants, intellectual property, research ethics, compliance with funding regulations, and project delays or failures. |
| **Facilities, Health & Safety, Security Department** | Accountable for health and safety, building maintenance, infrastructure resilience, campus security, emergency preparedness, and environmental compliance. |
| **IT Department** | Oversees cybersecurity, IT system reliability, data protection, software licensing compliance, and continuity of digital services. |
| **Student Affairs, Student Life** | Manages risks related to student welfare, engagement, mental health, campus conduct and extracurricular activities. |
| **PR and Marketing** | Handles risks to public relations, media coverage, social media activity, and stakeholder communications. |
| **Finance Department** | Responsible for budget planning, expenditure oversight, financial reporting, funding fluctuations, and mitigation of fraud. |
| **Human Resources (HR)** | Manages risks associated with staffing, employee well-being, workplace policies, occupational health, labor regulations, and succession planning. |
| **Alumni and Career Placement Department** | Manages risks related to graduate employability, career services, industry engagement, and the university's professional reputation in the job market. |
| **Administration & Contracts Administration** | Manages risks associated with administrative operations, contractual obligations, and external partnerships. This includes ensuring that all correspondence, agreements, and legal documents comply with university standards. |
| **Innovation & Entrepreneurship Center** | Manages risks linked to the commercialization of research, start-up incubation, intellectual property protection, industry collaboration, and venture funding. |
| **Purchasing Department** | Oversees risks associated with procurement processes, vendor selection, contract compliance, and the timely acquisition of goods and services while ensuring value for money and adherence to university policies. |
| **Center for Learning Differences** | Responsible for managing risks related to accessibility, inclusive education and compliance with educational accommodations. |
| **Corporate Training Department** | Oversees risks associated with external training programs, client engagement, contractual obligations and quality of delivery. |

## Methodology for Strategy Development

The development of the new university strategy was conducted through a rigorous and systematic process led by the Department of Quality, Planning, and Studies. The approach was designed to ensure inclusivity, data-driven decision-making, and alignment with both national priorities and international best practices. This process included the following stages:

**Stage 1- Initial Review of Previous Strategy and University Reports**

The first stage involved a comprehensive review of the previous strategic plan to assess its effectiveness. University performance was evaluated against established KPIs across academics, research, administration, and student services. In addition, existing university reports were analyzed, including SET results, annual reports, research performance reports, internal audit findings, and CQU audit reports.

**Stage 2- Benchmarking and External Research**

To ensure competitiveness and relevance, the university conducted benchmarking against regional and international peers. Key KPIs were compared, and global higher education trends were studied in areas such as research impact, employability, and digital transformation. Reports from Deloitte, EY, UNESCO, and the OECD were also reviewed to capture international perspectives on opportunities and risks.

**Stage 3- Stakeholder Consultation and Engagement**

Broad engagement ensured inclusivity in shaping the strategy. Academic departments, administrative units, students, alumni, and industry partners were consulted through meetings and structured dialogues. All feedback was carefully documented, analyzed, and mapped against strategic priorities, ensuring that the voices of diverse stakeholders shaped the direction of the strategy.

**Stage 4- Risk Assessment and Mitigation Planning**

At this stage, a comprehensive risk register was developed to identify and prioritize risks based on their likelihood and impact. Mitigation measures and contingency plans were established to ensure resilience. Global risk outlooks from Deloitte, EY, and other sector analyses were also reviewed to contextualize local risks within international higher education challenges.

**Stage 5- Strategy Formulation**

Based on the studies conducted and evidence gathered, the strategic framework was constructed. The university vision and mission were redefined, strategic pillars, goals and objectives were formulated. All findings from benchmarking, consultation, and risk analysis were synthesized into a coherent draft strategy.

**Stage 6- Validation and Approval**

The draft strategy was reviewed with leadership teams to ensure feasibility and relevance. Alignment with national higher education policies was verified, and final revisions were made before endorsement by the University BoT.

## Strategic Risks and Mitigation

The University identified key strategic risks associated with each pillar and goal. A comprehensive risk mapping exercise was conducted to assess the likelihood and potential impact of each risk, and to define mitigation measures and responsible units. This proactive approach ensures that the University remains resilient and prepared, supporting effective implementation of the strategy while safeguarding institutional objectives.

| Strategic Pillars and Goals | Corresponding Risks | Likelihood | Impact | Mitigation Measures |
|---|---|---|---|---|
| **Pillar 1: Knowledge with Impact** | | | | |
| **1.1Diversify Academic Portfolio** | Low student enrollment; misalignment with market needs | Medium | High | Conduct market research; co-design programs with employers/alumni; monitor enrollment trends |
| **1.2 Redesign Learning for a Changing World** | Resistance to new teaching methods; insufficient faculty training | Medium | Medium | Launch faculty change management programs; provide teaching innovation grants; monitor adoption rates and provide targeted support |
| **1.3 Bridge Academia and Industry** | Weak industry partnerships; limited experiential learning opportunities | Medium | High | Establish formal MOUs; co-create projects & micro-credentials; joint research and internship agreements |
| **Pillar 2: Discovery** | | | | |
| **2.1 Promote Excellence in Faculty Research** | Low research output; inability to secure grants | Medium | High | Establish internal grant-matching funds; provide grant writing and |

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| | | | | project management support; create mentoring program for early-career researchers |
| **2.2 Cultivate a Culture of Research and Innovation Among Students** | Low student participation; lack of research skills | Medium | Medium | Launch research skills bootcamps; integrate supervised student research programs; recognize high-performing students through awards |
| **2.3 Foster a Spirit of Learning Beyond the Classroom** | Low engagement in extracurriculars; limited experiential learning | Medium | Medium | Introduce targeted student engagement campaigns; monitor participation metrics; provide incentives for leadership and community initiatives |
| **Pillar 3: New Ways of Working** | | | | |
| **3.1 Build a Future-Ready Workforce** | Difficulty recruiting/retaining talent; skills gaps | Medium | High | Implement competitive compensation packages; structured onboarding; continuous professional development programs; succession planning |
| **3.2 Optimize University Operations and Decision-Making** | Inefficient processes; poor data-driven decisions; cybersecurity risks | Medium | High | Conduct process audits; deploy ERP and integrated data dashboards; regular cybersecurity audits and training |
| **3.3 Redesign Infrastructure for Agility and Engagement** | Aging infrastructure; low student/staff satisfaction; environmental impact | Medium | Medium | Conduct facilities condition assessments; implement phased smart campus upgrades; adopt green building standards and monitor environmental KPIs |

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