This policy can be made available in different formats, for example, in larger print, Braille or audio-format. It may also be made available in other languages as appropriate.

Blue Triangle (Glasgow) Housing Association Ltd

Risk Management Policy

GOV 013 REV 3

26 July 2018

Our Mission Statement

"Blue Triangle exists to support, accommodate and assist vulnerable people achieve better lives."

Contents

Revision history

Rev No.	Rev. Date	Consultation Requirements (See Section 4 – Consultation)	Lead Officer	Committee	Approved by COM
0	July 2011	Review and update to new template	FS	COM	15 September 2011
1	November 2014	Reflect Regulator's guidance Consultation required: • Boardroom consultation • Senior Staff consultation No requirement for service user consultation	FS	COM	6 November 2014
2	July 2015	Review – Board consultation required. This policy does not impact on any service users or staff therefore no consultation required with these stakeholders.	FS	COM	16 July 2015
3	July 2018	Review – Board consultation required. This policy does not impact on any service users or staff therefore no consultation required with these stakeholders.	FS	COM	26 July 2018

Chairman

Signed: Dated: **26 July 2018**

Chief Executive Officer

Dated: **26 July 2018**

Signed:

Section 1   Introduction

1.1 Rationale for the policy

This policy states the Association's approach to risk management. This includes risk identification, assessment and control.

1.2 Risk assessment statement

This Policy relates to high areas of risk within the Association because it identifies risk factors that could have a critical impact on the future of the Association.

1.3 Policy context

The Association operates in a rapidly changing environment. An appropriate risk management and risk assessment process is required to:

1.   Identify risks
2.   Categorise risks
3.   Identify mitigating actions to control risks

This risk management policy sets out how we will contain and limit the risks to which our organisation is exposed.

The organisation itself is assessed by The Scottish Housing Regulator to determine its risk profile. The Scottish Housing Regulator publicises a Regulation Plan for each RSL under its auspices on an annual basis which sets out the Regulator's view of the organisation's risk based on four key areas:

1. Financial health
2. Governance
3. Stock quality
4. Service quality

They collect a range of information from us by which to assess risk. The information includes:

1. Annual return on the Charter
2. Annual Statutory Accounts for RSL's and their subsidiaries
3. Five year financial projections
4. Loan portfolio returns
5. Reports from statutory auditors to the governing body of the RSL

The Regulator's risk assessment results in a different level of engagement as set out below:

Low	Where we generally have sufficient assurance about the level of risk to our statutory objective and need little if any additional contact unless other events arise
Medium	Where we need further assurance about the level of risk to our statutory objective than we can get from the standard information returns
High	Where we need more intensive or continuous engagement to understand the current and potential areas of risk to our statutory objective and the RSL's approach to managing these risks

The risk profile which is determined by The Regulator is important as it is something which other organisations such as local authorities as commissioners and financial partners such as banks and other financial institutions use as a tool to assess our capabilities to contract with them. As a result, we need to consider this as context when we are carrying out our own risk assessment and management. We should also feed in results from any internal and external audit where particular risk management issues have been highlighted.

Section 2   Legal and regulatory standards

The standards referred to in this section have been taken directly from each Regulator's guidance. Each Regulator has written their guidance according to the audience being addressed: service user, staff or board member.

2.1 Legal framework

Section 72 of the Housing (Scotland) Act (the Act) places a duty on external auditors and reporting accountants to disclose events of material significance to The Scottish Housing Regulator.

Section 72(2) of the act specifies that where there is a belief that the information is of material significance to the performance of our functions, this information must be disclosed to The Scottish Housing Regulator. This duty exists whether or not a disclosure has been made to another regulator, organisation or agency. It relates not only to affairs of the RSL, but also any parent or subsidiary body connected with the RSL.

A piece of information that has material significance may include anything that seriously threatens the stability of an RSL's finances, operations, reputation or legality; such as:

1. Information suggesting dishonesty or fraud involving a material loss of, or a major risk to, RSL's funds, assets or reputation.
2. Failure of internal controls, including failure in governance, that results in a material loss or misappropriation of RSL funds or assets being put at risk.
3. Evidence suggesting that tenants have been or were put at risk of abuse or mistreatment by the way in which the RSL has carried out its work.

4. A deliberate or material breach of an order or direction made by SHR under its statutory powers.
5. Any information that suggests serious operational failures that may have had a material impact on tenant welfare.

Section 72(3) of the Act gives the external auditor or reporting accountant a right to disclose information deemed relevant to the performance of The Scottish Housing Regulator's functions, but which is not classified as material under section 72(2).

These legal requirements link into The Scottish Housing Regulator's guidance on notifiable events.

2.2 Regulatory standards: the Scottish Housing Regulator (SHR) (Governance and Financial Management

Regulatory Standard 3

The RSL manages its resources to ensure its financial well-being and economic effectiveness

3.3 The RSL has a robust business planning and control framework and effective systems to monitor and accurately report delivery of its plans. Risks to the delivery of financial plans are identified and managed effectively. The RSL considers sufficiently the financial implications of risks to the delivery of plans.

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.

4.3 The governing body identifies risks that might prevent it from achieving the RSL's purpose and has effective strategies and systems for risk management and mitigation, internal control and audit.

Significant performance failures

The Scottish Housing Regulator (SHR) has a duty to consider issues raised with them about "significant performance failures". A significant performance failure is defined by the SHR as something that the landlord does or fails to do that puts the interests of its tenants at risk, and which the landlord has not resolved. That is something that is a systemic problem that does, or could, affect all of a landlord's tenants. Examples of a significant performance failure could be if social landlords are not:

- delivering the outcomes and standards in the Scottish Social Housing Charter over a period of time; or
- achieving the regulatory standards on governance or financial management.

2.3 Notifiable Events Guidance (Scottish Housing Regulator)

This guidance sets out the events that RSLs should tell us about. We explain why we have a regulatory interest in them, what we expect an RSL to notify us about, and what we will do with the information that RSLs give us. We are interested in events which put at risk:

- The interests or safety of tenants and other service users;
- The financial health of the RSL, public investment, or the confidence of lenders; or
- The good governance and reputation of an individual RSL or the RSL sector (1.1)

Our approach to regulation is risk-based and proportionate. This means that we want to avoid gathering information routinely "just in case". But it also means that we need RSLs to alert us to certain events as quickly as possible. (1.2)

Our regulatory standard 2.4 requires RSLs to inform us about any significant events. This guidance sets out what type pf events RSLs should tell us about so that RSLs can be clear about what we need to know. (1.3)

An RSL should tell us about <u>any</u> significant or exceptional issue, event or change within its organisation and how it intends to deal with it (2.1)

RSLs need to alert us to:

- Governance and organisational issues
- Performance and delivery issues
- Financial and funding issues (2.4)

2.4 OSCR (Office of the Scottish Charity Regulator

The Targeted Regulation Framework

You must act in the interests of the Charity (standard 1)

You must act with care and diligence (standard 1.2)

As charity trustees:

- You have to protect your charity and its beneficiaries, assets and reputation. This means understanding and assessing potential risks to make sure decisions are as robust as possible.

2.5 The Scottish Social Housing Charter

The customer/landlord relationship

      3. Participation

Social Landlords manage their businesses so that:

Tenants and other customers find it easy to participate in and influence their landlord's decisions at a level they feel comfortable with

Scottish Social Housing Charter Indicators

There are no relevant Scottish Social Housing Charter Indicators

2.6 Regulatory standards for housing support: the Care Inspectorate

Health and Social Care Standards

4. I have confidence in the organisation providing care and support

I use a service and organisation that are well led and managed

Section 3   Policy content

3.1 Risk Identification

The identification and management of risk is an important area as can be seen by the various legal and regulatory requirements. It is most relevant however in helping us to manage our business efficiently.

Risks can manifest themselves from both external and internal sources and can arise because of a unique set of circumstances or because of the ability to analyse factors which could impact at some point in the future. For the purposes of corporate risk management, the only risks that are recorded in the risk register are those which could or can be mitigated and/or controlled by specific actions. Risks which are more nebulous or difficult to be quantified can still be considered as part of the Business Plan review process as they can be noted and discussed as part of the review of threats to the organisations plans for the future.

The process of risk identification is undertaken throughout the year and considered as part of the normal day-to-day activity of the executive team. Individual matters which are significant will be brought to the Management Board's attention at the time rather than wait for the annual review as risk management must by its nature be a fluid process. The annual review therefore captures all the relevant risks at a singular point in the year and its purpose is to be highlight to the governing body what live risks there are, how these will be managed and how risks have changed since the last formal review.

3.2 Risk Assessment

Risks are assessed by considering the interaction of:

1. The likelihood that the event will occur (ranging from A (very high) to F (almost impossible)),
2. The impact **if no actions were taken to address the risk**

The risks are then placed in a matrix which breaks risks down into red, yellow and green risks. Red risks are those considered the most risky in terms of the impact on the organisation, yellow are the next most significant and green is considered the least risky.

3.3 Risk Control

The three main strategies adopted by the Association for controlling risks are:

1. Identify,
2. Mitigation and control to reduce the impact,
3. Monitoring.

Section 4   Consultation

Section 54 of the Housing (Scotland) act 2001 stipulates a requirement of RSL's to consult their tenants on policies and procedures which significantly affect their tenants. BTHA has no tenants but considers this a right which should be given to its service users. The occupancy agreement that we use, therefore, includes a clause which indicates our commitment to consult with service users.

The regulatory standards (Care and Housing) also stipulate that service providers should have robust consultation processes in place in order to comply. This means that if there are proposals or policies which could significantly impact on service users such as those in relation to housing management, repairs and maintenance or more strategic changes that we endeavour to notify service users of this and listen to any concerns. The main vehicle for this will be our service users' forum.

We also operate a policy on consulting with staff and taking feedback on board. Service users and staff will not be consulted on all policies – an assessment will be made at policy review as to what level of consultation (if any) will take place.

Section 5   Monitoring and review link with KPIs

Policies will be reviewed on a three yearly cycle by the Committee of Management according to a policy programme provided on an annual basis at the start of the financial year. All policy reviews will take into account our Equality Impact Assessment toolkit requirements.   Committees will report on performance to committee of management at the end of the year. We use a small number of key performance indicators (KPIs) which monitor critical success factors. Our policy monitoring framework tracks any policies which impact on KPIs. Other policies may have indicators which are monitored at departmental level.

The policy and its implementation will be reviewed by the Committee of Management.

Section 6   Publishing and availability of policy

This policy is available in electronic format or hardcopy to all staff, service users, Committee members and other customers, as appropriate.

Section 7   Accessibility

We are committed to promoting accessible services that address the needs of individual service users and employees, as appropriate. For example, our policies can be provided in other formats such as in larger print or in audio-format.

Section 8   Other relevant policies and procedures

The Association has a wide range of policies covering corporate services (covers the entire association) and operational services (covers only specific operational areas). It is important that this policy is not viewed in isolation but consideration is given to the wider context in which it operates.

Section 9   Complaints

We follow the Model Complaints Handling System that has been developed by the Scottish Public Services Ombudsman (SPSO). This is a comprehensive procedure that allows for complaints to be dealt with in either one of two stages.

Complaints must be dealt with in line with set timescales so that complaints are dealt with quickly.

If still dissatisfied after Stage 2 has been completed, a dissatisfied customer can take their complaint to the SPSO.

Any service user wishing to complain should ask for a copy of our complaints procedure. A service user, alongside their right to complain to the SPSO, can also complain to the Care Inspectorate, the Local Authority or other commissioner of the service, and they may have the right to complain to the Scottish Housing Regulator. To take their complaint further, a service user generally needs to go through our internal complaints procedure in the first instance.

Section 10 Equality Impact Assessment

We carry out two main forms of impact assessments using our standard template for all organisational policies and related procedures. These are equality and privacy impact assessments.

Equality impact assessments

Equality Impact Assessments consider how effectively our policy documentation eliminates unlawful forms of discrimination and promotes our equality objectives.

Privacy Impact Assessments

Privacy impact assessments are important for maximising security of data processing and minimising risk to personal data that we process. These assessments are essential for ensuring that data protection issues are mainstreamed into all appropriate policies and practices.