



| RISK MANAGEMENT POLICY | |
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| Policy Number | GCS 2.18 |
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| Date | |

OSPREY GROUP RISK MANAGEMENT POLICY POLICY FRAMEWORK

Osprey Housing and Osprey Housing Moray (referred to as the Group) believe that effective and efficient management of risk is vital to the success of maintaining good quality services for all our tenants and providing value for money.

We embrace robust risk management and this is encompassed in our Core Values:

✓ **AMBITION**

empowering through innovation and challenge

✓ **(E)QUALITY**

doing the best for individuals and communities in a fair and equal way

✓ **RESPECT & PROFESSIONALISM**

towards each other, the people we work with; the people we serve and our environment

✓ **ACHIEVEMENT**

delivering outcomes that matter and make a real difference – now and in the future

Risk Management Policy & Framework

1. Introduction

1.1 Osprey Group's Risk Tolerance Framework

Osprey Group is a registered charity which is committed to providing good quality affordable housing; this obligation is regulated by the Scottish Housing Regulator. The Group's ability to effectively fulfil this objective rests, among other things on its core values; ambition, (e)quality, respect and professionalism and achievement.

This Framework considers the most significant risks to which the Group is exposed and provides an outline of the approach to managing these risks.

1.2 General Framework of Tolerance

Osprey Group faces a broad range of risks reflecting its responsibilities as a social landlord. These risks include those resulting from its responsibilities in the areas of financial viability, customers and governance as well as its day-to-day operational activities.

The risks arising from the Group's strategic goals and objectives to fulfil our responsibilities can be significant. These risks are managed through detailed processes that emphasise the importance of integrity, intelligent inquiry, maintaining high quality staff, and customer accountability.

Osprey Group is also exposed to some significant financial risks, largely due to its commitment to deliver high quality homes and services; and provide a housing service which creates value for the household and the wider community.

The Group's approach to planning and delivery is to only make promises we can keep, we use careful scenario planning and ensure that we allocate the right resources at the right time.

In terms of operational issues, the Group has no more than a cautious tolerance for risk. The Group makes resources available to control operational risks to acceptable levels and recognises that it is not possible or necessarily desirable to eliminate some of the risks inherent in its activities. It also recognises that some managed risk is often necessary to foster innovation within business practices.

2. Introduction to Risk Management

2.1 Definition of Risk Management

'Risk management' is the process by which risks are identified, evaluated, controlled and monitored. In this respect it is important that the Governing Body has a clear understanding of the objectives of the organisation and the risks that may de-rail delivery of these objectives.

This risk management strategy is built upon the following fundamental principles:

- it recognises that ultimate responsibility for risk management lies with the Governing Body;
- the management of risk is a continuous process involving regular monitoring and where necessary re-tuning and;
- the management of risk should be subjected to external scrutiny on a periodic basis.

The regulatory framework for social housing requires that organisations such as Osprey Group have an effective risk management and internal controls assurance framework.

2.2 Benefits of Effective Risk Management

Effective risk management has the potential to deliver a wide range of benefits including:

- Improved Strategic Management;
 - Better informed strategic objectives;
 - Risk based audit;
 - Enhancement of reputation through anticipating and responding better to threats and opportunities.
- Improved Operational Management
 - Pro-active approach to addressing legislative/regulatory requirements;
 - improved health and safety;
 - enhanced resource allocation.
- Improved Financial Management
 - Improved management of the business plan;
 - Enhanced financial control;
 - Better informed financial decision making.
 - Improved Customer Focus and Service
 - Reduced service disruption to customers;
 - Enhanced public safety;
 - New and innovative solutions to service delivery.

Overall, our approach to risk will provide assurance to the Governing Bodies that the plans and strategies to mitigate and manage the key risks identified in this document are effective, which will in turn support the Governing Bodies in achieving the following key objectives:

- Growth and diversification of our housing stock.
- Improving efficiency and achieving value for money.
- Delivering high quality homes and services.
- Excellence in governance and future viability.

2.3 The Risk Management Cycle



2.4 Setting a Risk Strategy

Risk can be any event which may affect an organisation's ability to meet its objectives or cause it to incur unexpected losses. Such events may affect the organisation's ability to compete in its markets, as well as maintain its financial strength, positive public image and the overall quality of its people and services.

Risk can be responded to in different ways, for example:

- **Transfer the risk** – by insuring against it.
- **Tolerate the risk** - where the risk is regarded as one that the organisation can legitimately bear and is often merely part of doing business as usual in the social housing sector e.g. having regard for local conditions in managing voids in individual areas.
- **Treat the risk** - where a risk may be at an otherwise unacceptable level but can be managed within risk tolerances. In these instances it is necessary to establish control procedures to reduce the level of risk to be within acceptable levels, and set in place procedures to monitor the effectiveness of risk management. e.g. changes in interest rates or changes in the way in which the organisation carries out its business with a view to reducing the risk e.g. contracting out a service which is not believed to be a core activity.
- **Terminate the risk** - where the level of risk is unacceptable and the organisation does not believe it can, or wants to manage it down to an acceptable level e.g. withdrawing from a particular activity which is not considered appropriate, such as development for sale at market value.

- **Recovery plan** - in the case of certain disaster scenarios, e.g. loss of an office due to a catastrophe, it may not be possible to adequately reduce the risk or to eliminate it. In these cases the response is to have a Business Continuity Plan in place which will recover the situation as quickly and as cost effectively as possible. Insurance is often taken out to cover these areas of risk. Add link to existing Business Continuity Plan?

3. What Risks could Osprey Face?

3.1 Examples of Risk

Examples of the sorts of risk which Osprey, or indeed any housing association, could face include:

- Changes in Government policy;
- Political change e.g. Brexit
- Significant changes in interest rates/inflation;
- Increased competition;
- Significant shift in tenant needs/expectations;
- Failure of a new venture;
- Incomplete or inaccurate information on housing demand;
- Incorrect project appraisal assumptions;
- Onerous contract terms and conditions;
- Fraud;
- Inappropriate treasury instruments;
- Local resident disturbances;
- Unaffordable rents;
- Undue or inappropriate Governing Body Member influence
- Staff disputes;
- Loss of key staff.

Osprey Group can never fully eliminate the above risks. However, the organisation needs to have robust risk management procedures to mitigate their effect.

3.2 The Cost of Risk

Service organisations have to view their risks from two perspectives. First there are the direct costs and additional impact that a risk event could have on an organisation. Second, there are the costs and impact of such an event on the community that they serve.

| | Tangible Costs | Intangible Costs |
|------------------------|--|---|
| Cost of Control | <ul style="list-style-type: none"> • Insurance • Audit • Inspection regimes • Maintenance programmes • Training • Supply chain management • Budget management | <ul style="list-style-type: none"> • Goodwill • Reputation • Morale • Absence and health issues • Positive performance • Leadership and good management |

| | | |
|----------------------------|---|---|
| <p>Cost of Risk</p> | <ul style="list-style-type: none"> • Court claims, legal expenses • Clean up costs • Fines from service failure • Credit costs • Strike costs • Penalties • Time and costs of change | <ul style="list-style-type: none"> • Reputation damage • Uncertainty • Loss of confidence • Loss of capacity • Failure to achieve objectives |
|----------------------------|---|---|

4. The Risk Management Framework

4.1 Approach to and Tolerance of Risk

Osprey Group's risk management framework seeks to ensure that there is an effective process in place to manage risk across the business. Risk management is integral to all aspects of our activities and is the responsibility of all staff. Managers have a particular responsibility to evaluate their risk environment, to put in place appropriate controls and to monitor the effectiveness of those controls. The risk management culture emphasises careful analysis and management of risk in all business processes.

Risks are identified, assessed and managed at both an executive level ('top-down') and business level ('bottom-up'). Each sub Committee of the Governing Body has ownership over a number of key strategic risks which they review on a six monthly basis. They then report back to the Governing Body. This process ensures that the Governing Body is fully involved, understands the scale and timing of key risk exposures, and enables them to decide how and when the necessary decisions are taken.

4.1.1 Risk Tolerance Descriptions

The Group have agreed the following levels of risk tolerance:

Averse or 'No Tolerance' - Avoidance of risk and uncertainty is a key organisation objective.

Minimal - Preference for ultra-safe options that are low risk and only have a potential for limited reward.

Cautious - Preference for safe options that have a low degree of risk and may only have limited potential for reward.

Open - Willing to consider all potential options and choose the one most likely to result in successful delivery, while also providing an acceptable level of reward and value for money.

Eager - Keen to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.

The Group's levels of tolerance towards its key areas of risk namely: people and culture, customer strategy, financial viability, governance and operational risks are described below.

4.1.2 People and Culture Risks

The Group's people and culture-related risks include:

- **Calibre of People** – The Group relies on motivated and high quality staff to perform its functions. It aims to create an environment where employees are empowered to the full extent of their abilities. **The risk of any failure to meet customer needs through its collective competencies, knowledge and skills is minimal.**
- **Conduct of People** – The Group expects employees to conduct themselves with a high degree of integrity, to strive for excellence in the work they perform and the outcomes they achieve. **Behaviours which do not meet these standards are not tolerated.** The Group takes very seriously any breaches of its Code of Conduct.
- **Health & Safety** – The Group has a duty of care for all staff and for staff not to endanger other employees under Health & Safety legislation. The Group aims to create a safe working environment for its entire staff, where people are protected from physical or psychological harm. **It has a no tolerance for practices or behaviours that lead to staff being harmed while at work.**

4.1.3 Strategic Customer Risks

The Group aspires to be an excellent housing provider, measured by the quality and effectiveness of its operations. This requires on-going development and innovation in its operations through strategic initiatives. **The Group has a minimal tolerance for threats to the effective and efficient delivery of these initiatives.** It recognises that the actual or perceived inability to deliver strategic initiatives could have a significant impact on its ability to achieve its objectives as well as on its reputation.

The Senior Management Team meets regularly to discuss major service initiatives. A framework is in place providing a monthly review of strategic performance, risks and service improvement plans to ensure that these initiatives are managed and reported on a consistent basis.

4.1.4 Financial Risks

Osprey holds social housing stock providing amenities for our tenants, for which it will borrow against to finance the maintenance of existing and the delivery/development of additional affordable social housing. The homes we provide are critical to the sustainability of local communities and with that in mind the **Group has a minimal tolerance for any budget variance. However, we accept with delivery/development projects where we have controls and contracts which govern the cost Osprey has an open tolerance to development risk. We acknowledge that on occasions it is necessary to accept a level of risk with delivery/development in return for greater benefit.** It is our aim to provide good quality housing, achieving value from what we do and keeping costs down. To achieve this we will always protect our existing social housing stock through our management of financial risks.

4.1.5 Governance

The Group's governance arrangements are the overarching approach through which the Governing Bodies and Senior Management Team direct and control the entire organisation. It governs through a combination of rules, policies, procedures and training which establish legislative compliance and embed the strong social values of the Group.

The Governing Body retains overall responsibility for risk management and for determining the Group's tolerance of risk. The detailed scrutiny and evaluation of risk is delegated to the various sub Committees. The Governing Body, supported by the sub Committees and the Senior Management Team agree an annual risk register (Appendix 1); ensuring that effective internal controls and appropriate systems for business assurance are in place. This practice provides and promotes the internal control framework and safeguards ensuring that good governance and risk management are embedded within the organisation. The recommendations emerging from this process are routinely implemented within timescales agreed by the relevant sub Committees.

Governance activities ensure that critical management information reaching the Governing Body and Senior Management Team is sufficiently complete, accurate and timely to enable appropriate management decision making, and to provide the control mechanisms to ensure that strategies, directions and instructions from management are carried out systematically and effectively. **There is no tolerance of a breach of the organisation's governance arrangements.**

4.1.6 Operational Risks

The Group's tolerance for specific operational risks is detailed below. Risks are carefully analysed in all operational activities, including ensuring that the benefit of the risk control measures exceeds the cost of these measures.

(i) Information Technology

Information Technology (IT) risks cover both daily operations and on-going enhancements to Osprey's IT systems. They are managed through the business continuity plan. These include:

- Processing – Prolonged outage of a core IT system: **Osprey has a minimal tolerance for risks to the availability of systems** which support its critical business functions including those which relate to property services, the contact centre and financial management. Maximum recovery times have been identified and agreed.
- Security – Cyber-attack on online systems or networks: **the Group has a minimal tolerance for threats to Osprey assets arising from external malicious attacks.** To address this risk, the Group aims for strong internal control processes and the development of robust technology solutions.
- On-going Development: The implementation of new technologies creates new opportunities, but also new risks. **Osprey has a cautious tolerance for IT system-related incidents which are generated by poor change management practices.**

(ii) Fraud and Corruption

The Group has no tolerance for any fraud or corruption perpetrated by its staff. Osprey takes all allegations of suspected fraud or corruption very seriously and responds fully and fairly as set out in the Code of Conduct.

(iii) Property Services

The Group has no tolerance for any breach of gas or asbestos or regulations that may endanger human life. It takes its responsibilities to provide a duty of care to our customers and tenants very seriously and provides clear policy and procedural guidance to ensure we discharge our duties in accordance with relevant legislation and best practice.

(iv) Compliance

The Group is committed to a high level of compliance with relevant legislation, regulation, industry codes and standards as well as internal policies and sound corporate governance principles. Identified breaches of compliance will be remedied as soon as practicable. **It has no tolerance for deliberate or purposeful violations of legislative or regulatory requirements.**

(v) Information Management

The Group is committed to ensuring that its information is accurate, relevant, up to date and well managed in accordance with legislative and business requirements. **It has a minimal tolerance for the compromise of processes governing the use of information, its management and publication. It has no tolerance for the deliberate misuse of its information.**

4.2 Implementation of the Osprey Group's Risk Tolerance

The Senior Management Team is responsible for the review of and, implementation of, and compliance with this Framework.

Each department contributes to the central Risk Register of the business risks it faces in its day-to-day operations and the control framework which is in place to mitigate risks. This Register includes risks from within and external sources all of which are reviewed regularly. The Risk Register is also updated when there are key changes in policies, structures or functions.

All risks which are judged as unacceptable at departmental level are reported to and reviewed by the Senior Management Team and actions to reduce and mitigate these risks to acceptable levels are identified and reported on the Risk Register which is reviewed by the Governing Bodies.

Departments are delegated responsibility to manage their specific operational risks in a manner which is consistent with this Framework and appropriately escalating any risks outside tolerance or agreed tolerance levels. Departmental risk tolerance settings for each risk in the Risk Register must also be consistent with this Framework.

5. Practical Implementation of the Risk Management Strategy

5.1 Risk Register

All staff within Osprey are to be encouraged to identify actual and potential risks to the organisation. This is to be done through;

- team meetings, where risk identification and management should be a regular agenda item;
- the Senior Management Team should regularly consider the issue of risk/risk management.

The system Osprey will use to manage and control risks is set out in Appendix 1. All risks will be identified to the level of risk i.e. High, Medium or Low.

The current risk register is attached as Appendix 2. However, this is a living document which will be developed and amended as risks change. The register will be considered and revised by the sub Committees and by the Governing Bodies twice a year.

5.2 Responsibilities within the Risk Management Strategy

- **Overall responsibility for risk in Osprey:**
Osprey's Governing Bodies.
- **Responsibility for initiating, co-ordinating and maintaining the risk management strategy:**
Sub Committees.
- **Responsibility for overseeing the effective implementation of the risk management strategy and for ongoing monitoring:**
The Senior Management Team with input from Internal and External (?) Audit and the Risk Management Working Group.
- **Responsibility for day to day management of risk:**
The Senior Management Team and all members of staff.

5.3 Risk Management Training

In view of the importance of effective risk management, it is proposed that regular training of the Governing Body and the Senior Management Team takes place.

In addition, 'risk awareness' is to be included as part of the induction training for all new employees.

6. Equal Opportunities

The Group shall strive to ensure equality of opportunity, and by definition, that all individuals are treated fairly regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The Group opposes, and shall adopt a zero tolerance stance towards, all forms of unlawful discrimination, harassment and victimisation.

In this regard, the Group acknowledges the protected characteristics and types of unlawful behaviour defined within the Equality Act 2010. As a minimum all practices shall aim to ensure compliance with the legislative provisions therein.

7. Monitoring & Reporting

The Group will monitor this policy in conjunction with our other policies and procedures to ensure that it is being adhered to.

8. Review

This policy will be reviewed every 3 years unless the following criteria dictate that it would be best practise to review sooner:

- i. applicable legislation, rules, regulations and guidance, both those which affect the Group directly and those which affect the resources available to significant numbers of our customers to enable them to sustain tenancies
- ii. changes in the organisation
- iii. continued best practice

Appendix 1

Managing the Risk

1. Establishing Responsibilities

Responsibility for risk management rests ultimately with the Governing Body. All reports to them recommending new initiatives and/or changes to existing policies will identify any associated risks and actions to be taken to mitigate these risks including the impact of not taking the action recommended.

Within Osprey, the Governing Body has delegated responsibility for overseeing the effective management of risk to sub Committees, who in turn have assigned the organisation's Senior Management Team with responsibility for day to day management of risk.

All levels of staff should be and feel that they are responsible for the management of risk in their area.

2. Identification of Risk

The Governing Body, sub Committees and Senior Management Team should have an overall feel for the risks faced by the Osprey Group. It is important that the identification and assessment of risks is conducted in a structured way, through the development and management of a risk register. This will ensure that:

- all major risks are identified;
- the evaluation of risk can be set in the context of the overall activities of the organisation;
- risks can be prioritised to ensure that management and resources are focused on the critical areas.

3. Evaluation of Risk

The risk register is used to assess the likelihood of the event happening and what impact it will have. Risks are given a mark for both factors as follows:

| Score | Likelihood | Impact |
|---------|---------------|---|
| 1 to 3 | Very unlikely | Limited impact on operations |
| 4 to 7 | Could happen | Damaging impact but not threatening the viability of operations |
| 8 to 10 | Very likely | Seriously threatens the viability of operations |

Likelihood and Impact are then multiplied together to give a priority:

| Score | Priority | |
|-----------|----------|-------|
| 0 to 39 | Low | Green |
| 40 to 79 | Medium | Amber |
| 80 to 100 | High | Red |

Risks are visually assigned red, amber or green rating based on the view prevailing at the time of assessment as to the likely impacts and probability of each risk crystallising.

If, after following this evaluation process the organisation assesses the risk status is acceptable the risk should be tolerated. If the risk remains unacceptably high (a red rating) the organisation must seek to identify further mitigating actions to bring it down to an acceptable level.

3. The Review Process

Risks change over time and therefore risk assessment should not be a one-off exercise but a regularly reviewed process. To be effective, risk management must continually refocus on the changing opportunities and risks facing the organisation. Good individual controls do not necessarily add up to being in overall control.

Risk management should be subject to Governing Body/sub Committee/Senior Management Team scrutiny. A periodic independent review of risk management should be undertaken by an external body such as internal or external audit or another suitable consultant. The results of such a review should be considered by the sub Committees and then reported to the Governing Body.

Appendix 2
Osprey Risk Register
January 2019

Risk 1 – Welfare Reform

| Unique risk ref. | Risk | Risk Lead | Date risk added to register | Mitigation/Controls | Likelihood | Impact | Priority (LxI) | Review | Comments |
|------------------|---|-------------------------|-----------------------------|--|------------|--------|----------------|--|----------|
| WR1 | Increased debt/reduced cash flow | HSM HC GB | 17/1/19 | <ul style="list-style-type: none"> Arrears management/ process reviews Internal working group/ WR Strategy Cash flow management Performance management information Effective staff structure and training | 8 | 5 | 40 | Monthly performance reporting by HSM. Monthly briefing and review of data with Housing team. Quarterly scrutiny by SMT and HC, R&G and GB. Cross reference to FV2 | |
| WR2 | Increased management costs as debt recovery requirements increase | HSM/CSM HC/CSC GB | 17/1/19 | <ul style="list-style-type: none"> Efficient debt management and intervention strategies. Increase use of ICT and flexible working patterns Review of resourcing/ staff structure (increased) and training | 4 | 5 | 20 | Monthly performance reporting by HSM. Monthly briefing and review of data with Housing team. | |
| WR3 | Uncertainty/ Political Change impacting on Welfare Reform | HSM HC | 17/1/19 | <ul style="list-style-type: none"> Welfare Mitigation working group – continually monitoring change of legislation | 8 | 5 | 40 | Welfare reform mitigation group review changes at each meeting (every 2 nd month) HSM/TSC review monthly with Housing team. | |

| Unique risk ref. | Risk | Risk Lead | Date risk added to register | Mitigation/Controls | Likelihood | Impact | Priority (LxI) | Review | Comments |
|------------------|---|---------------|-----------------------------|---|------------|--------|----------------|---|----------|
| | | | | | | | | Outcomes form quarterly report to HC | |
| WR4 | Lack of information and support for tenants | HSM/TSC HC | 17/1/19 | <ul style="list-style-type: none"> • Outcomes from Welfare reform mitigation group and agreed communications • Effective use of communication methods – social media/website etc. • Subscriptions with relevant external agencies to ensure up to date information received • Attendance at Forum events via SFHA, SHN etc. | 2 | 7 | 14 | <p>Welfare reform mitigation group review at each meeting (every 2nd month)</p> <p>HSM/TSC review monthly with Housing team.</p> <p>Outcomes form quarterly report to HC</p> | |

Risk 2 Financial Viability

| Unique risk ref. | Risk | Risk Lead | Date risk added to register | Mitigation/Controls | Likelihood | Impact | Priority (LxI) | Review | Comments |
|------------------|--|-------------------------|-----------------------------|---|------------|--------|----------------|--|----------|
| FV1 | Poor financial planning leading to insolvency/ covenant breach | CFO R&G GB | 17/1/19 | <ul style="list-style-type: none"> Business Planning, Financial Forecasting and sensitivity analysis Cash flow management Effective systems In house expertise and capacity | 2 | 9 | 18 | CFO monitors and reviews monthly, with R&G/GB and SMT review and ratification quarterly. Twice annual external consultation on business planning | |
| FV2 | Income deficit leading to service failures | CFO/HSM R&G/HC GB | 17/1/19 | <ul style="list-style-type: none"> Business Planning / Forecasting / Reporting & sensitivity analysis Cash flow management. New business model / Debt management systems | 3 | 8 | 24 | Monthly income management performance review and reporting by HSM/CFO. SMT and GB quarterly review with scrutiny by R&G and Housing Committee | |
| FV3 | Costs exceed budget Significant unplanned costs | CFO R&G GB | 17/1/19 | <ul style="list-style-type: none"> Business Planning / Forecasting / Reporting & sensitivity analysis Cash-flow management. Effective budgeting Effective Procurement. Operational management controls | 5 | 4 | 20 | Monthly income management performance review and reporting by AM/CFO. SMT and GB quarterly review with scrutiny by R&G and Housing Committee | |

| Unique risk ref. | Risk | Risk Lead | Date risk added to register | Mitigation/Controls | Likelihood | Impact | Priority (LxI) | Review | Comments |
|------------------|--|-------------------------|-----------------------------|---|------------|--------|----------------|---|----------|
| FV4 | Re-Financing of Revolving Credit Facilities | CFO R&G GB | 17/1/19 | <ul style="list-style-type: none"> Use of Consultants Effective process planning Maintain strong relationship with lenders Adherence to covenants | 3 | 10 | 30 | Quarterly catch up with Consultants Quarterly covenant monitoring by CFO | |
| FV5 | Pension (Pension Deficit) | CEO/CFO R&G GB | 17/1/19 | <ul style="list-style-type: none"> Continual review and awareness of legislative changes and implications | 9 | 5 | 45 | Annual review by GB and independent consultant | |
| FV6 | Unsustainable Development/Developer insolvency | CEO/CFO R&G/HC GB | 17/1/19 | <ul style="list-style-type: none"> Effective development appraisal process Adherence to Development Strategy Procurement Strategy Contractor Liquidation Policy | 5 | 8 | 40 | Annual review of Development strategy. Cross reference to HM6 and FV1 | |
| FV7 | Poor Treasury Management | CEO/CFO R&G GB | 17/1/19 | <ul style="list-style-type: none"> Adherence to Treasury Management Policy Inclusion in the Internal Audit 5 year Programme | 3 | 10 | 30 | Review of Treasury Management Policy with effective measures in place | |

Risk 3 Asset Management

| Unique risk ref. | Risk | Risk Lead | Date risk added to register | Mitigation/Controls | Likelihood | Impact | Priority (LxI) | Review | Comments |
|------------------|--|--------------------|-----------------------------|--|------------|--------|----------------|---|----------|
| AM1 | Poor Performance of Charter Indicators (Properties not maintained effectively, Cost and / or inefficiencies) | AM HC | 17-01-2019 | <ul style="list-style-type: none"> Asset Strategy Policies Systems (Management, Contracts, ICT etc.) KPI's | 3 | 8 | 24 | <p>Weekly review by AM.</p> <p>Reviewed by SMT monthly.</p> <p>Reported to HC, RG committees</p> | |
| AM2 | Quality failures (Incl. health & safety / litigation / significant defects arising from new development activity before, during and after contract works.) | AM HC | 17-01-2019 | <ul style="list-style-type: none"> Asset Strategy Health & Safety Policy Performance Management External verification (Gas servicing / stock condition surveys etc.) OTRA engagement/Scrutiny Detailed pre development appraisal process, legal and construction related professional engagement to support development activity. NHBC or similar warranties. | 3 | 3 | 9 | <p>Key new build development financial targets reviewed annually by GB and independent Consultants</p> <p>New build specification goes to HC on annual basis.</p> | |
| AM3 | Void properties – increasing numbers and poorer condition of vacated properties. | AM/HSM HC GB | 17-01-2019 | <ul style="list-style-type: none"> Void Policy (quality / timescales). Housing management intervention. KPI's & process reviews/scrutiny | 4 | 4 | 16 | Target reviewed annually by HC | |
| AM4 | Stakeholder interventions | CEO | 17-01-2019 | <ul style="list-style-type: none"> Monthly Performance reported through APSR / ARC (via QL). | 3 | 7 | 21 | Performance data reviewed and | |

| Unique risk ref. | Risk | Risk Lead | Date risk added to register | Mitigation/Controls | Likelihood | Impact | Priority (LxI) | Review | Comments |
|------------------|---|---------------------------|-----------------------------|---|------------|--------|----------------|--|----------|
| | (SHR, Increased intervention by Lenders, Covenant Breach, Insurers, Cost of Premiums) | GB | | <ul style="list-style-type: none"> Stakeholder - relationship management. | | | | monitored monthly by AM and CFO. | |
| AM5 | Reputation (Complaints - Scottish Public Services Ombudsman (SPSO), Negative media) | CSM AM Housing Comm Board | 17-01-2019 | <ul style="list-style-type: none"> Policy / Reporting/Resolution External validation/Process Media engagement Media advisor Consultant Preventative Pro activity/empower | 3 | 3 | 9 | | |
| AM6 | Extreme weather incidents (Flooding, snow, etc.) | SMT Board | 17-01-2019 | <ul style="list-style-type: none"> Asset Management Strategy Disaster Recovery Plan | 4 | 5 | 20 | Disaster recover plan reviewed by SMT annually | |

Risk 4 Housing Management

| Unique risk ref. | Risk | Risk Lead | Date risk added to register | Mitigation/Controls | Likelihood | Impact | Priority (LxI) | Review | Comments |
|------------------|---|---------------------|-----------------------------|---|------------|--------|----------------|---|----------|
| HM1 | Poor Performance of Charter Indicators/KPI's | HSM HC/R&G GB | 17-01-2019 | <ul style="list-style-type: none"> Effective and timely Policy / Procedure reviews, continually identifying and adopting good practice Ongoing monitoring and reporting of ARC and internal KPI's Effective performance management data Awareness of organisational impact of each KPI/Indicator, particularly income management | 3 | 8 | 24 | <p>Performance data reviewed and monitored monthly by HSM.</p> <p>Housing team briefing on performance monthly.</p> <p>HC/R&G scrutinise quarterly.</p> <p>Reporting to GB quarterly.</p> <p>Cross reference FV2, FV3 and WR1</p> | |
| HM2 | Quality Failures (incl Tenant satisfaction levels, service complaints relating to service delivery) | HSM HC/CSC GB | 17-01-2019 | <ul style="list-style-type: none"> Implementation of a range of Tenant Feedback Systems, including instant/online solutions Effective partnership working with OTRA/Scrutiny Panel Effective and timely Policy / Procedure reviews, continually identifying and adopting good practice Use of case study complaints reporting via | 3 | 9 | 27 | <p>Performance data reviewed and monitored monthly by HSM.</p> <p>Housing team briefing on performance monthly.</p> <p>HC/R&G scrutinise quarterly.</p> <p>Reporting to GB quarterly.</p> | |

| Unique risk ref. | Risk | Risk Lead | Date risk added to register | Mitigation/Controls | Likelihood | Impact | Priority (LxI) | Review | Comments |
|------------------|--|---------------------|-----------------------------|--|------------|--------|----------------|--|----------|
| | | | | HC/CSC identified as good practice by SHR | | | | | |
| HM3 | Legislative/sector changes (including rapid rehousing, Housing Scotland Act 2014, political leadership changes) that may add new demands on organisation | HSM HC/CSC GB | 17-01-2019 | <ul style="list-style-type: none"> Effective working relationships with Local Authorities and relevant external agencies Keeping informed of changes allowing for effective mitigation and risk assessment planning Pro-active engagement with SFHA or other bodies working in the sector for collaborative consultation and mitigation | 9 | 7 | 63 | Pro-actively sharing consultations and up to date information with GB. SMT monthly strategic meetings to allow for collaborative internal approach | |
| HM4 | Increasing management costs (VFM failures, Increasing property turnover) | HSM HC | 17-01-2019 | <ul style="list-style-type: none"> Monitoring and reviewing operational performance data to ensure early identification and intervention to any changes relating to cost of service delivery Effective and efficient Staff structure Efficient use of and review of IT solutions to ensure well managed resourcing to deliver services | 4 | 8 | 32 | HSM monthly reporting and review of performance outcomes. SMT quarterly performance meetings review scrutinises Housing and finance performance at same time – identify any links or areas of weakness. HC quarterly scrutiny of performance | |

| Unique risk ref. | Risk | Risk Lead | Date risk added to register | Mitigation/Controls | Likelihood | Impact | Priority (LxI) | Review | Comments |
|------------------|------|-----------|-----------------------------|---|------------|--------|----------------|----------------------------------|----------|
| | | | | <ul style="list-style-type: none"> Establish and maintain good working relationships with partnership agencies Benchmarking | | | | Cross reference AM3, FV3 and WR2 | |

Risk 5 Governance

| Unique risk ref. | Risk | Risk Lead | Date risk added to register | Mitigation/Controls | Likelihood | Impact | Priority (LxI) | Review | Comments |
|------------------|---|-----------|-----------------------------|---|------------|--------|----------------|---|----------|
| G1 | Ineffective governance leads to noncompliance with regulatory requirements, inappropriate decision making and a failure to achieve corporate objectives | CEO GB | 17-01-19 | <ul style="list-style-type: none"> Ensure that Board adheres to all SHR Regulatory Standards Effective Reporting BM's have access to relevant information (portal) Board Development plan Strategy sessions Board Self-Assessment Skills-based Board and Committee Structure, supported by an experienced and qualified Executive Management Team | 3 | 9 | 27 | SMT monthly monitor of performance Committee monitor of performance 3 monthly Annual Appraisals Annual self-assessment | |
| G2 | Potential for statutory intervention | CEO GB | 17-01-19 | <ul style="list-style-type: none"> Maintain robust relationship with SHR Ensure that Board adheres to all SHR Regulatory Standards Effective Reporting BM's have access to relevant information (portal) Board Development plan Strategy sessions Board Self-Assessment Skills-based Board and Committee Structure, supported by an experienced and qualified Executive Management Team | 2 | 10 | 20 | 3 monthly governance cycle Annual self-assessment Annual Appraisals | |

| Unique risk ref. | Risk | Risk Lead | Date risk added to register | Mitigation/Controls | Likelihood | Impact | Priority (LxI) | Review | Comments |
|------------------|--|--------------------------|-----------------------------|--|------------|--------|----------------|--|----------|
| G3 | Failure to appropriately manage and securely store sensitive data results in fines and reputational damage, with the requirements for GDPR – including cyber-attack. | CSM CEO GB | 17-01-2019 | <ul style="list-style-type: none"> Data Protection policies and procedures are in place All staff trained on expectations. Robust cyber-security arrangements are in place that are regularly tested. | 2 | 9 | 18 | 3 year policy review Annual staff refresher training Internal Audit | |
| G4 | Failure to comply with Health & Safety legislation results in death, serious injury, regulatory investigation and penalties | CSM/ CEO CSC GB | 17-01-2019 | <ul style="list-style-type: none"> Robust procedures cover each area of H&S All staff are appropriately trained on H&S requirements and expectations. Systems in place to record and report on landlord compliance obligations and performance. | 3 | 9 | 27 | Monthly meeting of H&S Committee 3monthly report to CSC and GB Annual external review of Landlord and Staff H&S folder | |

Risk 6 Corporate Failures

| Unique risk ref. | Risk | Risk Lead | Date risk added to register | Mitigation/Controls | Likelihood | Impact | Priority (LxI) | Review | Comments |
|------------------|--|--------------------------|-----------------------------|--|------------|--------|----------------|---|----------|
| C1 | Service failures due to ill equipped, ineffective, disaffected or unavailable staff | CSM CSC | 17-01-2019 | <ul style="list-style-type: none"> Up to date HR Policies/ Procedures Succession Planning Performance management IIP/Healthy Working Lives Robust Training plans Health & Safety | 2 | 9 | 18 | 3 year policy review cycle Annual Staff Appraisal 3 year IIP assessment cycle Annual training plan at budget setting HWL external accreditation | |
| C2 | Service failures due to faults in infrastructure/ systems of work | CSM CSC | 17-01-2019 | <ul style="list-style-type: none"> Business Continuity/ Recovery planning Two centres of operation ICT hosted off site Home working/capacity building Health & Safety Extreme weather/fire precautions | 2 | 9 | 18 | 3 year policy review cycle Annual Major Incident exercise Monthly H&S Committee | |
| C3 | Fraud & Corruption (Board/Employee) Fraud & Corruption - Illegal activity (Tenant/Supplier) | CEO CSC/ R&G GB | 17-01-2019 | <ul style="list-style-type: none"> Organisational culture Whistleblowing policy Professional external advisors (Audits – External and Internal) Financial and Legal Adherence to current legislation | 2 | 9 | 18 | 3 year policy review cycle Annual internal audit programme Staff annual Code of Conduct refresher | |

| Unique risk ref. | Risk | Risk Lead | Date risk added to register | Mitigation/Controls | Likelihood | Impact | Priority (LxI) | Review | Comments |
|------------------|--|----------------------------------|-----------------------------|--|------------|--------|----------------|---|----------|
| | | | | <ul style="list-style-type: none"> Staff Handbook/Code of Conduct Tenancy Conditions Procurement policy | | | | | |
| C4 | Operating outside Legal Framework (E.g. Company Acts, FSA, OSCR, HMRC AHP, MHP, AHPD Ltd, ASHS Ltd) | CEO/ CSM R&G GB | 17-01-2019 | <ul style="list-style-type: none"> Articles/Rules Use of external Company Secretary /Professional Advisors Adherence to current legislation | 2 | 9 | 18 | 3 year policy review Annual training plan Annual review of contractors | |
| C5 | Failure to attract, retain or motivate suitable staff and Governing Body members having an adverse impact on performance | CEO/ CSM CSC GB | 17-01-2019 | <ul style="list-style-type: none"> Performance Management Appraisals Competitive pay and rewards Continual resilience/ workload review for new projects Training of existing staff Staff Succession Planning | 5 | 8 | 40 | Pay and rewards package is reviewed for competitiveness annually Annual appraisal reviews and training and development plans | |