



RISK MANAGEMENT POLICY & PROCEDURES

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1.0 Introduction

- 1.1 Linstone Housing Association is a relatively large housing association. Its main activities are:
- The provision of social rented housing. This includes the repair and refurbishment of properties;
 - Estate management;
 - The provision of a factoring and management service for owner-occupiers;
 - The sale of properties under the Right to Buy legislation; and
 - The provision of a wardens service for those tenants in its sheltered complexes.
- 1.2 All of these activities bring risk. Risk can be defined as “any event or action that prevents an RSL from maintaining good performance and/or meeting pre-set targets, goals and plans and/or results incurred by that RSL”.
- 1.3 The minimum responsibilities of the Association’s governing body in relation to risk management are to:
- Ensure that their organisation generally adopts a prudent attitude to risk;
 - Be fully aware of the key risks facing their organisation;
 - Ensure adequate responses have been formulated and are being satisfactorily operated to counter key risks and
 - Be kept fully informed on a timely basis of any changes to the risks faced.
- 1.4 The purpose of this document is to outline
- The Association’s risk management policy and objectives;
 - The strategies it will follow to meet its risk management objectives;
 - The procedures it will follow to manage risks; and
 - The way in which risks will be reported to the Management Committee
- 1.5 The procedures section of this document, along with the Risk Map contained at Appendix A, will furthermore aim;

- to identify the major risks which the Association faces, and,
- to put procedures in place to control, reduce, insure or eliminate the risk which is faced.

2.0 Risk Management Policy

- 2.1 In many circumstances the Association will accept an element of risk as a fundamental part of doing business. However, in other areas, defined as the major risk areas, it will be the Association's policy to manage the risks it faces.
- 2.2 Major risk is defined as any event which may affect the Association's ability to meet its key business objectives as defined in the Internal Management Plan.

3.0 Risk Management Strategies

3.1 When faced by major risks the Association's risk management strategies will take either one or a combination of the following approaches;

- Control of risk;
- Reduction of risk ;
- Insurance against risk; or
- Elimination of risk.

4.0 Risk Management Procedures

4.1 Establishing risk management procedures has been split into separate categories. These are;

- Identification of the risk faced by the Association. For the purpose of this work The Association will focus on major risk areas which could impact upon the Association's ability to meet its key business objectives. Threats, social, technological, environmental and political issues have already been identified as part of the Association's strategy development during the Committee Away Day. In addition, various meetings have been held with staff to identify the risks faced. Risk management will be a standing item on staff meetings.
- Identification of controls.
- Current assessment of the controls and how the risk is currently being managed. Management will seek out assurance that controls are in place and are operating effectively. This will be done through ongoing monitoring, internal audit and separate evaluations.
- An evaluation of the risk. Each identified risk has been ranked from 1 (low) to 3 (high) against two categories – Severity & Likelihood of occurrence. These scores are multiplied to give the total risk score. A score of 9 means that the likelihood of occurrence is high and the severity is high. The Association can then identify the riskier parts of its operation.
- Identification of actions to improve risk management. This will form the Association's Action Plan over the short to medium term to improve risk management.
- Establishing responsibilities. Ultimately, the responsibility for risk management rests with the Management Committee. However, while all levels of staff should feel that they are responsible for the management of risk in their area it is also necessary to assign responsibility for the day-to-day management of specific risks to officers of the Association.
- Reviewing and Reporting the risk. Risks will be reviewed at least annually through the above processes and reported to the management Committee in the form of;
 - Revised risk maps and/or
 - Reports on the Risk Management policy

4.2 The risk management process has been brought together in Appendix A. This forms the Association's Workplan over the short to medium term. The Plan will be updated as a result of;

- New or revised risks;
- Changes in the prioritisation or risk;
- Revised evaluation with regard to monitoring; and
- Completed work or new functions.

5.0 Review and Reporting

5.1 As the risks faced change over time it is important to make risk management an integral part of the Association's work. For this reason risk management will be incorporated into a standing agenda point for the following;

- Strategy Review
- Management Team Meetings;
- Staff Meetings; and
- Seniors Meetings

The Association's risk map will be reviewed at least twice yearly by the Financial Services Manager and will be updated as the result of any new or changed risks.

5.2 Within Linstone, staff training and development will include elements of risk management work. This will take the form of;

- General risk management awareness during available monthly staff training days;
- Specific training in areas such as First Aid, Employment Legislation and Treasury Management; and
- On the job training for specific staff.

5.3 Major reports to the Committee on proposed new services, developments or major projects such as IT spend and common area works will be expected to contain a section outlining the main risks faced by the Association and how these will be tackled.

5.4 To ensure that the Association's governing body is aware of developing risks and progress under this policy an annual Risk Management Assurance Report will be made to the main Management Committee. This report will highlight

- Performance under the Association's Risk Management Policy.
- The key current risks facing the Association.
- Training and new technical developments.