

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION RISK MANAGEMENT POLICY

Aims of the risk management policy

The following are aims of the risk management policy:

- To enable the management committee to be aware of the key risks faced by the co-op
- To develop plans and strategies for managing and reporting on key risks
- To prioritise resources on issues of most importance within the co-op
- To reduce the probability and impact of things going wrong
- To ensure compliance with requirements of the Regulatory Framework regarding risk management and business planning

Delegated Authority

- 1 The management committee will periodically consider the co-op's risk management strategy.
- 2 In considering the risk management strategy, the co-op will seek external independent advice from a person or organisation with skills in assessing, considering and mitigating risk in a Registered Provider setting.
- 3 The co-op will seek to involve its Senior Management Team in consideration of the co-op's risk management strategy. The committee will consider the Senior Management Team's opinion regarding key risks.

Definition

- 4 Risk is the threat that an event or action will adversely affect the co-op's ability to meet its business objectives and execute its strategies effectively.
- 5 As a Registered Provider, the co-op is expected by the regulator to "manage prudently the risks faced by their organisation and carry out an annual risk appraisal or review exercise".

Annual review

- 6 On an annual basis, the committee, supported by independent external advice, will consider:
- the process it will use to review its risk management strategy
 - consider the conclusions of reviews
 - designate formal responsibility for managing each key risk

Analysis of risk

- 7 The co-op will consider risks associated with its core operations (functional risks) and those associated with external factors (cross-functional risks). These risk areas will include:

Functional Risk

- Provision of accommodation
- Collection of rents
- Day-to day maintenance
- Major works
- Health and safety
- Staff relationship and management
- Active member participation
- Information technology
- Controls & related fraud
- General Data Protection Regulations

Cross Functional Risk

- National & local Government policy
- Regulatory compliance
- Legal compliance
- Economic environment
- Culture & image of the co-op

- 8 The external independent advisor will identify potential risks relating to each of the areas listed and these will be discussed by the committee. The committee will attach values to each identified area of risk for:
- impact on the co-op (1 for negligible to 5 for catastrophic)
 - likelihood to occur (1 for very unlikely to 5 for very likely).

- 9 The committee will carefully consider risks that it has identified with higher impact and/or with higher likeliness to occur. It will particularly consider risks that have been identified as having risk factors of between 16 and 25, when both indices are multiplied together.
- 10 The committee will accept those risks which it has the skills and experience to manage at both committee and staff level and those where the co-op can afford exposure. In these cases, the co-op will take no action. In evaluating new potential risks, the committee will ensure that it does not accept too many at once.
- 11 Where risks are not accepted, the committee, working with the independent external advisor and staff, will identify clear controls that it will monitor for each area of risk (e.g. targets, policies, standing orders or reporting structures). The committee will identify which individuals will be responsible for their management.
- 12 The annual risk review will consider:
 - the co-op's current risk register
 - how risks have changed over the previous year
 - whether any new risks have been identified
 - any changes to the risk management strategy
 - any changes to responsibility for management of risk

Potential risks to be avoided

- Risks arise that the co-op is unprepared for
- The co-op does not have appropriate controls in place to mitigate potential risks