

Risk Management Policy



Document Control

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|---------------------------------|-----------------|-------------------------------------|----|-------------------------------------|
| Responsible Person | Chief Executive | | | |
| Review Frequency | 5 Yearly | | | |
| Reviewed by | Board | | | |
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| Next Review Due | November 2025 | | | |
| Consultation Required | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| Equalities Impact Assessment | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| Added to Company Website | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| Associated Documents Considered | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |

1. Scope of the Policy

- 1.1. The company acknowledges that there are risks associated with its activities. The company recognises the need for, and the value of, a comprehensive Risk Management Policy, which aims to minimise risk and the consequences – both financial and non-financial – should a specific set of circumstances arise.

2. Objective

- 2.1. Waverley Housing has a moral and statutory duty of care to its tenants, employees and assets. It will meet this duty by ensuring that risk management plays an integral part in the management of the company at a strategic and operational level.

3. Definition of a Risk

- 3.1. Risk is the threat that an event or action will adversely affect the company's ability to meet its business objectives and execute its strategies successfully.
- 3.2. Risk management is the process by which the company establishes a procedure aimed at minimising the impact of risks on the continuance of the business.

4. Roles and Responsibilities

- 4.1. The roles and responsibilities for risk management at Waverley Housing are set out below:
- 4.2. Board Members
To take overall responsibility for the development, implementation and review of the risk management strategy and to oversee the effective management of risk by managers of the RSL. Some of these responsibilities may be delegated to the Audit and Internal Control Committee (AICC), as appropriate.
- 4.3. Chief Executive
To ensure the risk management policy is implemented on a day-to-day basis and that risk is managed effectively across the RSL.
- 4.4. Management Team
To manage risk effectively in their particular service areas (e.g., housing management, housing maintenance etc.) by completing operational risk assessments and maintaining associated portfolios.
- 4.5. Employees
To manage risk effectively in their role.
- 4.6. Internal Audit
To ensure that the risk management cycle is being rigorously applied and that risks are being effectively managed as a result.

5. Implementation of the Policy - Risk Management Cycle

- 5.1. The company will apply a risk management cycle to identify, analyse, control and monitor the strategic and operational risks it faces. This document sets out how this will be done.

- 5.2. There are circumstances where risk assessment will need to be considered in the course of running the business:
- In routine reporting and monitoring
 - When appraising a new project that meet existing business plan objectives
 - When new opportunities arise that were not foreseen in the business plan
- 5.3. The Chief Executive, in the role of Risk Management “Champion” will facilitate and encourage embedding risk management throughout the organisation.

6. Raising Awareness

- 6.1. Risk management is an active process that requires the co-operation of the Board, managers and employees. The company aims to make Board members and all employees aware of these risks through training and communication.
- 6.2. The Crisis Management Team will undertake regular Business Recovery and Continuity Planning exercises (minimum annually) to ensure it is well positioned in identifying and responding to risk. This is likely to include additional table top, scenario planning exercises with external partners.

7. The Categories of Risk to be Managed

- 7.1. The company will take steps to identify and manage strategic and operational hazards and the associated risks recognising the following categories:

STRATEGIC

Political
 economic
 socio-demographic
 technological
 legislative
 environmental
 competitive
 customer

OPERATIONAL

professional
 financial
 legal
 physical
 contractual
 technological
 environmental

8. Risk Assessments

- 8.1. Risk Management will build on the company’s existing management arrangements:

Strategic risk assessments will take place as part of business planning and prior to making any decisions about significant changes in strategic policy (e.g., relating to growth, diversification, and investment).

Operational risk assessments will be completed on a cyclical basis depending on the scale of individual risks.

9. Risk Financing

- 9.1. Risk financing is an important element of risk management. The Corporate Services Manager will liaise with operational staff to determine an appropriate balance between

losses that are to be financed through external insurance cover, and losses to be met directly from its own resources (self-insurance). This will be considered by the Chief Executive and the Audit and Internal Control Committee (AICC) prior to final agreement. The approach selected will be influenced by:

- (a) the RSL's capacity to meet the direct cost of exceptional and significant value risks
- (b) its previous loss experience
- (c) the commercial rates offered by the insurance market.

10. Allocating Resources to Risk Management

10.1. Waverley Housing is fully committed to resourcing the effective management of risk. Resources will be required for three inter-related purposes:

- (a) to raise awareness of risk management
- (b) to pay for insurance and retained risks
- (c) to implement risk control actions.

10.2. The required resource contributions will be identified through the company's operational planning and budgeting process, following completion of the strategic and risk assessment exercises. The allocated resources will be clearly set out in the business plan.

10.3. The company views relevant competencies, training and support to staff as critical to effective risk management. The company will train staff in the fundamentals of risk management as it affects their roles and responsibilities.

This will be tackled through existing training programmes along with more specialised training, as and when required. The identification of training needs will be through various methods, e.g. induction, staff appraisals and company training needs analysis. The induction programme will also introduce new staff to risk issues, including health and safety.

The provision of training may be in-house, which can be tailored to individual circumstances, or through the use of external consultants.

11. Embedding Risk Management

11.1. The company recognises that implementing and operating a risk management policy does not mean that it is automatically accepted and embraced by all personnel or instinctively carried out when necessary.

11.2. A culture of risk awareness will stem from the actions of the Board, Chief Executive and management team. They will lead by example knowing this will have an influence on the way employees behave towards risk throughout the company.

11.3. The company will promote openness and idea sharing.

11.4. The company will ensure that the risk management framework is communicated and understood throughout the organisation. It will ensure flows of information downwards to

staff, upwards to management and vertically between different functions and projects. This will be achieved through regular meetings and briefing sessions, e-mail, company newsletters.

11.5. The company will promote the development of a culture of continuous improvement, through the benefits of risk management.

11.6. The company will ensure that, through regular training, staff have the necessary skills to evaluate risk and take the appropriate actions.

12. Risk Measurement

12.1. The company will use a risk score system by adopting the following criteria:

(a) Assess the **likelihood** of the risk occurring:

- Very Rare
- Unlikely
- Possible
- Very Likely
- Certain

(b) Assess the **impact** (or severity) on the organisation:

- Negligible
- Minor
- Moderate
- Significant
- Critical

(c) Map the assessment of risk to achieve a score

| | | | | | | | |
|----------------------------|---|-------------|-----------|----------|----------|-------------|---------|
| I M P A C T | ↑ | Critical | 25 | 50 | 78 | 100 | 125 |
| | | Significant | 16 | 32 | 48 | 64 | 80 |
| | | Moderate | 9 | 18 | 27 | 36 | 45 |
| | | Minor | 4 | 8 | 12 | 16 | 20 |
| | | Negligible | 1 | 2 | 3 | 4 | 5 |
| | | | Very Rare | Unlikely | Possible | Very Likely | Certain |
| | | | → | | | | |

13. Risk Appetite

13.1. The aim of the Risk Management Framework is not to remove all risk but to recognise that some level of risk may always exist. It is recognised that taking risks in a controlled manner is fundamental to innovation and the building of a can-do culture which is fundamental to

the continued success of Waverley Housing. Risk appetite is the amount of risk that the organisation is prepared to accept, tolerate or be exposed to at any point in time.

- 13.2. The risk appetite is monitored by the risk assessment figures. A table summarising the risk assessment totals can be found below. This table explains the further actions required at each level of risk.

| | |
|----------------------|---|
| High | Immediate Corrective Action |
| Medium | Corrective action to reduce risk exposure |
| Low | Monitor & review |
| Insignificant | Not regarded as an issue (annual review) |

- 13.3. We will closely manage all risks being assessed as high (red) and medium (amber) and may not wish to tolerate high risks (red), however each risk is assessed individually, along with an assessment of controls and mitigation (see final column in Risk Register), and discussed at Board level.
- 13.4. Waverley Housing’s risk appetite is not necessarily static. The Board may vary the amount of risk which it is prepared to take depending on the circumstances and the business opportunity.

14. Working with Key Partners

- 14.1. The company will work closely with tenants and partners in completing and updating the strategic and operational risk assessments.
- 14.2. Where possible, the company will work jointly, with statutory agencies and other RSL’s, to share knowledge and understanding, in mitigating and responding to risks.

15. Reporting and Monitoring

- 15.1. Internal Audit will be responsible for “monitoring and reviewing” the effectiveness of the risk management cycle and reporting on this to the Audit and Internal Control Committee (AICC). The Board has ultimate responsibility for ensuring that the cycle is rigorously applied.
- 15.2. The Audit and Internal Control Committee (AICC) will carry out an annual review of the full Risk Register to ensure that the risk management process is working effectively
- 15.3. Risk Management will be a standing item on the Board and Committee agendas.
- 15.4. The risk register will be reviewed monthly to identify any changes in top level strategic or operational risks. The risk register, as part of the performance reports, will be considered by the Audit and Internal Control Committee (AICC) and Board.

16. Review Process (Policy)

16.1. The Policy will be included in the Governance Handbook and will be subject to a 5-yearly review frequency.

17. Equalities

17.1. The Policy is consistent with the Waverley Housing values. The Policy does not discriminate against any protected characteristics.