



Belmont House, 57 Belmont Road, Cambuslang, G72 8PG
www.wwhc.org.uk E: enquiries@wwhc.org.uk T: 0141 641 8628

Policy Name	Risk Management Policy & Strategy
Policy Author	Director
Approved by Sub Committee	N/A
Approved by Management Committee	April 2023
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West Whitlawburn Housing Co-operative will provide this policy on request at no cost, in larger print, in Braille, in audio or other non-written format, and in a variety of languages. Please contact the office.

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Registered society under the Co-operative and Community Benefit Societies Act 2014



1. Introduction

West Whitlawburn Housing Co-operative (WWHC) recognises that, as a provider of a public service, it operates in an environment that is influenced and impacted by the wider social, economic and political environment.

As such the co-operative is constantly facing new challenges that require it consider, review and assess the services it provides, the way these are delivered and, crucially, the risks to the co-operative and its future viability.

Robust Risk Management is therefore an integral part of WWHC's future planning both at strategic and operational levels and a key element of effective governance.

It is an important aspect of WWHC's decision making process and having a clear policy on risk and a robust but practical risk management process are essential components of such a strategy.

The Risk Management Policy is intended to put in place a framework for identifying, prioritising and managing risks to WWHC and to embed Risk Management as a core activity throughout the organisation.

The Regulatory Framework Standards of Governance and Financial Management require that the Co-operative takes a prudent approach to managing risks.

Standard 3

The RSL manages its resources to ensure its financial wellbeing, while maintaining rents at a level that tenants can afford to pay.

Guidance

GS 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.

GS 3.5 The RSL monitors, reports on and complies with any covenants it has agreed with funders. The governing body assesses the risks of these not being complied with and takes appropriate action to mitigate and manage them.

Standard 4

The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.

Guidance

GS 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.

2. Policy Objectives

This policy details how WWHC will assess and monitor the risk of events arising which would result in loss, damage or injury and aims to:

- Recognise that risk is inherent and unavoidable
- Make risk management integral to strategic planning processes and day-to-day operations
- Identify potential future risks to the co-operative
- Ensure it is proactive in identifying and managing risks
- Define its appetite for risk
- Provide clarity and focus on mitigating the high and medium risks
- Put in place effective controls to reduce the risk and/or mitigate the impact
- Promote ownership of the risk management process across the organisation

3. Policy Implementation - Roles & Responsibilities

The Co-operative's Management Committee will have overall responsibility for risk management.

Management Committee – To approve the Risk Management Policy, define the Co-operative's Risk Appetite and monitor and evaluate the

control and management of identified risks presented to the Management Committee by the Director.

Director - To ensure that the risk management framework is implemented on a day-to-day basis and that risk is managed effectively across the Co-operative. To ensure WWHC's Risk Management Strategy is maintained and updated in line with this policy.

Senior Staff Team – Identify and assess risks to the achievement of the strategic and operational objectives, identify new or emerging risks, identify and manage controls to reduce risks and review the risk register in line with this policy. A senior staff member will be identified as the risk owner for all risks identified in the register depending on the area of operation. The risk owner will be responsible for maintaining evidence of the mitigation controls in place to provide additional assurance.

Staff Team – To participate in the identification of risks and the development and review of risk assessments associated with their area of operation. Effective implementation of policies, procedures and other risk controls

Internal Auditors – Review the effectiveness of the Risk Management Policy and processes. To ensure that the internal controls are tested as part of the internal audit programme agreed with the Internal Audit Committee and determine the audit plan for the following year, taking account of relevant circumstances and events.

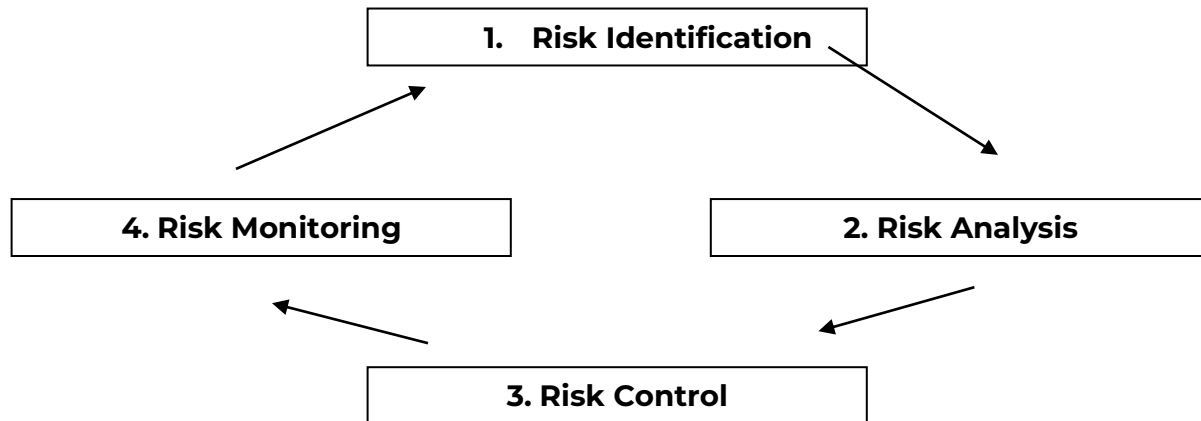
External Auditors – Assess risk in relation to fraud, communications with the management committee and financial management.

The management committee and staff team will review and update the organisational S.W.O.T analysis as part of the internal management planning process, for inclusion in the plan.

All staff and committee have responsibility for the identification of risks.

4. Risk Management Process

In order to formulate the risk strategy, the Co-operative will follow the process outlined below:



4.1.1 Risk identification: recognising and understanding potential risks is critical if informed decisions are to be made about policies, procedures or services and managed effectively. Responsibility for the operational monitoring of particular risks is clearly identified at this stage.

4.1.2 Risk analysis: assessing the impact and likelihood of a potential risk allows us to implement controls. Once risks have been identified a risk map is created to enable each to be systematically measured. If a risk is seen to be significant then steps will be taken to control it or at least minimise its potential impact.

4.1.3 Risk control: taking action to minimise the likelihood of the risk occurring or the impact it would have protects the organisation. Risk control requires managers to identify and implement proposals for action or revise operating procedures.

4.1.4 Risk monitoring: regularly evaluating the effectiveness of risk management controls and the nature of the risks are critical in successfully managing the risk. The risk management process does not end with the risk control proposals / procedures in place. WWHC monitors and reviews the effectiveness of these controls in managing risk. To this end a process of monitoring WWHC's exposure to risk is in

place and the Risk Management Strategy is reported to the Management Committee.

5. Risk Assessment

Each risk identified, will be assessed by senior staff and management committee in line with the risk scoring detailed in **Appendix 1** to this policy before the application of risk mitigation and controls. The risk matrix contains definitions of WWHC's risk appetite.

Impact score (how much damage an event could cause the Co-operative were it to happen).

Likelihood score (how likely is it that an event will happen).

Risk rating – the product of impact and likelihood.

Each risk identified will be re-assessed following the consideration of risk mitigation and controls giving a revised risk score and rating.

Where the risk identified is assessed as high, the risk management strategy will outline a timetable for implementation of mitigating controls and the reduction of risk, with a defined target date by which the mitigating actions or desired risk score are to be achieved.

6. Managing Risks

When risks are identified and rated, they will be added to the risk management strategy, which details the control systems on how the Co-operative will minimise/negate the risk identified.

The control actions and systems detail preventative measures in place to minimise and manage risks and possible scenarios identified. The Strategy resulting from this policy implementation is attached at **Appendix 2**.

7. Monitoring and Reporting.

Both the Management Committee and staff teams will monitor and update the risk management strategy on a regular basis as follows:

Annually – Review of the Risk Management Strategy by Management Committee to coincide with the Business Planning process, with the key risks highlighted.

Quarterly – Review of all risks and update of the risk management strategy by the Senior Staff Team

The following will be considered:

Comprehensiveness of risks identified.

Ratings assigned to each risk.

Comprehensiveness and effectiveness of control actions and systems.

Monthly – Review of the priority risks and consideration of any new or emerging risks by the senior staff team

As Required – Reports on any new or emerging risks to Management Committee

Reports to the Management Committee on any failures of the internal controls

Carry out risk assessments on all significant projects

Risk Management will therefore be a standard item on the agendas of the following:

- Management Committee
- Senior Staff Meetings
- Staff Meetings
- Concierge Team Meetings

Any new risks identified will be included in the strategy.

10. Review

This policy will be subject to 3-yearly review.

The strategy resulting from the implementation of this policy will be subject to a review in line with the process outlined above.

All reviews of other Co-operative policies will take account of risk management relating to that policy.



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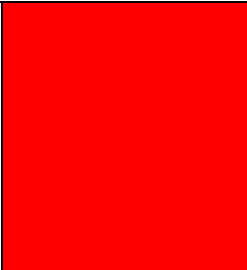
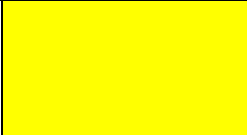

Risk scoring

Appendix 1

Score	Level	Definition
Likelihood		
1	Remote	Very unlikely to occur in the next 5 years but is theoretically possible
2	Possible	Less than 50% chance of this risk occurring in the next 5 years but the circumstances in which it could occur are possible
3	Probable	Above 50% chance that this risk will occur
4	Highly Likely	More likely than not that this risk will occur with an above 75% chance
5	Almost certain	Little doubt or uncertainty that this risk will occur
Impact		
1	Insignificant	Has very little impact on the Co-operative's operations



2	Minor	Low level objectives not met or delayed for an acceptable period of time
3	Moderate	Some operational objectives not met or delayed Would not result in the overall business or strategic plans not being achieved in the longer term.
4	Major	Viability of the Co-operative and its ability to operate would be compromised due to key objectives being delayed for an unacceptable length of time or not met
5	Catastrophic	Would result in high level engagement with the regulator possible ending of the Co-operative operating as an independent organisation

Risk Prioritisation			
High	15 – 25		Unacceptable level of exposure to risk above WWHC's risk tolerance level requiring immediate action to manage the risk Stop any activity or project where the level of risk is deemed high and cannot be reduced to an acceptable level.
Medium	7 – 15		Requires constant, active monitoring of risk and control measures put in place to reduce and / or control the risk Risk is significant but acceptable
Low	1 – 6		Risk is insignificant

			Acceptable level of risk
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		Risk Matrix				
Impact	Catastrophic	5	10	15	20	25
	Major	4	8	12	16	20
	Moderate	3	6	9	12	15
	Minor	2	4	6	8	10
	Insignificant	1	2	3	4	5
		Remote	Possible	Probable	Highly likely	Almost certain
Likelihood						