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blue triangle

Risk Management Policy

February 2023

Our Mission Statement

“To empower people to thrive.”

Revision history

Rev No.	Rev. Date	Consultation Requirements	Lead Officer	Committee	Approved by COM	Review Due:
0	July 2011	Review and update to new template	FS	COM	15 Sep 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 supported people 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 supported people or staff therefore no consultation required with these stakeholders.	FS	COM	26 July 2018	
4	Feb 23	Reviewed Policy new template	JL	Board	17 August 2023	Feb 2026

Chairperson

Signed: 

Dated: 17th August 2023

Chief Executive Officer

Signed: 

Dated: 17th August 2023

This policy states Blue Triangle’s approach to risk management. This includes risk identification, assessment and control.

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

The risk management and assessment process ensures risks are identified, categorised and mitigating actions to control risks identified. This policy sets out how we will contain and limit the risks which Blue Triangle is exposed to.

Blue Triangle is assessed by the Scottish Housing Regulator (SHR) to determine the risk profile. SHR 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

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.

Legal and Regulatory Standards

Blue Triangle abides by legislation set out in the Scottish Housing (Scotland) Act, and the Scottish Housing Regulators (SHR) Regulatory Standards. These are outlined in [Appendix 1: Legal and Regulatory Standards](#).

We have a responsibility to advise SHR of any events that would put Blue Triangle at risk (notifiable events). As well as responsibilities under OSCR, Scottish Social Housing Charter and the Care Inspectorate.

Risk Identification

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

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

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 Senior Leadership Team (SLT). Risk updates are taken to each Board and sub-committee meeting and are reviewed at SLT meetings. Individual matters which are significant will be brought to the Board/COM 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.

Responsibility for identifying potential risks applies to all levels within Blue Triangle. Service staff are trained to complete risk assessments covering a variety of areas, including risks relevant to those we support (which are reviewed every 6 weeks) e.g. lone-working, anti-social behaviour, transporting of monies, etc. These are all areas which have the potential to impact on reputational or financial risk. Staff within services are provided with generic risk assessments (reviewed annually) and these are adapted as appropriate to relate to the work carried out within their service.

Staff within Services/Central Support may at times, identify risks relevant to their area of work, or the support they provide, and escalate as appropriate to their Service/Department Manager in the first instance. Where further discussion is required, these potential risks would be escalated to the Regional Service Delivery Manager or appropriate Head of Department for discussion at SLT.

Risk Assessment

Risks are assessed by considering the interaction of:

1. The likelihood that the event will occur (ranging from A (very high) to D (low); and
2. The impact that the event will have (ranging from 1 (critical) to 4 (low)).

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 riskiest in terms of the impact on the organisation, yellow are the next most significant and green are the least risky.

The Risk Register outlines three actions to mitigate risks along with a target date for the implementation of these and the traffic light (RAG) impact these actions will have on the risk.

Some risks will remain on the register with all actions taken forward as there are external factors outwith our control.

Appendix 1: Legal and Regulatory Standards

Scottish Housing (Scotland) Act

Section 72 of 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: Information suggesting dishonesty or fraud involving a material loss of, or a major risk to, RSL's funds, assets or reputation.

1. 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.
2. 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.
3. A deliberate or material breach of an order or direction made by SHR under its statutory powers.
4. 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.

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.

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 supported people;
- ▲ 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 of 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 any 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