



# Risk Management Policy

Last Reviewed:	May 2018
Next Review Date:	May 2021



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Scottish Charity No.: SC042342 Registered Office: 55 Newtown Street, Duns, TD11 3AU

## Responsibilities

- All Board Members/Trustees and Staff have some responsibilities for managing risk. The specific responsibilities are outlined below. The Board will have overall responsibility to review the risks for BHA, BHA Enterprise and BCR. In addition specific development or high risk projects may also have its own Risk Register, for example the Fisherman Three windfarm.
- **The Chief Executive** is the Chief Officer of the Association and as such has legal responsibility for key risks to the associations such as Health and Safety and Corporate Responsibility. These are set out in law. In the job description there is also an expectation that the Chief Executive will maintain a high sensitivity to risks and will set up systems to monitor the environment internal and external and will put in place mechanisms to monitor and to mitigate risks as they are encountered. In the event of serious incidents or accidents occurring and where the organisation is held to be liable, it is possible the Chief Executive could face prosecution.
- **The Board** as Trustees of the charity and directors of the company (which is limited by guarantee) also have legal obligations placed upon them. These include the need to monitor the association's performance on risk to ensure that all actions to mitigate serious risk have been taken. The Board are required to ensure that they are satisfied that any actions taken by the organisation that do have risks attached are taken with their full knowledge and understanding and with the implications for themselves and the organisation made clear. If serious incidents or accidents occur and the organisation is found to be liable it is possible the members of the board could face prosecution.
- **The Audit & Finance Committee** are responsible for monitoring the financial accounts of the organisation and ensuring the statutory accounts are completed on time and to the SORP requirements set out by FSA. They also receive and discuss all internal audit reports commissioned and submitted and internal auditors can if they have serious concerns contact the Chair of the Audit & Finance committee directly to raise issues about the probity of the organisation. The committee can direct the Chief Executive and Senior Management team to take action to mitigate risks if they have concerns that it is required before a full board meeting.



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- **The Leadership Team** is also required to act within the boundaries and parameters set by the Board and within their delegated authority. They include responsibility for updating the risk register, monitoring key risks in their area of work and bringing them together with actions to mitigate them to the attention of the Chief Executive and Board of Management/Trustees.
- **All Staff** have responsibility to attend specific training on identifying and mitigating risks and to follow the policies and procedures of the association. They are required to risk assess situations as they arise and alert their line manager and colleagues of any concerns or issues that they encounter. On completion of appropriate information and training to manage risk they too will have personal responsibility for incidents or accidents if they then do not follow procedure or don't take advice of their line manager.

## Definition of Risk

Risks are events that could cause material damage to the organisation. They are categorised in the following areas:

- Board & Governance
- Business Changes
- Business Interruption
- Economic
- Political
- Financial
- Health and Safety
- Key Risks to the Group
- Reputation
- Staffing
- Strategic Planning

## Identification and Reporting of Risks

Risks can be identified at any level within the organisation and can be brought to the attention of senior staff through team meetings, emails, and regular communication with staff.

On a tri annual basis, staff and Board members will undertake training on risk to ensure they have considered all the key issues (outlined in the risk register) and



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that they are fully aware of how to report concerns or identify new risks to managers. They will go through this policy and the risk register and review any actions outstanding to mitigate risk and gain an understanding of the controls in place to manage risk and why they are important. They will be made aware of the dangers of not following policy and procedures and where they have personal responsibility.

The organisation has a number of mechanisms to consider risks when developing its business plan, developing new work or monitoring its present work. All team meetings, Management meetings and Board meetings and staff meetings allow staff and board members to identify areas of concern and for those to be drawn to the attention of the Leadership team. The health and safety committee also review all risks relating to health and safety and set up actions to improve practice on a regular basis.

The Board will monitor risk

- In the Chief Executive’s report at each meeting and be made aware of any internal or external changes or incidents and events and how risk is being handled.
- They will receive the Risk Register quarterly to review whether actions are being taken to minimise and mitigate identified risks.
- They will receive and homologate minutes of the Audit & Finance committee to allow them to ensure any risks or issues identified have been addressed and actions taken.
- They can and do ask for more detailed work on specific areas if they wish comfort that all risks have been explored.

## Risk Register

The risk register is on the intranet and can be regularly updated by the Leadership team. It is reviewed quarterly by the Senior Management Team in their performance review meeting but is visible to all staff. It is presented to the board on a quarterly basis but is also visible to the Board at any time through the Board portal on the internet. Risk register identifies all risks using the categories outlined in the definition of Risk and using the following format:

No	Risk	Strategic Objective	Gross Risk	Control	Frequency of	Responsibility	Net Risk	Progress/ Comments
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					<b>Monitoring</b>			
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## Risk Scoring

We score risk using the following criteria.

Likelihood (1 – 5) what is the likelihood of the event occurring. Do we have to manage the risk on a regular basis?

Impact (1 – 5) If the event occurred how severe would the impact be financially, legally and reputation.

- The Risks are identified in the training with all staff and Board members invited to attend. This takes place every three years. However new risks come up through team meetings and the Leadership Team to the Board review and are added to the register.
- The Gross Risk is scored (minus controls) in other words how serious is this if we did nothing to prevent it.
- We then describe the controls we have in place to mitigate risk documented in the register and regularly reviewed and updated.
- Net Risk scored we then score the risk with our controls in place and highlights any further actions and when they will be achieved. The Leadership Team can set the scoring of risk in the first instance although the Board can review that and amend it when they are reviewing the document.

Every Risk will identify a named individual who is managing that risk and ensuring we update that part of the register. For instance Reputational risks may be the responsibility of the Chief Executive and they will be held to account for actions and controls of that risk and keeping those risks up to date.

## Risk Review

The Risk Register is the means by which Risk will be regularly reviewed. However new risks highlighted by the staff, Board or other stakeholders will be added during Management team quarterly reviews in the performance meeting and the Board can make suggestions at any Board meeting.

- The Board will review the register

- The Audit & Finance Committee will review the register
- The Leadership Team will review and update the register quarterly.

An annual 'step back' review completed by the Convener and the Chief Executive will be undertaken to ensure that the risk register continues to be reflective of the risks faced by the Association.

We also present a paper to the Board quarterly with our agreed top 10 risks (which are also logged in the Risk Register) to ensure that the Board are satisfied with the actions we are taking to manage any specific projects or areas of work that carry higher risk.



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