



RISK MANAGEMENT POLICY

Reference	CS-CC-03
Information Classification	Internal Use Only
Review Frequency	3 years
Date Reviewed/Approved	November 2022
Next Review Due Date	November 2025
Applicable Committee(s)	Finance, Audit & Risk Subcommittee
Owner - role	Corporate Compliance Officer

Record of Updates/Changes			
Current Version	Date Approved	Approved By	Changes
V1	20/07/19	Audit & Risk Subcommittee	
V2	Nov 22	N/A	Minor changes to sub committee titles only

1. INTRODUCTION

All activities undertaken by Castlehill Housing Association (CHA) carry an element of risk. The exposure to these risks is managed through the practice of risk management.

Risk Management aims to identify risks and opportunities, to assess their likelihood and potential impact, evaluate the internal controls in place and determine what other actions are required to mitigate the risk or enhance the opportunity.

Managing risk is the responsibility of everyone in CHA. This policy outlines CHA's risk management process and sets out the responsibilities within CHA in relation to risk management.

2. SCOPE

This policy applies to all activities and processes associated with the normal operation of CHA. It is the responsibility of all Management Committee members and staff to identify, analyse, evaluate, respond, monitor and communicate risks associated with any activity, function or process within their relevant scope of responsibility and function.

3. DEFINITIONS

Risk is defined as the combination of the likelihood of an event occurring and its consequence, should it occur.

Risk Assessment is the process of evaluating the level of risk.

Risk Management is the overall process of identifying, analysing and handling risks.

Risk Owner is the person(s) responsible for managing a risk and is usually the person directly responsible for the strategy, activity or function that relates to the risk.

Risk Register is the method used to record identified risks, their rating, scores, control measures and where evidence of controls can be located.

4. PRINCIPLES OF RISK MANAGEMENT

Risk management is a key governance and management function. It should be integrated into strategic decision making and embedded in CHA objectives, policies, procedures and activities.

CHA has the primary duty to ensure the health and safety of workers, customers and other persons at the workplace. The duty to ensure health and safety requires CHA to manage risks by eliminating health and safety risks so far as is reasonably practicable; and if it is not reasonably practicable to eliminate the risks, by minimising those risks so far as is reasonably practicable.

Deciding what is 'reasonably practicable' to protect people from harm requires weighing up certain matters, including the likelihood of a hazard or risk occurring and the degree of harm that would result, and then making a judgement about what is reasonable in the circumstances.

Risk management systems should be established and implemented for all CHA functions and activities. All risks facing CHA, including but not limited to strategic, operational, and financial and compliance risks must be identified and assessed on an ongoing basis. This will be achieved through the use of CHA's Risk Register.

5. DUTIES AND RESPONSIBILITIES

The following paragraphs set out the respective risk duties and responsibilities for specific groups and members of staff.

The Management Committee

Members of the Management Committee share responsibility for the successful management of CHA, including effective management of risk. The Management Committee is responsible for:

- Determining strategic approach to risk and setting risk appetite
- Ensuring assurances clearly demonstrate this policy is being applied consistently across CHA

The Finance, Audit & Risk Sub-Committee

The Finance, Audit & Risk Sub-Committee is responsible for reviewing the establishment and maintenance of an effective system of governance, risk management and internal control across the whole of the CHA's activities. The Finance, Audit & Risk Sub-Committee is responsible for:

- Bi-annual review of CHA's risk register

The Chief Executive

The Chief Executive will:

- Ensure management processes fulfil the responsibilities for risk management as set out in this Risk Management Policy
- Build a risk aware culture within CHA

Senior Management Team

Members of the Senior Management Team are responsible for their respective areas and will ensure their areas' risks are managed effectively including:

- Highlighting to the Management Committee any strategic risks to the delivery of CHA objectives
- Bi-annual update of CHA's risk register in conjunction with the Corporate Compliance Officer for reporting to the Finance, Audit & Risk Sub-Committee
- Scrutinising new risk assessments escalated to the Association Risk Register

- Ensuring risk owners implement action plans to mitigate risks
- Ensuring all staff are aware of and fulfil their appropriate responsibilities for risk management

Health & Safety Management Group

The Health & Safety Management Group will:

- Ensure all health & safety risks are managed effectively

The Corporate Compliance Officer

- Ensure compliance with CHA's current policies and procedures, including this Risk Management Policy
- Ensure any incidents/near misses/new risks identified are fully investigated (including carrying out root cause analysis) before using this information to update the relevant risk register(s)
- Ensure implementation of any risk improvement recommendations

All Staff

All staff are responsible for the following:

- Complying with this Risk Management policy
- Complying with all other Association policies and procedures applicable to their area of work
- Being vigilant for potential risks and taking responsibility for reporting them to their Line Manager or the Corporate Compliance Manager
- Completing risk assessments as appropriate
- Reporting incidents and near misses to Line Manager or the Corporate Compliance Officer

6. RISK MANAGEMENT PROCESS

The risk management process consists of the following main elements:

1. CHA objectives and the general activities involved in running CHA should be identified.
2. Risks that may potentially compromise (and opportunities that may enhance) CHA's ability to meet its strategic objectives should be identified and documented.
3. Beneath the strategic level, all departments should identify all risks with the potential to impact on their department priorities and outcomes. This includes risks that could cause injury / harm / loss.
4. All identified risks should be assessed and documented in Risk Assessments considering:
 - Likelihood of threats and opportunities (risks);
 - Consequence of each risk;
5. The inherent risk rating should be assigned to each assessed risk.

6. Existing controls should be documented and each risk should be re-calculated, to take into account existing controls.
7. The residual risk rating should be assigned to each risk.
8. The residual rating determines the level of risk and the degree of monitoring required.
9. Risks should be quantified and ranked in a strategic risk register.
10. The risk register should clearly identify a risk owner for each assessed risk. The risk owner will have direct accountability for the monitoring of control effectiveness and the delivery of actions to mitigate the risk.
11. The risk register is a living documents and should be populated through CHA's risk assessment processes as well as through (as examples but not limited to) incident reports, complaints, external reviews and training needs analysis.
12. The risk register should be regularly monitored and reviewed, in line with CHA objectives.
13. Regular reports should be provided to Senior Management Team and Finance, Audit & Risk Sub committee at agreed times.

7. POLICY COMPLIANCE AND AUDIT

The Corporate Compliance Officer must verify compliance with this Policy.

Failure to observe the principles set out in the Policy may result in action under CHA's Disciplinary procedure.

Any queries regarding the implications of this Policy or how it may apply, should be directed to the Association's Corporate Compliance Officer.

APPENDIX 1

Risk Assessment Template



Assessment Name	
Assessor	
Date of Assessment	
Review Required	
Date of Review	

Possible Hazards	Detail	People at risk	Likelihood Score	Impact Score	Inherent Risk Scoring	Current control measures	Necessary Further Action	Likelihood Score (once controls in place)	Impact Score (once controls in place)	Residual Risk Scoring	Action Owner	Date completed

APPENDIX 2 : Risk Assessment Scoring

Likelihood	
1	Rare. 0-5% Extremely unlikely or virtually impossible
2	Possible. 6-20% Low but not impossible
3	Likely. 21-79% Fairly likely to occur
4	Almost certain. >80% Almost certainly will occur

Impact	
1	Low financial cost (levels to be determined)
	No regulatory consequences.
2	Medium financial cost
	Addressable regulatory consequences.
	Adverse publicity. Major injury.
3	High financial cost.
	Substantial regulatory consequences.
	Major Adverse publicity.
	Death of an individual or several major injuries
4	Major financial cost.
	Multiple major injuries or deaths.

LIKELIHOOD	4				
	3				
	2				
	1				
		1	2	3	4
		IMPACT			
		low	high		

