

FORTH HOUSING ASSOCIATION LIMITED

RISK MANAGEMENT POLICY

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1. Introduction

- 1.1 It is important that we identify and appraise the most important risks we face, and we take a prudent approach to managing them.
- 1.2 The purpose of this policy statement is to recognise the areas of risk and to ensure that the appropriate policies, procedures and systems are in place to minimise them.


2. Risk management strategy


- 2.1 An annual assessment of risk shall be carried out on several levels using widely recognised techniques including the following:

 SWOT Analysis (looking at the **S**trengths, **W**eaknesses, **O**pportunities and **T**hreats that may be inherent in or affect the organisation);

 PEST Analysis (which considers the **P**olitical, **E**conomic, **S**ocial and **T**echnological environments in which the organisation operates);

and, from these,

 Strategic Risk Identification which seeks to assess the likelihood of a potential risk taking place and what severity it may then carry for the organisation.

 This will be done using the following method. Both the likelihood of risk taking place and its potential severity will be ranked from 1 (least likely/least severe) to 3 (most likely/most severe) and the two numbers multiplied together. This will then provide a ranking for with the higher numbers, up to 9 of course, being those assessed as “riskiest” for the organisation.

- 2.2 A strategy will then draw conclusions from these techniques with suggested courses of action that endeavour to minimise or eradicate the potential damaging effects of any given risks. The exercises and conclusions will be published annually and contained in the Internal Management Plan.

3. Policies and procedures

- 3.1 It is recognised that there are potential risks inherent in all aspects of the Association's business. The following sections therefore seek to identify those activities subject to risk and to state what the Association has in place to ensure that any potentially damaging risks are limited or even eradicated. An Operational Risk Identification exercise will be carried out for each activity and any conclusions drawn will be brought to bear on Policies and Procedures as continuing review takes place.

4. Management Committee Control and Accountability

- 4.1 The Management Committee shall ensure that there is in place a comprehensive set of Standing Orders that recognises constitutional and legal limitations placed upon the organisation; that determines the appropriate format for meetings and how they are organised; that ensures accountable reporting and recording systems are in place for all decisions; and that clear delegations of authority exist within the organisation.
- 4.2 The Management Committee shall ensure that the Association has a suitable staff structure in place and that steps are always taken to recruit the highest calibre of staff.
- 4.3 The Management Committee shall ensure that the organisation operates to a system of published policies and procedures, covering all activities, which are subject to continuing and periodic review and which satisfy the expectations of *Performance Standards for social landlords*.
- 4.4 Management Committee Members shall make certain that training needs are identified for both Management Committee and staff and that adequate training is then undertaken.
- 4.5 Where necessary, the Management Committee shall take independent advice from external experts in any field that is appropriate at any given time.

5 Housing Management

- 5.1 The Association shall ensure that all Housing Management Policies and Procedures are clear, fair and well publicised, and that at all times they

match the expectations of *Performance Standards* and *Raising Standards in Housing*.

- 5.2 All targets relating to Housing Management activities will be regularly monitored with regular reporting to Management Committee.
- 5.3 Clear procedures will be published for the payment of rent and the prevention and recovery of arrears with regular monitoring reports presented to Management Committee.
- 5.4 Regular Tenant Satisfaction feedback shall be carried out, with the results reported to all tenants and outcomes acted upon.

6. Maintenance

- 6.1 The Association shall ensure that all Maintenance policies and procedures are clear, fair and well publicised, and that at all times they match the expectations of best practice and regulation.
- 6.2 Clear response times for repairs shall be established, continually monitored and regularly reported to Management Committee.
- 6.3 All maintenance contractors used shall be subject to tendering or the submission of schedules of rates for comparative purposes and must provide all relevant data and certificates to allow their employment.
- 6.4 A planned maintenance programme will be developed with regular condition surveys carried out to ensure that the housing stock is properly maintained to the highest standards.

7. Development

- 7.1 The Association shall ensure that all Development policies and procedures are clear, fair and well publicised, and that at all times they match the expectations of legislation and the Scottish Housing Regulator.
- 7.2 Each development scheme shall be appraised in terms of Scottish Government's guidance to ensure financial viability prior to commencement; be supported by a clear design brief; employ suitable contractual terms to minimise any potential additional costs to the Association; and be subject to regular reports to Management Committee for the duration of each contract.

- 7.3 The appointment of professional consultants and selection of contractors shall always be matters for Management Committee decision following published procedures.

8. Finance

- 8.1 The Association shall ensure that all Finance policies and procedures are clear, fair and well publicised, and that at all times they match the expectations of best practice and regulation.
- 8.2 The Association will prepare an annual budget which shall be reviewed against actual costs on a quarterly basis; will keep proper books of accounts; will ensure that all appropriate insurances are in place; will only borrow or invest in accordance with the Treasury Management Policy; and will generally seek to maximise income whilst minimising expenditure.
- 8.3 The Management Committee will receive a comprehensive quarterly management accounts package within 2 months of period end.

9. Monitoring and review

- 9.1 All substantive reports to the Management Committee will consider risk as one of the implications of any recommendations being made.
- 9.2 In addition regular monitoring reports will seek to consider and monitor risks identified in the strategy.
- 9.3 This policy will be reviewed at least every 3 years by the Management Committee and staff are responsible for ensuring that it meets legal and good practice requirements.