



## **Dunbritton Housing Association Limited**

<b>Name of Policy</b>	<b>Risk Management</b>
<b>Responsible Officer</b>	<b>Chief Executive Officer</b>
<b>Date approved by Board</b>	<b>February 2022</b>
<b>Date of next Review</b>	<b>February 2025</b>
<b>Section</b>	<b>Chief Executive</b>
<b>Reference</b>	<b>G10</b>

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## **Contents.**

Section		Page
1.	Introduction	3
2.	Defining Risk	3
3.	Approach to Risk Management	3 - 5
4.	Strategic Risks	5
5.	Equality & Diversity	5

## **Appendices**

### **Appendix 1: Risk management roles and responsibilities**

## **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 This replaces the previous policy setting out our approach to risk management together with agreed strategic risks and how these will be addressed.

## **2. Defining Risk**

2.1 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.

## **3. Approach to Risk Management**

3.1 The Association's Risk Management policy is fully integrated into our planning and performance framework. It links directly with our 3 yearly Business Plan and related objectives. The Business Plan is informed by our annual Board Away Day / Strategy Review, where the Board 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

### **3.2 Risk Identification**

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

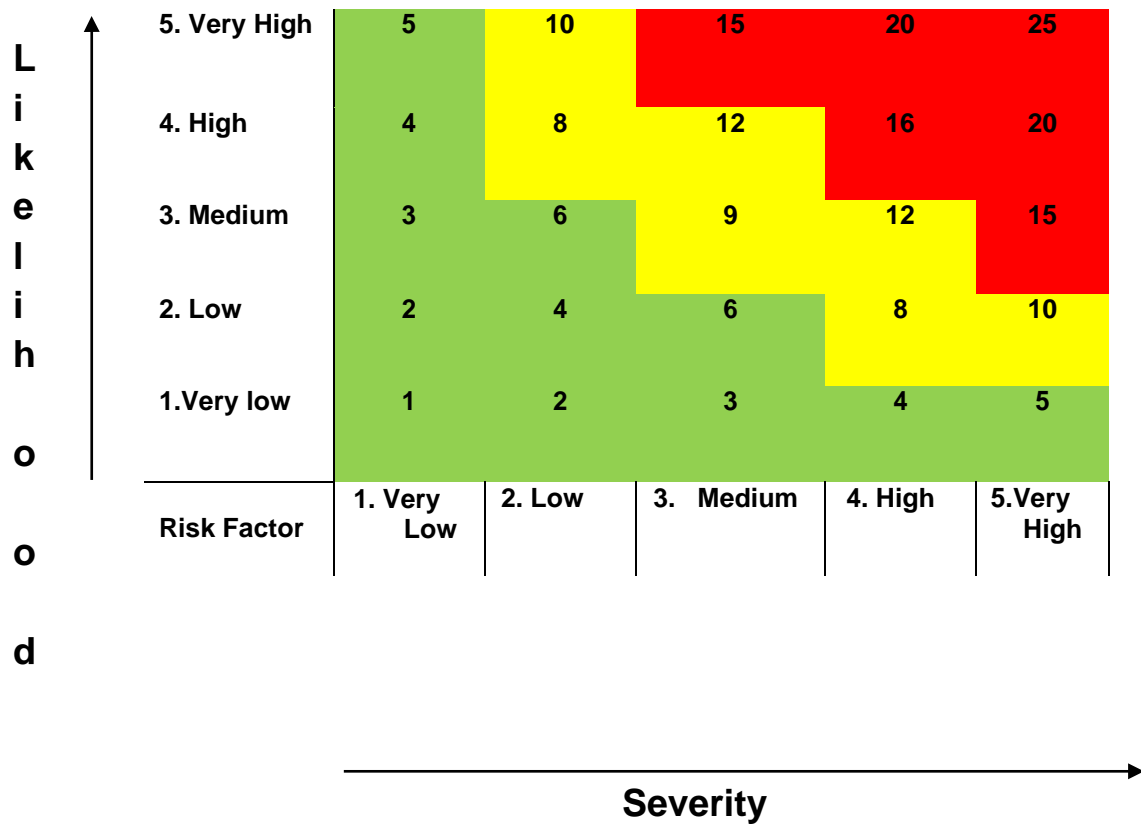
In addition, the Management Team will undertake regular environmental scanning so that potential new strategic risk issues that arise between strategy reviews are brought to the Board's attention via appropriate Board reports.

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.

Appropriate updates will be provided on a 6 monthly basis to the Audit & Risk committee

### 3.3 Risk Assessment

The Board and Management Team evaluate a) the likelihood and b) the potential impact of each identified strategic risk, with scoring 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 below.



### 3.4 Management and control of risk

The Board has responsibility for approving the risk management strategy and for ensuring appropriate control and monitoring arrangements are in place. The Board, supported by the Management Team, will review strategic risks via the annual Strategy Review and the Business Planning process. The roles of the Board and the staff team in relation to risk management are summarised in Appendix 1.

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.

### 3.5 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 Chief Executive Officer (CEO).

The CEO will review the risk register on a 6 monthly basis with each respective manager.

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 Board 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. 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 included in the Associations Strategic Risk Map that will identify these risks and how they are linked to the Association's Strategic Objectives. They will be reviewed on a quarterly basis.

## 5. Equality & Diversity

5.1 As a service provider and employer, we recognise the requirements of the Equality Act 2010, oppose any form of discrimination, and will treat all customers, internal and external, with dignity and respect. We recognise diversity and will ensure that all of our actions ensure accessibility and reduce barriers to employment and the services we provide.

## Appendix 1: Risk management roles and responsibilities

<b>Board</b>	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.
<b>CEO</b>	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.
<b>Managers</b>	To manage risk effectively in their service areas (Housing Services, Asset Management, Finance and Corporate Services) by completing operational risk assessments and maintaining associated portfolios.
<b>Employees</b>	To manage risk effectively in their job.
<b>Internal Audit</b>	To ensure that risk management cycle is rigorously applied and that risks are being effectively managed as a result.