Kingsridge Cleddans Housing Association

Report To: Committee

From: Daniel Wilson, Director

Date: 21 January 2025

Subject: Risk Management Policy

Report Purpose

For Decision
For Discussion

For Information

REGULATORY COMPLIANCE

The report is relevant to the following standards of governance as set by the Scottish Housing Regulator:

Standards, 1 and 6

EQUALITIES AND HUMAN RIGHTS IMPACT

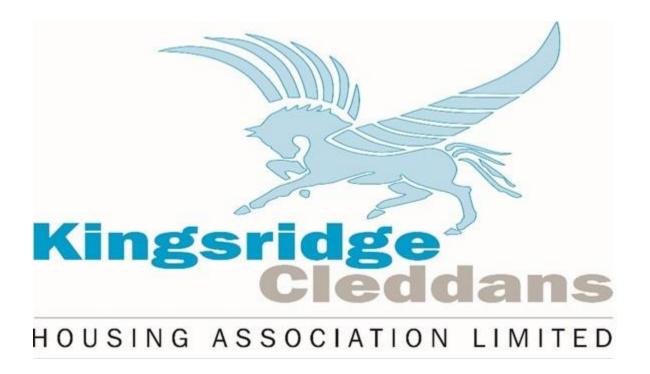
This report has a neutral impact on those with protected characteristics

RELEVANT TO RISK

Support and retention of staff are key priorities for the organisation. As a small Association, there are higher risks associated with failing to retain staffing, which is why we look to carry out appraisals and 121 meetings and ensure adequate support is in place.

RELEVANT TO GOVERNANCE IMPROVEMENT ACTION PLAN

Sections 1.5, 4.3, 5.5, and 6.7



Name of Policy	Risk Management Policy
Responsible Officer	Director
Date approved by Board	21 January 2025
Date of next Review	January 2028
Section	Corporate Services

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1. INTRODUCTION

1.1 Kingsridge Cleddans Housing Association takes a comprehensive cognisance of the potential risks facing the Association and ensures that we have in place appropriate policies, procedures, and controls to mitigate any identifiable current or potential future risks.

Regulatory standard 4:

The Governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.

Guidance 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.

- 1.2 The concept of risk management is to minimise the possibility of an event happening which shall result in loss, damage, or injury to the organisation.
- 1.3 Insurance and risk management should not be confused. Insurance involves the transfer of risk in return for a financial payment while the management of risk is intended to minimise the chance of damage, loss or injury occurring in the first instance, whether or not insurance is in place.
- 1.4 All activities within the Association, and the Association as a whole, shall be exposed to specific risks and the primary purpose of this policy is to detail steps taken, or to be taken in order to reduce the level of risk.
- 1.5 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.

2. Risk Registers

- 2.1 We will maintain both departmental and organisational risk registers. These registers will be reviewed quarterly by the relevant staff and submitted to the Management Committee for their consideration and agreement.
- 2.3 These registers will consider existing and emerging risks and the steps we have put in place to mitigate these risks.
- 2.4 Any newly identified or perceived risk shall be added to the register.
- 2.5 Where a risk is perceived to be managed, of low risk, and of limited impact, it shall be removed from the register.

2.6 Newly identified Risks shall be measured in accordance with our Risk Scale.

The risk shall be reviewed against its probability, with 1 being a low probability, i.e. unlikely to occur, and 5 being a high probability. It shall also be reviewed against its likely impact, with 1 being a low impact, and 5 being high.

The probability score shall then be multiplied by the impact score to provide the Risk Level as detailed in the table.

		5	5	10	15	20	25	Low
		4	4	8	12	16	20	Moderate
ILITY	OBABILI	3	3	6	9	12	15	Significan
		2	2	4	6	8	10	High
		1	1	2	3	4	5	
			1	2	3	4	5	
			IMPACT					
			1 IMPACT			4		

- 2.6 The Risk registers shall consider and score risks, both without, and after any current mitigation efforts. This will help to highlight which high-level risks are being managed, and where there are areas of concern or requiring further work.
- 2.7 All Risks will be reviewed quarterly, and the relevant departments shall consider if anything has occurred to either reduce, increase or mitigate these risks. Where this has occurred the register shall be updated and an explanation provided in the register.
- 2.8 Through this approach we shall ensure that the Management Committee remain aware of current and high-impact risks.
- 2.9 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.

3. Risk Management

- 3.1 The Management Committee will review the risk registers quarterly and seek satisfaction that adequate controls are in place to manage the identified risks.
- 3.2 Committee reports will also detail any areas of risk impacted by the report, or that may occur through Management Committee decisions.
- 3.3 Where events occur that are unexpected and may provide an immediate risk to the

- Association the Director shall report these to the Management Committee alongside proposals to address such risks.
- 3.4 Annually, the Director and the Finance Officer submit to the Management Committee the budgets for agreement. These budgets shall look to include, where possible, provisions for the mitigation of any identified risks likely to have a financial impact within that financial year.
- 3.5 The Management Committee will continue to receive reports throughout the year which will identify budget spending, KPI performance, development, and any other integral areas of housing in which there may be risks.
- 3.6 Policies shall be developed to take into consideration any specific risks relating to those fields. For example, our Treasury Management Policy considers diversification of investments to reduce the potential risks.

4. Risk Appetite

- 4.1 Risk appetite is defined as the amount of risk an organisation is prepared to tolerate or be exposed to, should the risk be realised. Too great a risk appetite can jeopardise a project or activity whilst too little could result in lost opportunity.
- 4.2 When considering major projects, the Management Committee will consider the Business Plan, the level of risk, and the appetite they have for the project.
- 4.3 To support this, they may seek external consultants or review. Internal and External Auditors have a key role to play in reviewing risk and especially in considering Risk Appetite.
- 4.4 Any areas of significant risk may require agreement with third parties, such as funders, and may require to be notified or discussed with the Scottish Housing Regulator.

4. Equality & Diversity

4.1 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.