



Risk Management Strategy

1.0 Introduction

We will promote the integration of risk management in the governance and management of our business. Risk Management flows through our business at both strategic and operational levels. Effective risk management is important to reduce the likelihood of risks occurring and minimise impact such as financial loss and reputational damage to the organisation.

The purpose of our risk management strategy is to ensure that we achieve our stated business and strategic planning aims and objectives whilst reviewing the challenges and risks which may be encountered.

2.0 The Law and Good Practice

Yoker Housing Association Limited ("the Association") is a registered social landlord (RSL) registered with the Scottish Housing Regulator (SHR), a co-operative and community benefit society registered with the Financial Conduct Authority (FCA) and a charity registered with the Office of the Scottish Charity Regulator (OSCR). The Association's Constitution is its Rules.

Legislation relevant to this strategy therefore includes:

- Housing (Scotland) Act 2010
- Bribery Act 2010;
- Charities and Trustee Investment (Scotland) Act 2005;
- Co-operative and Communities Benefit Societies Act 2014; and
- Equality Act 2010.

The "Regulatory Standards of Governance and Financial Management" published by The Scottish Housing Regulator state that:

Regulatory Standard 3

The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.

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.

3.0 Objectives

"Risks" are defined as, "uncertain future events that might prevent an organisation from achieving its business objectives".

"Risk Management" is however defined as: "the culture, processes and structures that are implemented by an organisation to manage potential risks and their adverse effects".

Our risk management goals are; to take a proactive approach to anticipate events before they happen to allow us to make better decisions and improve contingency planning.

We aim to achieve maximum benefit without increasing the bureaucratic burden and ultimately affecting service delivery to our tenants and other customers.

We commit to using the principles of good or best practice in risk management to further develop our systems and processes of risk management.

Risk management is an integral part of our strategic planning and decision-making processes. For new initiatives and projects risk management is used to inform our decision-making process and to ensure that approved projects are delivered successfully.

Risks that could affect our medium to long-term goals are considered strategic risks. Risks that will be encountered in the day-to-day delivery of services are considered operational risks.

We consider the materiality of risk in developing systems and processes to manage risk through the statement of our appetite or threshold for risk.

We commit to identification of both the inherent and residual risk.



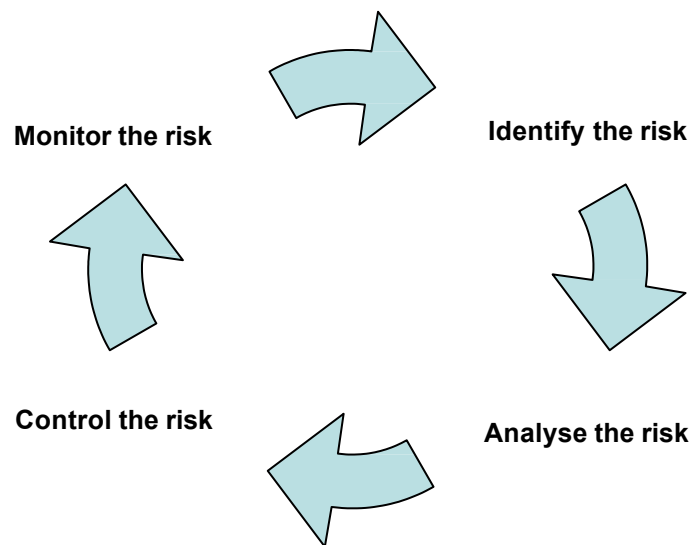
Risk Management Strategy

4.0 Implementing Our Strategy

Risk is defined as an event that can have a negative impact. Conversely, an event that can have a positive impact is an opportunity. Risks and opportunities are inevitably intertwined.

We have developed a framework of risk management to enable identification of those risks that may hinder the achievement of our strategic and operational objectives.

We ensure that when planning to assess or review risk we identify, analyse, control and monitor the strategic and operational risks we face and have developed our risk management strategy based on good practice in the social housing sector and other industries.



We recognise that our management committee is responsible for the overarching framework of risk management. However, the implementation of the risk management strategy is the responsibility of all staff as well as the management committee.

Some risks are within our control whilst we may have limited or no control over other risks. We have taken an approach that will identify those risks and classify the risks according to the following areas:

Risk Areas		
Accommodation provision	Factoring	Procurement
Adaptations	Financial management	Repair service
Allocations	Financial viability	Resource management
Anti-social behaviour	Fire safety	Risk and value for money
Arrears	Gas safety	Risk management
Asbestos management	Governing body	Strategic
Budget setting	Health & safety	Strategic and operational planning
Complaints	Information to service users	Strategic risks
Damp and mould	Lifetime maintenance	Sustainability
Development strategy	Partnership working	Tenant participation
Equality and diversity	Physical quality	Void management
Electrical safety	Policies and procedures	Water safety



Risk Management Strategy

4.0 Implementing Our Strategy (Continued)

Each risk will be assessed as to its “likelihood” and “impact”. Likelihood and impact are assessed on a scale of one to five as follows.

Likelihood	Impact
1 Rare	1 Insignificant
2 Unlikely	2 Minor
3 Possible	3 Moderate
4 Probable	4 Major
5 Almost Certain	5 Catastrophic

Existing arrangements to manage risk will be identified and then, depending on the likelihood and impact, several responses may be employed:

Modify

Take action or employ strategies to reduce the risk;

Accept

Decide to accept and monitor the risk at the present time (this may be necessary for some risks that arise from external events);

Transfer

Decide to pass the risk on to another party (for example, contractual terms may be agreed to ensure that the risk is not borne by us or insurance may be appropriate for protection against financial loss);

Eliminate

The risk may be such that we could decide to cease the activity or to change it in such a way as to end the risk.

Our “risk appetite” is a term used to refer the amount of risk that we are prepared to accept, or tolerate, or be exposed to at any point in time.

5.0 Performance Management

We are developing a standard format for use in the identification of risks, their classification and evaluation. This format is based on a risk mapping exercise using a SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) and a PESTEL (Political, Economic, Socio-cultural, Technological, Environmental and Legal) analysis.

Our management committee carries out an annual strategic risk identification exercise using the SWOT and PESTEL analysis in July of each year as part of the business planning update process. This is used to identify and update the key risks facing the Association.

A departmental review of the risk register is now done on a quarterly basis and the results of this are fed into the Association’s risk register for quarterly review by the management committee.

As part of the risk register the classification and evaluation of the risk will be recorded, together with the risk management actions proposed and taken and the monitoring mechanism.

Each risk will have a nominated department responsible for implementing the proposed action, as well as monitoring and managing that risk.

6.0 Development and Training

We will provide training to all staff and governing body members to help them understand the requirement of risk identification and management. This training will also focus on what individuals can do to incorporate risk management into all undertakings.



Risk Management Strategy

7.0 Our Positive Action Initiatives

We are committed to the involvement of all staff and management committee members in the process of risk identification, analysis, control and monitoring. Staff members focusing on operational risk management and the management committee and senior staff members focusing on strategic risk management.

Our internal audit function has the responsibility for ensuring

- Our Risk Management Strategy is applied to all areas of our business
- Our strategy and its operational application are reviewed on a regular basis
- Non-compliance with the strategy is reported to the governing body

We aim to ensure risk management is embedded within existing management processes, including strategic planning, performance management and project management.

Risk management will be used as a tool to ensure that we can respond to changing demands, improve our performance and make the most effective use of our resources.

We aspire to be an innovative organisation taking calculated risks, which have been identified and evaluated.

The management committee will communicate the strategic risk profile and their threshold to risk to all staff who will, within each department, identify any additional operational risks.

8.0 Review

We will review our risk management strategy and methodology periodically. This will not however prevent us from carrying out an early review where the strategy or methodology is considered to be flawed.