



RISK MANAGEMENT POLICY

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1. Introduction

1.1 Definitions

- **“Risk”** is any event that prevents an organisation from performing well, meeting pre-set targets or results in a loss to the organisation
- **“Risk Management”** is the process of identifying, assessing and controlling risks arising from operating factors and making decisions that balance risk costs with benefits.
- **“Risk Owners”** are the member(s) of Leadership Team responsible for identification, evaluation and detailed control of risks in their area of activity.
- **“New Business Venture”** is a project or area of activity which is sufficiently different from existing business that it may alter the Association’s exposure to risk. A new housing development would only be treated as new business if it was significantly different from the Association’s normal housing projects.
- **“Risk Co-Ordinator”** is the person responsible for practically ensuring satisfactory implementation and functioning of risk management and for reporting to the Management Committee and Audit & risk Management Subcommittee.

1.2 Effective and proactive Risk Management is an important part of ensuring that the Association delivers its Strategic Objectives. This policy sets out how the Association will manage its risk in order to maximise its good performance and achievement of targets while minimising losses.

2. Objectives

2.1 The Association’s Risk Management Objectives are to:

1. Ensure that achievement of our Strategic Objectives are not hampered by unforeseen events
2. Increase the possibility that opportunities offering an improved way of achieving our Strategic Objectives are taken.

2.2 In doing this, the Association will:

1. Identify and keep under review the risks to which the Association is exposed.
2. Assess the likelihood of the risks arising, and the impact should they arise.

3. Prioritise risks and identify appropriate responses for the key material risks.
4. Ensure that risk management is embedded within the organisation by fostering a risk aware culture.
5. Ensure that new business ventures are fully risk assessed and do not expose the Association to risks which would jeopardise core business or key objectives.

3. Responsibilities

3.1 The Management Committee has overall responsibility for the adequacy of the risk management framework and the operation of the process. In particular, Management Committee should:

- Ensure that the Association generally adopts a prudent attitude to risk.
- Be fully aware of the key risks facing their organisation.
- Ensure that adequate responses have been formulated and are being satisfactorily operated to counter these key risks.
- Be kept fully informed on a timely basis of any changes to the preceding three risk management areas.

3.2 Management Committee have established an Audit & Risk Management Subcommittee to:

- support Management Committee in their responsibilities for issues of risk control and governance through a process of active scrutiny and constructive challenge.
- review the comprehensiveness of assurances in meeting the assurance needs of the Committee.
- review the reliability and integrity of assurances

3.3 The Chief Executive, or nominated Deputy, as Risk Co-ordinator, is responsible for practically ensuring satisfactory implementation and functioning of risk management and for reporting to the Management Committee and Audit & Risk Management Subcommittee.

3.4 The Leadership Team is responsible for:

- Setting the risk management framework.
- Identifying the risks.
- Preparing procedures for operating the risk management process.
- Deciding what training is required and how it should be delivered.

3.5 Risk Owners are responsible for carrying out detailed work as set out by the Leadership Team in identifying, assessing, responding to and reporting of risks to the Risk Co-ordinator as follows:

Chief Executive:	Strategic local, national and external matters and Communication
Director of Finance & Asset	Subsidiary, strategic financial issues

Management	
Head of Corporate Governance:	Governance, Regulation, Human Resources, Information Technology, Health and Safety
Head of Housing & Customer Services:	Housing Management and Customer Service
Development & Properties Manager:	Property Maintenance, Development and Energy matters
Finance Manager:	Operational Finance issues

Risk Owners may delegate key controls to team members but will retain ultimate responsibility for the operation of the controls.

4. Reporting

- 4.1 In order to carry out its risk management responsibility Management Committee will receive the following reports:
- 4.2 Risk Register:
At least once a year, a report from the Chief Executive or Risk Co-Ordinator which identifies the key risks to which the Association is exposed, their priority, the relevant responses and controls.
- 4.3 Risk Monitoring Reports:
The Chief Executive or Risk Co-Ordinator will report to Management Committee or Audit & Risk Management Sub-Committee at least every 3 months on how identified risks have been managed by the Leadership Team. Reports may be more frequent if triggered by new emerging risks with a high risk status.
- 4.4 New Business Risk Reports:
Any new project proposal which may impact on the level of risk to which the Association is exposed will include a risk assessment in the project appraisal which is presented to Committee/ Subcommittee.
- 4.5 Annual Risk Management Assurance Report:
A report provided annually which reviews the risk management framework and the operation of the process to provide assurance that they continue to be satisfactory and compliant with regulatory requirements.

5. Monitoring and Review

- 5.1 This policy will be reviewed at least every 5 years but more frequently if necessary in response to issues raised in the Annual Risk Management Assurance Report.