

FORTH HOUSING ASSOCIATION LIMITED

RISK MANAGEMENT POLICY

Code: GOV 20

Approval: February 2024

Review Date: February 2027

Cross Reference: Business Continuity Plan
(GOV 08)



This document can be made available in alternative languages or formats (such as large print, audio etc). Please contact staff as required.

Policy Summary

This policy has been developed to show how Forth Housing Association manage organisational risk and documents the roles and responsibilities of the Management Committee, Audit & Risk Sub Committee, the Senior Management Team, and other key parties.

Equalities

Equality impact screening questionnaire has been completed and no issues highlighted therefore there is no requirement to do a full Equality Impact Assessment.

Privacy

A privacy impact screening questionnaire has been carried out and no issues highlighted therefore there is no requirement to do a full Privacy Impact Assessment.

Policy Owner

Name: Director

Date of Next Review: February 2027

1. Introduction

- 1.1 The purpose of the risk management policy is to ensure that the Association has an appropriate and proportionate approach to dealing with risks associated with our operating environment.
- 1.2 The management of risk is an essential part of good governance and ultimate accountability for the control and management of risk rests with Forth Housing Association's (Forth) Governing Body, the Management Committee and the Audit and Risk Sub Committee.
- 1.3 This policy recognises that all organisations face a range of risks which can affect the achievement of their corporate objectives. Forth is committed to the proactive management of risk, and view this as a key responsibility of all employees. Discharging these responsibilities through implementation of this Policy will significantly assist Forth to continue to meet and deliver its corporate objectives without jeopardising its:
 - Reputation. –
 - Financial Viability. –
 - Assets and Resources, and the -
 - Provision of affordable, high quality housing services.

2. Principles

- 2.1 The following principles underpin this policy
 - Taking a proactive approach, anticipating and influencing events before they happen.
 - Facilitating better informed decision making.
 - To improve contingency planning.
 - Striving to give value for money, whilst being focused on accountability, transparency and honest.

3. Aims and Objectives

- 3.1 The aims and objectives of risk management are to:
 - Provide continuous high quality services to the tenants and other customers of Forth .
 - Use appropriate identification and analysis techniques to identify risks and to determine the long and short-term impact.
 - Prioritise and implement economic control measures to reduce or remove risks.
 - Protect and promote the reputation of the association.

- Through the use of training and communication, develop and maintain a structured risk management culture, where risk is considered in the decision making process and the everyday working situations of all staff.
- Maintain a system for recording and providing accurate, relevant and timely risk management information.
- Reduce the long-term cost of risk to Forth.
- Report on and review the risk management Policy in accordance with best practice guidelines

4. Policy Framework

4.1 Regulatory Expectations

The Scottish Housing Regulator (SHR) sets clear expectations about the importance of risk management in its Regulatory Standards of Governance and Financial Management. Specific relevant requirements are as follows:

GS 3.2 - The governing body fully understands the implications of the treasury management strategy it adopts, ensures this is in the best interests of the RSL and that it understands the associated risks.

GS 3.3. - The RSL has a robust business planning and control framework and effective systems to monitor and accurately report delivery of its plans. Risks to the delivery of financial plans are identified and managed effectively. The RSL considers sufficiently the financial implications of risks to the delivery of plans.

GS 3.5 - The RSL monitors, reports on and complies with any covenants it has agreed with funders. The governing body assesses the risks of these not being complied with and takes appropriate action to mitigate and manage them.

GS 4.3. - The governing body identifies risks that might prevent it from achieving the RSL's purpose and has effective strategies and systems for risk management and mitigation, internal control and audit.

4.2 Defining Risk

Risk can be defined as any event or action that prevents the Association from maintaining good performance and/or meeting pre-set targets, goals and plans contained within our Business Plan and Internal Management Plan; and /or results in loss being incurred.

4.3 Approach to Risk Management

The Association's risk management policy is fully integrated into our planning and performance framework. It links directly with our annual Business Plan and related

objectives. In turn, the Business Plan is informed by our annual Management Committee Strategic Planning Session where the Management Committee decide on medium-term strategic objectives as well as specific priorities for the year ahead. Assessment of the external environment and related potential risks will be an integral feature of the annual Strategy Review and will focus on how we:

- Identify risks
- Assess them
- Control them
- Monitor and review them

4.4 Risk Responsibilities

Management Committee	To take overall responsibility for development, implementation and review of risk management strategy, and to oversee the effective management of risk by managers of the Association.
Audit and Risk Sub Committee	To Monitor and review the effectiveness of the overall risk assessment and associations system within the Association To Periodically review and make recommendations to the Committee on the Corporate Risk Register and Risk Association Policy and To Review of the risk association framework
Director	To ensure that the risk management policy and strategy is implemented on day-to-day basis and that risk is managed effectively across the Association. To develop and maintain the strategic risk register for the Association.
Managers	To manage risk effectively in their particular service areas (Customer Services, Asset Management, Finance and Corporate Services) by completing operational risk assessments and maintaining associated portfolios.
Employees	To manage risk effectively in their job.
Internal Audit	To ensure that risk management cycle is rigorously applied and that risks are being effectively managed as a result.

4.5 Risk Appetite

Risk appetite is a core consideration in any risk management approach. It is a clear expression by the Committee of the extent of their willingness to take risk in order to meet their strategic objectives.

No organisation can achieve its objectives without taking risk. Therefore, the question is not whether the Association should take risk, but how much risk is the Committee willing to take to deliver its business plan. The level of risk appetite will vary across business areas and individual activities and will depend on the cost to the association, therefore risk is considered as part of all reporting processes to the Management Committee.

4.6 Risk Identification

Through the Strategy Review process, the Management Committee will consider possible strategic risks that could impact on the business, with advice from the Management Team and expert external consultants.

In addition, the Management Team will undertake regular environmental scanning so that potential new strategic risk issues that arise between strategy reviews are brought to the Management Coimmittee’s attention via appropriate c o m m i t t e e reports.

Each Manager has responsibility for identifying operational risks against relevant business plan objectives and priorities. These risks are then clearly set out and prioritised within operational Risk Registers.

4.7 Risk Assessment

The Management Committee and Senior Management Team evaluate
a) the likelihood and
b) the potential impact of each identified strategic risk,

The scoring is based on a on a risk matrix scale of 1 to 5 for likelihood and also 1 to 5 for severity.

This results in a combined score for each risk, the lowest score being 1 (1X1, low likelihood, low severity), and the highest score being 25 (5 x 5, high likelihood, high severity), with colour-coding to assist clear identification of higher risks as per the table below.

▲ L i k e l i h o o d	5. Very High	5	10	15	20	25
	4. High	4	8	12	16	20
	3. Medium	3	6	9	12	15
	2. Low	2	4	6	8	10
	1. Very low	1	2	3	4	5
Risk Factor	1. Very Low	2. Low	3. Medium	4. High	5. Very High	

*Management Policy
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4.8 Management and control of risk

The Management Committee has responsibility for approving the risk management strategy and for ensuring appropriate control and monitoring arrangements are in place. The Management Committee, supported by the Audit and Risk Sub Committee and the Senior Management Team, will review strategic risks via the annual Strategy Review and the Business Planning process. The roles of the Management Committee and the staff team in relation to risk management are summarised in section 4.4 above.

For both strategic and operational risks, we have departmental Risk Registers which identify a senior staff member as having responsibility for assessing and controlling the risk. For every risk, the Register will identify specific control measures and where no existing controls are in place or existing controls are considered inadequate, specific actions and related timescales are identified to address the risk.

4.9 Monitoring and review arrangements

Managers are responsible for identification and control of operational risks within their respective department; and this will be monitored by the Director.

We will compare the Association's Risk Registers (and Strategy) with those of peer Registered Social Landlords (RSLs) on an ongoing basis. We will also arrange evaluation of the Registers by the Internal Auditors on a regular basis to ensure they meet current best practice and link directly and appropriately to our business activities and objectives.

The Management Team identifies, considers and agrees the strategic risks and associated register. The Management Team will continually update proposed operational risks and controls, and Risk Registers will be presented to the Audit

Committee on a regular basis.

Monitoring and review arrangements are identified for each risk as appropriate within the Register, with individual Managers responsible for taking appropriate action.

Risks will be added to the Register as and when they are identified, and via the annual / bi- annual Business Planning process; and risk scores and actions adjusted as appropriate.

4.10 Strategic Risks

Strategic risk areas are risks which if they were to occur could have a significant adverse effect on the business and the successful delivery of our priorities. These have been grouped into various categories:

Examples of specific risk areas could include:

- political change, including a potential move to Scottish independence
- welfare benefit reform and reducing household income
- economic climate (including unemployment and availability/ cost of loan funding)
- Changes to subsidy levels and cost of new-build/ mixed tenure development
- ageing population
- housing demand and competition for tenants across sector
- legislation on carbon / waste reduction, energy standards and factoring, with possible cost implications
- major health and safety failure/ stock disaster
- major contractor failure/ collapse
- governance failure/ lack of participation/ regulatory change

Each of these strategic risks will be outlined in more detail in the Risk Register and will be updated on an annual basis.

5 Monitoring of the Policy

5.1 The Audit and Risk Sub Committee will review this policy at least every 3 years and staff are responsible for ensuring that it meets legal and good practice requirements.

5.2 The Director will monitor and report the application of this policy through our quarterly performance reports.

6.0 Complaints and Appeals

- 6.1 Forth Housing Association welcomes complaints and positive feedback, both of which provide information which helps us to improve our services. We use a complaints procedure developed by the Scottish Public Services Ombudsman (SPSO) and the Scottish Housing Regulator.

The complaints procedure allows for most complaints to be resolved by front line staff within a five day limit (first stage), or if the complaint is complex, a detailed investigation will be made by a manager within a 20 day limit (second stage). At the end of the second stage our response will be made by a director. If the customer remains dissatisfied, he/ she may then refer the matter to the SPSO.

At each stage we will advise the customer how the complaint should be taken forward and advise which agency would be most appropriate to consider the case.

7.0 Equalities

- 7.1 Equality and diversity underpin all our activities and services. When delivering our services, we never discriminate on the basis of sex or marital status, race, disability, age, sexual orientation, language, social origin, or of other personal attributes, including beliefs or opinions such as religious beliefs or political opinions. Full details of our Equalities Policy can be found on our website www.forthha.org.uk or can be obtained from our office.

8.0 Data Protection - Privacy

- 8.1 We recognise the importance of data protection legislation, including the General Data Protection Regulation, in protecting the rights of individuals in relation to personal information that we may handle, use and disclose about them, whether on computer or in paper format. We will ensure that our practices in the handling, use and disclosure of personal information as part of the processes and procedures outlined in this policy comply fully with data protection legislation. More information is available from our Data Protection Officer

9.0 Availability

- 9.1 This policy is available on our website and can be made available in a number of other languages and other formats on request.

10.0 Review

- 10.1 This policy will be reviewed at least every 3 years by the Management Committee and staff are responsible for ensuring that it meets legal and good practice requirements.

Appendix 1 Equality Impact Assessment Screening Questions

Forth Housing Association Ltd

Risk Management Policy

Will the implementation of this policy have an impact on any of the following protected characteristics?

- | | | |
|-----------------------------------|------------------------------|--|
| 1. Age | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| 2. Disability | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| 3. Gender reassignment | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| 4. Marriage and Civil Partnership | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| 5. Pregnancy and Maternity | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| 6. Race | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| 7. Religion or belief | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| 8. Sex | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| 9. Sexual orientation | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

If you have answered 'Yes' to any of these points, please complete a full Equality Impact Assessment. If you have answered 'No', you need take no further action in completing an Equality Impact Assessment

Appendix 2 - Privacy Impact Assessment

Forth Housing Association

Risk Management Policy

1. A substantial change to an existing policy, process or system that involves personal information Yes No
2. A new collection of personal information Yes No
- 3.. A new way of collecting personal information (for example collecting it online) Yes No
4. A change in the way personal information is stored or secured Yes No
5. A change to how sensitive information is managed Yes No
6. Transferring personal information outside the EEA or using a third-party contractor Yes No
7. A decision to keep personal information for longer than you have previously Yes No
8. A new use or disclosure of personal information you already hold Yes No
9. A change of policy that results in people having less access to information you hold about them Yes No
10. Surveillance, tracking or monitoring of movements, behaviour or communications Yes No
11. Changes to your premises involving private spaces where clients or customers may disclose their personal information (reception areas, for example) Yes No

If you have answered 'Yes' to any of these points, please complete a full Privacy Impact Assessment. If you have answered 'No', you need take no further action in completing a Privacy Impact Assessment.