



**RISK MANAGEMENT POLICY**

**Kingsridge**

HOUSING ASSOCIATION LIMITED

**Reviewed by  
Management Committee**

23<sup>rd</sup> April 2019

## 1. INTRODUCTION

Kingsridge Cleddans Housing Association requires to take a comprehensive cognisance of potential risks facing the Association and to develop appropriate policies, procedures and control to mitigate our exposure to risk.

**Regulatory standard 4 states:**

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

The concept of risk management, or more appropriately, the management of risk, is to minimise the possibility of an event happening which shall result in loss, damage or injury.

Insurance and risk management should not be confused. Insurance involves the transfer of risk in return for a financial payment while the management of risk is intended to minimise the chance of damage, loss or injury occurring in the first instance, whether or not insurance is in place.

All sections within the Association, and the Association as a whole, shall be exposed to specific risks and the primary purpose of the policy is to detail steps taken, or to be taken in order to reduce the level of risk.

## 2. SCOPE OF POLICY

The purpose of this document is to identify the risks to which the Association is exposed and to outline and assess the controls in place in order to minimise the risk of events arising, which could result in loss, damage or injury.

The assessments will be reviewed annually to assess if systems and controls are adequate and determine if improvements are required.

Key risks which require continuous assessment will be reported quarterly at the Management Committee Meeting.

Risk areas will cover all areas of our business and will be compartmentalised in functional areas.

- Governance
- Housing Management
- Maintenance

- Financial Management

All Management Committee and staff members shall be issued with a copy of the policy statement.

### **3. APPLICATION OF POLICY**

In applying the policy the Association will take account of the risk management techniques outlined below:

## **4. RISK MANAGEMENT TECHNIQUES**

### **4.1 PLANNING AND FORECASTING**

The techniques of business planning, budgeting and cashflow forecasting are some examples of this technique in action and can assist in highlighting future potential difficulties. With appropriate action these future problems may be capable of being avoided.

### **4.2 INSURANCE**

In return for a premium the risk can be passed to someone else.

Cover against fire, flood and storm damage to properties and office accommodation can be obtained relatively cheaply thereby avoiding potentially disastrous consequences for the Association.

Insurance can also be arranged in respect of business interruptions, theft, public liability, personal accident and employer's liability.

Checks on contractors and consultants insurance cover should be carried out regularly.

### **4.3 SPREADING RISK**

The basic idea is not to "put all your eggs in one basket" so that if something does go wrong the effects are lessened.

e.g. don't borrow the same type of loan from the same bank on the same terms for each development phase.

### **4.4 SENSITIVITY ANALYSIS**

This technique is concerned at looking at various "what if" scenarios and its purpose is to explore the impact on your plans of a change in one or more of the assumptions made.

e.g. What if interest rates exceed those estimated by 2%?

#### **4.5 RESPONSIBILITY AND DELEGATION**

Risks will arise at all levels within the organisation but Committee members or the Director cannot be expected to take all decisions. It is essential therefore that there are clear policies and procedures in place for the guidance of those who are exercising responsibility under delegated authority e.g. cheque approvals, repair checks, tender procedures etc.

#### **4.6 TAKING ADVICE**

By taking appropriate external advice risks can be reduced where such advice is covered by indemnity insurance.

e.g. Use of Auditors and Accountants for financial management.

e.g. Use of Solicitors for legal issues.

#### **4.7 QUALITY OF MANAGEMENT**

With implementation of policy decisions being delegated to staff it is essential that quality staff are employed and retained.

Equally if there is dissatisfaction with staff then this must be addressed.

While in some situations risk could be totally avoided it is likely that this would be at a cost. It is important, therefore, in applying the policy that a proper balance is reached.

### **5. RISK ASSESSMENT ANALYSIS**

A risk assessment analysis has been prepared which records a risk factor rating against each area of risk outlined in the risk map. Risk factors are rated High, Medium or Low and ratings have been determined using the risk matrix below:

<b>Likelihood of occurrence</b>			
<b>High</b>	7	8	9
<b>Medium</b>	4	5	6
<b>Low</b>	1	2	3

## Impact on Business

Risk Rating is low when: Risk area affects < 1% of cost/income  
Or KPI's not met  
Or risk area attracts complaints

Risk rating is medium when: Risk area affects 1 – 5% of costs/income  
Or risk could result in a Regulatory breach  
Or risk failure could be reported in local press

Risk rating is high when: Risk area affects >5% of costs/income  
Or risk area could trigger a notifiable event  
Or risk area could be reported in national press

When applying a risk factor rating to individual risk areas, we will take into account the existing controls in place to minimise risk and out track record in respect of managing identified risk areas.

Those risks scoring 7 and above are the key risks to focus on. (Red area)

Those risks scoring 4 - 6 are areas we require to be aware of and monitor (Amber area)

Those risks scoring 1 - 3 are low risk which do not require immediate action. (Green area)

## 6. SELF ASSESSMENT

Self assessment is an appraisal technique where you question your policies, procedures and controls to determine if:

- 6.1 We have a strategy to minimise and manage risks.
- 6.2 We can demonstrate our effectiveness in managing risks that have materialised
- 6.3 Our risk management process is integral to our forward planning process.
- 6.4 We articulate clearly and prioritise levels of risk.
- 6.5 Our approach to risk management takes into account the integrated nature of the Services we deliver.
- 6.6 Risk management is integral to our organisational culture.
- 6.7 We report regularly on risk areas and assess and appraise risk areas.
- 6.8 Do we have adequate insurance cover?
- 6.9 Is our financial viability being properly managed, assessed and reviewed?

## **7. RESPONSIBILITY FOR POLICY IMPLEMENTATION**

The Management Committee of the Association accepts overall responsibility for the implementation of this policy.

Day to day responsibility for policy implementation lies with the Director of the Association.

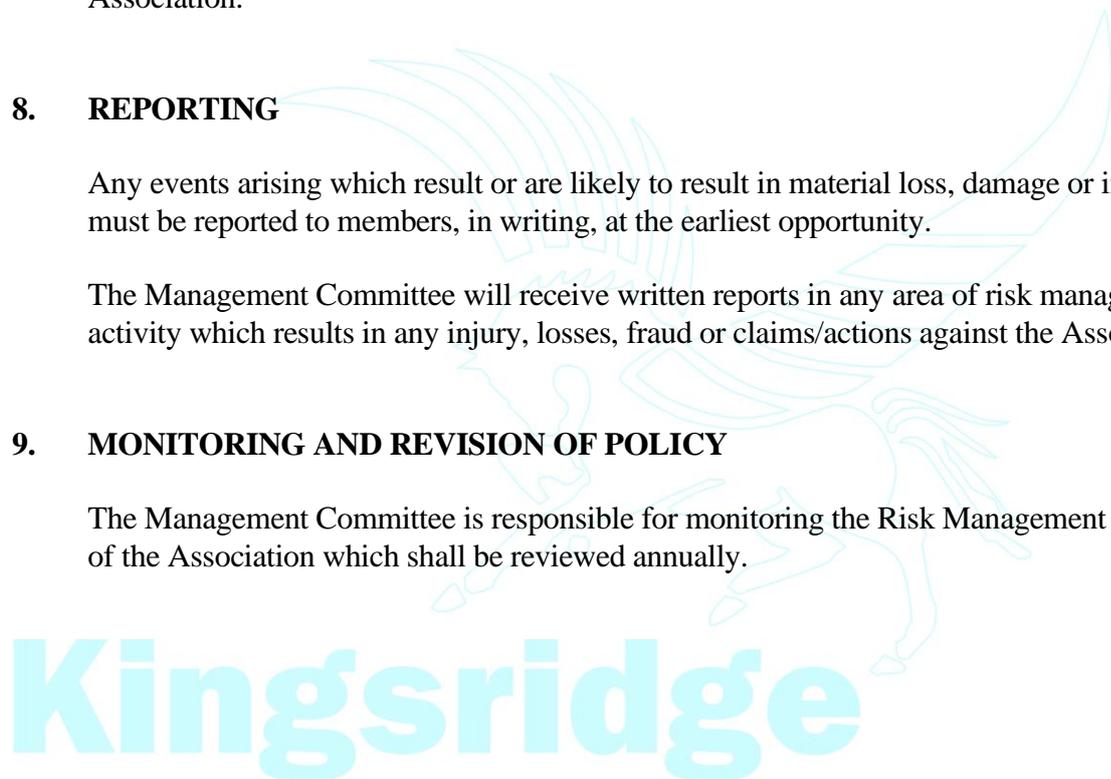
## **8. REPORTING**

Any events arising which result or are likely to result in material loss, damage or injury must be reported to members, in writing, at the earliest opportunity.

The Management Committee will receive written reports in any area of risk management activity which results in any injury, losses, fraud or claims/actions against the Association.

## **9. MONITORING AND REVISION OF POLICY**

The Management Committee is responsible for monitoring the Risk Management Policy of the Association which shall be reviewed annually.



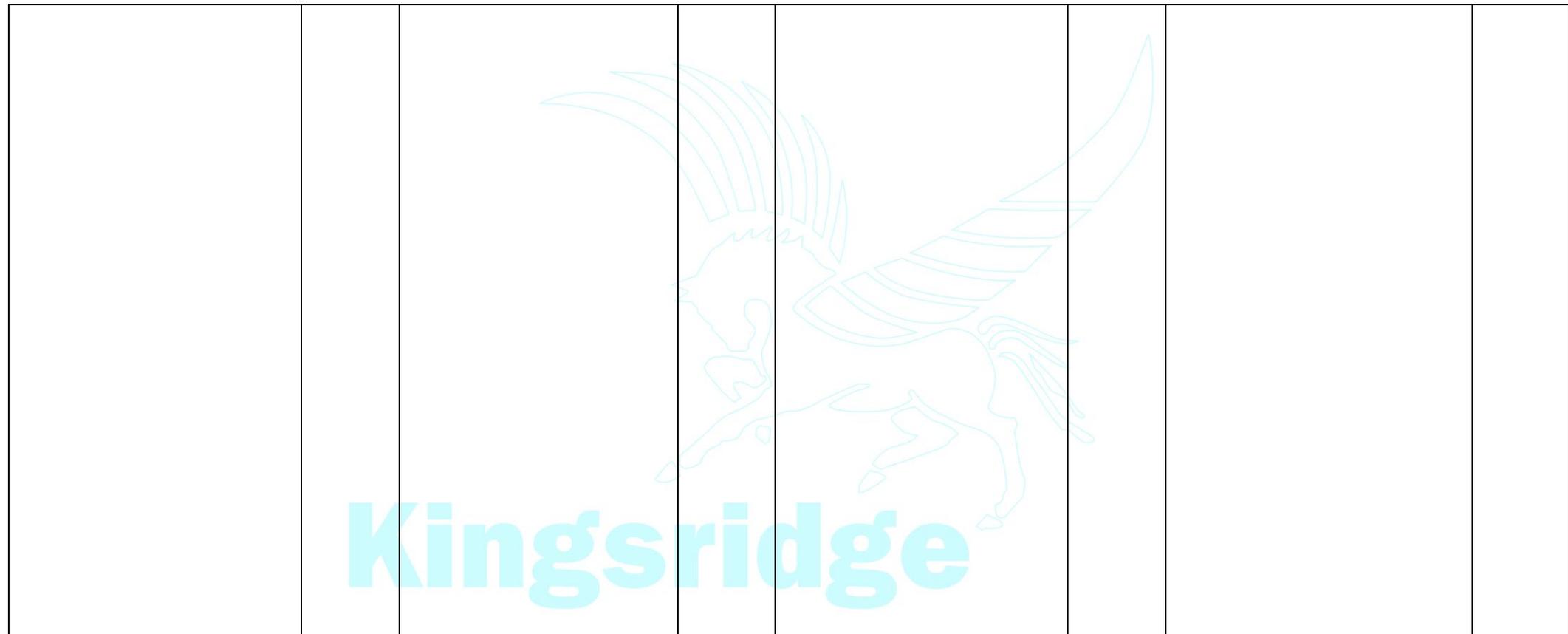
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## RISK MAP

Governance	Risk rating	Housing Management	Risk rating	Maintenance	Risk rating	Financial Management	Risk rating
1. Committee control and corporate governance	High	1. Rent Arrears	Medium	1. Asset Management	Low	1. Ongoing financial viability	Medium
2. Improper advice and ignorance of statutory requirements.	Low	2. Inability to let properties	Low	2. Injury to Tenants	Medium	2. Current and future pension liabilities	Low
3. Attracting and retaining new committee members	High	3. Allocations	Low	3. Poor contractor performance	Low	3. Breach of loan covenants	Low
4. Scottish Housing Regulator assessment.	Low	4. Estate Management	Low	4. Management of gas safety	Medium	4. Inadequate recording systems	Medium
5. Ability to ensure business continuity.	Low	5. Welfare Reform	Medium	5. Procurement	Medium	5. Expenditure exceeds budget	Low
6. Staff difficulties.	Low					6. Interest Rate fluctuations	Low
7. Health and Safety	Medium					7. Treasury Management	Low
8. Compliance with equal opportunities.	Low					8. The effect of the financial climate on our operations.	Medium
9. Failure to implement SPSO Model Complaints Handling Procedure	Low						

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**RISK ASSESSMENT 2019 - 2020**

Risk	Risk Score	Risk Rate	Potential Risks	Existing Controls	Update and Action to Mitigate Risk	Risk Profile
<p><b>Committee control and corporate governance.</b></p> <p>Lack of committee members.</p> <p>Skill levels of committee members</p>	8	<b>High</b>	<ol style="list-style-type: none"> <li>1. Failure to act in the best interests of the Association and tenants.</li> <li>2. Lack of accountability.</li> <li>3. Breach of ethical standards.</li> <li>4. Poor committee/staff relations.</li> <li>5. Failure to meet SHR standards.</li> <li>6. Possibility of statutory interventions by SHR.</li> <li>7. Failure to conduct the business of the Association.</li> <li>8. Failure to assess risk.</li> <li>9. Failure to have adequate planning and reporting processes in place.</li> <li>10. Insufficient committee members and inquorate meetings.</li> <li>11. Having an appropriate skills balance on the committee.</li> </ol>	<ol style="list-style-type: none"> <li>1. Our rules.</li> <li>2. Code of conduct.</li> <li>3. Committee training plan.</li> <li>4. Committee member handbook.</li> <li>5. Performance reporting.</li> <li>6. Internal audit.</li> <li>7. External audit and management letter.</li> <li>8. Training needs analysis.</li> <li>9. Performance management and reporting.</li> <li>10. Policies and procedures.</li> <li>11. Committee meeting programme.</li> <li>12. SHR returns and requirements.</li> <li>13. Model entitlements, payments and benefits policy.</li> <li>14. Committee recruitment.</li> <li>15. Committee membership information leaflet.</li> <li>16. Governance Workplan</li> <li>17. Template for self assessment Of our compliance with Regulatory standards of Governance and Financial Management</li> <li>18. Internal Audit on Governance in 2016 and will be carried out periodically</li> <li>19. Committee Member job descriptions.</li> </ol>	<p>TNA was carried out in partnership with other Drumchapel RSL's. Training programme in place and attendance can be demonstrated.</p> <p>Promotion of requirement for new committee members is ongoing through new tenant visits, posters in public places and newsletters.</p> <p>Balanced range of skills and experience on committee.</p> <p><b>Currently have 4 unfilled vacancies on management committee.</b></p> <p>Target in place to attract 2 new committee members in the current year.</p>	High, as failure to comply can have an adverse affect on our ability to conduct our business

**RISK ASSESSMENT 2019 - 2020**

Risk	Risk Score	Risk Rate	Potential Risks	Existing Controls	Update and Action to Mitigate Risk	Risk Profile
Health and Safety	5	Medium	<ol style="list-style-type: none"> <li>1. Failure of the Association to meet its requirements under H&amp;S Legislation</li> <li>2. Threats of violence to staff</li> <li>3. Fire safety</li> <li>4. Electrical safety</li> <li>5. Injury to tenants</li> <li>6. Injury or death arising from omission to carry out annual gas checks and periodic electrical checks</li> <li>7. Use of display screen Equipment</li> <li>8. Legionella Risk</li> </ol>	<ol style="list-style-type: none"> <li>1. EVH Health and Safety Manual</li> <li>2. Risk assessments</li> <li>3. Controls in place to cover risks</li> <li>4. Gas servicing policy and procedures.</li> <li>5. Stock condition surveys</li> <li>6. Annual maintenance plans</li> <li>7. Ad hoc inspections</li> <li>8. 5 year electrical inspection and testing</li> <li>9. Asbestos register</li> <li>10. Appropriate insurance cover in place</li> <li>11. Contractor's Health and Safety Policies</li> <li>12. Asbestos register kept and maintained</li> <li>13. Void electrical and gas checks</li> <li>14. Legionella Risk Assessment</li> </ol>	<p>Health and Safety audits carried out every 2 years through EVH.</p> <p>H&amp;S updates for manual provided by EVH.</p> <p>Positive Health and Safety Audit carried out in 2014.</p> <p>100% of gas servicing carried out on time during 2014/15</p>	<p>Medium</p> <p>None of the potential risks have materialised but risk profile will remain medium due to possible affect a risk in this area could pose.</p>

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**RISK ASSESSMENT 2019 – 2020**

<b>Risk</b>	<b>Risk Score</b>	<b>Risk Rate</b>	<b>Potential Risks</b>	<b>Existing Controls</b>	<b>Update and Action to Mitigate Risk</b>	<b>Risk Profile</b>
Improper Advice and ignorance of legal and statutory requirements	3	low	<ol style="list-style-type: none"> <li>1. Inadequate insurance cover</li> <li>2. Failure to exercise proper financial control</li> <li>3. Business inefficiency</li> <li>4. Poor medium/long term planning</li> <li>5. Risk of claims/actions being raised against the Association</li> <li>6. Inability to continue operating as a RSL</li> <li>7. Failure to meet performance standards</li> <li>8. Failure to control maintenance contracts</li> <li>9. Deterioration of properties</li> </ol>	<ol style="list-style-type: none"> <li>1. Annual review of insurances</li> <li>2. Review of consultants/agents PI cover</li> <li>3. Review of contractors Public Liability Insurance</li> <li>4. Internal audit</li> <li>5. External audit</li> <li>6. Performance audit visits</li> <li>7. Performance management reports and performance monitoring</li> <li>8. Monthly committee meetings</li> <li>9. Legal advice</li> <li>10. Regulatory framework</li> </ol>	Committee training ongoing	Low, due to low level of engagement with SHR

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## RISK ASSESSMENT 2019 - 2020

Risk	Risk Score	Risk Rate	Potential Risks	Existing Controls	Update and Action to Mitigate Risk	Risk Profile
Staff difficulties	2	Low	<ol style="list-style-type: none"> <li>1. Low morale</li> <li>2. Staff lacking necessary skills</li> <li>3. Poor service delivery</li> <li>4. Poor performance</li> <li>5. Difficulty in filling vacancies</li> <li>6. High levels of sickness</li> </ol>	<ol style="list-style-type: none"> <li>1. Job descriptions</li> <li>2. Employment contracts</li> <li>3. Conditions of service</li> <li>4. Training events</li> <li>5. Performance monitoring and reporting</li> <li>6. Code of practice on</li> </ol>	Sickness rate reducing and performance management reporting in place. 3.36% for 2018/19 Low turnover of staff	Low

				<p>recruitment and selection</p> <p>7. Networking opportunities via staff forums</p> <p>8. Code of practice on recruitment and selection</p> <p>9. Code of practice on sickness and absenteeism</p>		
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Risk	Risk Score	Risk Rate	Potential Risks	Existing Controls	Update and Action to Mitigate Risk	Risk Profile
Allocations	3	Low	<ol style="list-style-type: none"> <li>1. Failure to comply with Regulatory standards.</li> <li>2. Failure to let houses.</li> <li>3. Potential for improper lets to be made</li> </ol>	<ol style="list-style-type: none"> <li>1. Allocations Policy and Procedures</li> <li>2. Mutual Exchange Policy</li> <li>3. Maintaining open housing list</li> <li>4. Annual Review of list.</li> <li>5. Monthly reporting to committee detailing offers made, lets made, letting profile and changes to housing list.</li> <li>6. Participation in Housing Options.</li> <li>7. Homeless Protocol.</li> <li>8. 2 members of staff involved in allocation process.</li> <li>9. Maintaining accurate records and establishing audit trail.</li> <li>10. Internal audit</li> <li>11. Model entitlements, payments and benefits policy.</li> <li>12. New Housing Scotland Act 2014 which comes into effect in May 2019</li> </ol>	<ol style="list-style-type: none"> <li>1. Awareness that refurbished properties at 37 – 45 Lochgoin Avenue attract a lower demand than new build properties. Use of enhanced void specification for 4apt and 5apt properties in this area.</li> <li>2. Working in partnership with other Drumchapel RSL's to move towards a common Housing application form and Common Housing Register</li> <li>3. Tenant Consultation in respect of the New Act</li> <li>4. New policies to comply with requirements of the Act</li> </ol>	Low

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**RISK ASSESSMENT 2019 - 2020**

Risk	Risk Score	Risk Rate	Potential Risks	Existing Controls	Update and Action to Mitigate Risk	Risk Profile
Asset Management	4	Medium	<ol style="list-style-type: none"> <li>1. Poor information base on properties.</li> <li>2. Stock condition.</li> <li>3. Properties not meeting SHQS.</li> <li>4. Failure to review stock condition on an ongoing basis.</li> <li>5. Failure to link life cycle costs into medium/long term financial plans.</li> <li>7. Failure to carry out planned maintenance at agreed intervals in order to protect our asset base.</li> <li>8. Poor reactive repairs service.</li> <li>9. Properties not meeting EESH Standards.</li> <li>10. Failure to upgrade smoke alarms to comply with new legislation by February 2021.</li> </ol>	<ol style="list-style-type: none"> <li>1. Planned Maintenance Programme.</li> <li>2. Stock condition surveys at regular intervals.</li> <li>3. Whole life cycle costing plans in place which are regularly reviewed.</li> <li>4. Cyclical and reactive maintenance carried out.</li> <li>5. Contractor performance reviewed annually and reported to committee.</li> <li>6. Annual visits carried out and customer satisfaction surveys completed as part of this process.</li> <li>7. All of our stock is SHQS compliant.</li> <li>8. All of our stock meets EESH standards.</li> </ol>	<ol style="list-style-type: none"> <li>1. Stock condition survey completed in 2018 and planned maint costs fed into our 5 year financial return to SHR and also into our long term budget assumptions.</li> <li>2. Tenders will go out in May 2019 for provision of new Integrated smoke/heat Alarms and CO alarms,</li> </ol>	<p>Medium</p> <p>Will remain as medium as any risk materialising could have an adverse effect on budget and cash flow</p>

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**RISK ASSESSMENT 2019 - 2020**

<b>Risk</b>	<b>Risk Score</b>	<b>Risk Rate</b>	<b>Potential Risks</b>	<b>Existing Controls</b>	<b>Update and Action to Mitigate Risk</b>	<b>Risk Profile</b>
Attracting and retaining new and existing committee members	8	High	<ol style="list-style-type: none"> <li>1. Insufficient members to conduct the business of the Association</li> <li>2. Inability to continue as a RSL</li> <li>3. Possibility of statutory intervention by SHR</li> <li>4. Inquorate meetings</li> </ol>	<ol style="list-style-type: none"> <li>1. Governance Policy</li> <li>2. Committee members Handbook.</li> <li>3. Model Benefits, Payments and Entitlements Policy</li> <li>4. Committee membership information leaflet</li> <li>5. Publicity via newsletters and posters</li> <li>6. Training plan and Training needs analysis assessment</li> </ol>	<p>Training programme in place and attendance can be demonstrated.</p> <p>Programme to encourage new members is promoted via annual programmed visits.</p> <p>Range of members with varied age, gender and balance of skills.</p>	High. Will remain high due to risks associated with not having sufficient members.

				ongoing. 7. Annual Committee Effectiveness assessment. 8. 9 year assessment	Currently 4 unfilled vacancies on management committee.	
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**RISK ASSESSMENT 2019 - 2020**

Risk	Risk Score	Risk Rate	Potential Risks	Existing Controls	Update and Action to Mitigate Risk	Risk Profile
Breach of loan	1	Low	1. Interest rate rises.	1. We do not have any loan	1. No loan covenants in	Low

covenants			<ol style="list-style-type: none"> <li>2. Inability to meet loan.</li> <li>3. Viability problems.</li> <li>4. Bank of England influence on rate.</li> <li>5. Constitutional breach</li> </ol>	covenants in place	place	
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**RISK ASSESSMENT 2019 - 2020**

Risk	Risk Score	Risk Rate	Potential Risks	Existing Controls	Update and Action to Mitigate Risk	Risk Profile
Current and future pension liabilities.	3	Low	<ol style="list-style-type: none"> <li>1. Cash flow insufficient to meet past deficit.</li> <li>2. Changing Government.</li> <li>3. Increasing Contributions.</li> <li>4. Increasing National Insurance.</li> <li>5. Investment fund value unstable but increasing.</li> <li>6. SHR scrutiny of decisions.</li> </ol>	<ol style="list-style-type: none"> <li>1. Only 3 members of staff are members of SFHA final salary scheme.</li> <li>2. Five year plan includes deficit payments and shows a surplus.</li> <li>3. Our scheme deficit at December 2018 was £41k and is one of the lowest nationally and is &lt; 1% of our turnover.</li> </ol>	<ol style="list-style-type: none"> <li>1. The Association's Annual past service deficit contribution will be established at the next scheme valuation in September 2019.</li> <li>2. The Association only has 3 members in the SFHA final salary scheme.</li> </ol>	Low

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**RISK ASSESSMENT 2019 - 2020**

<b>Risk</b>	<b>Risk Score</b>	<b>Risk Rate</b>	<b>Potential Risks</b>	<b>Existing Controls</b>	<b>Update and Action to Mitigate Risk</b>	<b>Risk Profile</b>
Expenditure exceeds budget.	3	Low	<ol style="list-style-type: none"> <li>1. SHR intervention</li> <li>2. Lenders credit rating poor.</li> <li>3. Money not available for future planned maintenance.</li> <li>4. Requirement to borrow to make up funds.</li> <li>5. Ability to meet pension payments.</li> <li>6. Suspension of minor reactive repairs.</li> <li>7. Reduced re-let standards.</li> </ol>	<ol style="list-style-type: none"> <li>1. Realistic budgets are set which enable outcomes to be achieved within amounts specified.</li> <li>2. Budgets based on financial forecasts.</li> <li>3. Budgets reviewed on an annual basis.</li> <li>4. Committee receive quarterly management accounts which detail budget variances and any action required.</li> </ol>	<p>Budgetary control and ongoing monitoring is central to our ethos and we strive to exercise strict financial control without adversely affecting service levels.</p> <p>Void repairs are unknown and void rate and condition of void properties can affect budget predictions disproportionately.</p> <p>The Association has made an operating surplus in every year of operation.</p> <p>Risk profile will remain low due to out track record in this</p>	Low

					area.	
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# Kingsbridge

## RISK ASSESSMENT 2019 - 2020

Risk	Risk Score	Risk Rate	Potential Risks	Existing Controls	Update and Action to Mitigate Risk	Risk Profile
Management of gas safety	5	Medium	<ol style="list-style-type: none"> <li>1. Not having current CP 12 certificates in place within 12 months of previous inspection date.</li> <li>2. Breach of gas safety regulations.</li> <li>3. Death or injury caused by faulty appliances.</li> </ol>	<ol style="list-style-type: none"> <li>1. An Improvement plan was put in place in 2014 following a medium engagement letter from SHR.</li> <li>2. Gas safety inspection procedures.</li> <li>3. Quality control measures in place.</li> </ol>	<p>Emphasis is on early contact and servicing is on a 10 month cycle to allow for problematic access.</p> <p>External gas meters are capped in properties where there is a persistent no access</p>	Medium

			<p>4. Weekly reports issued by contractor.</p> <p>5. Quarterly reports to management committee.</p> <p>6. No gas fires in Association properties which would increase the risk of carbon monoxide poisoning.</p> <p>7. The majority of our stock</p> <p>8. Have combi boilers with balanced flues.</p>	<p>problem.</p> <p>Performance for 2018/19 was 100%.</p> <p><b>Interlinked CO alarms to be Installed in all properties by February 2021</b></p> <p>Will remain medium risk as it is a key business area and will be reviewed if performance is sustained</p>	
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Risk	Risk Score	Risk Rate	Potential Risks	Existing Controls	Update and Action to Mitigate Risk	Risk Profile
Inadequate recording systems	4	Medium	<ol style="list-style-type: none"> <li>1. Information not provided timeously to committee or SHR.</li> <li>2. Provision of incorrect information.</li> <li>3. Decisions based on inaccurate information.</li> <li>4. Breakdown of IT systems.</li> <li>5. Delay in recording transactions.</li> <li>6. Headings in the budget are not meaningful.</li> </ol>	<ol style="list-style-type: none"> <li>1. Use of experienced staff and agents.</li> <li>2. Annual Audit.</li> <li>3. Regulatory standards.</li> <li>4. Reporting requirements to SHR and committee.</li> <li>5. Financial regulations and procedures.</li> <li>6. Hardware and software contracts in place.</li> <li>7. SHR Return</li> <li>8. Procedures to record rent transactions.</li> <li>9. Quarterly management accounts.</li> <li>10. Budget setting process</li> <li>11. Governance framework</li> <li>12. Governance workplan</li> </ol>	<p>Appropriate systems and procedures in place.</p> <p>All returns made timeously</p> <p>Quarterly accounts report any budget variations.</p> <p>We have not experienced any significant problems in any of the potential risk areas but brisk rating will remain as medium as any failure could trigger a regulatory breach</p>	Medium

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**RISK ASSESSMENT 2019 - 2020**

Risk	Risk Score	Risk Rate	Potential Risks	Existing Controls	Update and Action to Mitigate Risk	Risk Profile
Injury to tenants	6	Medium	1. Injury or death arising from any act, omission or failure on the part of the Association 2. Possibility of any claims/actions against the Association	1. Maintenance Policy 2. Regular reactive maintenance 3. Stock condition surveys every 3 years. 4. Programmed property inspections. 5. Contractor PI insurance. 6. Annual servicing and inspection of gas appliances with CP12 certificate issued. 7. Periodic electrical inspections every 5 years with all properties inspected being certificated. 8. Asbestos register in place. 9. Legionella risk assessments And legionella testing	External Health and Safety audit carried out every 2 years.  Weekly estate management inspections carried out to pick up on problems and potential common repair hazards.  We never had any claims or actions raised against us but will record risk rating as medium due to possible implications which could arise should this happen.	Medium

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**RISK ASSESSMENT 2019 - 2020**

Risk	Risk Score	Risk Rate	Potential Risks	Existing Controls	Update and Action to Mitigate Risk	Risk Profile
Interest Rate fluctuations	Low	2	1. Increased borrowing costs	<ol style="list-style-type: none"> <li>Appropriate loan portfolio in place with a combination of fixed and variable rates.</li> <li>Annual Treasury Management review and report to committee.</li> <li>Regular liaison with lenders.</li> <li>Annual rent reviews</li> </ol>	Interest rates are currently stable and risk will be reviewed if significant change occurs.	Low

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**RISK ASSESSMENT 2019 - 2020**

<b>Risk</b>	<b>Risk Score</b>	<b>Risk Rate</b>	<b>Potential Risks</b>	<b>Existing Controls</b>	<b>Update and Action to Mitigate Risk</b>	<b>Risk Profile</b>
Ongoing financial viability	6	Medium	1. Inability to remain in existence 2. SHR intervention	1. Annual and medium term budgets in place.	Our 5 year plan identifies with continued positive cash	Medium. Loans outstanding at 31/12/18

		<ol style="list-style-type: none"> <li>3. Damage to the Association</li> <li>4. Inability to meet future maintenance requirements.</li> <li>5. Default on loans.</li> <li>6. Compulsory transfer of engagements.</li> <li>7. Ability to raise finance against assets.</li> <li>8. Poor decision making by governing body.</li> <li>9. Pension liability</li> <li>10. Excessive staff and administration costs.</li> </ol>	<ol style="list-style-type: none"> <li>2. Quarterly monitoring of annual budget projections.</li> <li>3. Quarterly management accounts.</li> <li>4. Finance regulations.</li> <li>5. Annual Audit.</li> <li>6. Regulatory standards.</li> <li>7. Adequate reserves.</li> <li>8. Unencumbered stock.</li> <li>9. Cash flow projections incorporating sensitivity analysis.</li> <li>10. SHR Returns and 5 year plan.</li> <li>11. Review of pension provision</li> </ol>	<p>balances.</p> <p>Our financial comparability ratios are within the top quartile or national median.</p> <p>We can demonstrate good financial management but will rate this area as a medium risk as we cannot become complacent and the consequences of failing to exercise prudent financial control are severe.</p> <p><b>Our 5 year budget to 2023 project an average surplus of £364k per annum with debt level reducing by 36% over the same period.</b></p> <p><b>Cash resources average £1.94m over the 5 year period</b></p>	<p>were £1.173m and cash balances at same time were £1.542m.</p> <p>2 small loans totalling £168k were repaid during 2018/19 and plans in place for a gradual programme of early repayment</p>
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Kingsridge

HOUSING ASSOCIATION LIMITED

**RISK ASSESSMENT 2019 - 2020**

Risk	Risk Score	Risk Rate	Potential Risks	Existing Controls	Update and Action to Mitigate Risk	Risk Profile
Poor contractor performance	3	Low	<ol style="list-style-type: none"> <li>1. Failure to comply with Regulatory standards.</li> <li>2. Delivery of poor quality service.</li> <li>3. Failure to meet reactive maintenance targets.</li> <li>4. Tenant dissatisfaction.</li> </ol>	<ol style="list-style-type: none"> <li>1. Maintenance Policy.</li> <li>2. Annual review of contractor performance.</li> <li>3. Removal from list due to poor performance.</li> <li>4. Reports to committee.</li> <li>5. Quality control inspections.</li> <li>6. Pre and post inspections.</li> <li>7. Code of conduct for maintenance contractors</li> <li>8. Close liaison with contractors.</li> <li>9. Re-let standards</li> <li>10. Use of small scale contractors for reactive maintenance with low overhead costs.</li> </ol>	<p>Our average response times to carry out emergency and non emergency repairs are in the top quartile.</p> <p><b>We receive high levels of tenant satisfaction responses from our customer service surveys.100% 2017/18</b></p> <p>Percentage of repairs completed right first time is in the top quartile.</p>	Low

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**RISK ASSESSMENT 2019 - 2020**

<b>Risk</b>	<b>Risk Score</b>	<b>Risk Rate</b>	<b>Potential Risks</b>	<b>Existing Controls</b>	<b>Update and Action to Mitigate Risk</b>	<b>Risk Profile</b>
Treasury Management	3	Low	<ol style="list-style-type: none"> <li>1. Interest rates rising greater than expected within our cash flow projections.</li> <li>2. Liquidity risk – lack of funds.</li> <li>3. Default on loans – becomes payable.</li> <li>4. Cash flows poorly managed.</li> <li>5. Mixed investment portfolio.</li> <li>6. Recognised risk averse investment.</li> </ol>	<ol style="list-style-type: none"> <li>1. Short/longer term deposits to maximise safe interest return.</li> <li>2. Quarterly management accounts.</li> <li>3. SHR returns.</li> <li>4. Stable loan covenants.</li> <li>5. Annual audit.</li> <li>6. Financial management policy and procedures.</li> <li>7. Treasury management policy.</li> <li>8. Annual Treasury Management Report to Committee</li> </ol>	<p>Interest rates are currently stable and risk will be reviewed if significant change occurs.</p> <p>Sensitivity analysis is applied to financial planning.</p>	Low

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# Kingsbridge

## RISK ASSESSMENT 2019 - 2020

Risk	Risk Score	Risk Rate	Potential Risks	Existing Controls	Update and Action to Mitigate Risk	Risk Profile
Procurement	4	Medium	<ol style="list-style-type: none"> <li>1. Appointing unsuitable contractors</li> <li>2. Failure to check PI and Public Liability Insurance</li> <li>3. Failure to comply with Health and safety.</li> <li>4. Possibility of fraud in awarding tenders.</li> </ol>	<ol style="list-style-type: none"> <li>1. Tender Procedures.</li> <li>2. Contractors insurance policy and procedures</li> <li>3. Health and Safety Policy and contractors Health and Safety Policy.</li> <li>4. Policy on declaration of interests.</li> </ol>	<p>Regular and ongoing review of contractor performance in place.</p> <p>Cost monitoring is subject to ongoing appraisal to ensure value for money.</p>	Medium

		<ul style="list-style-type: none"> <li>5. Exposing Association to risk of claims/actions raised by contractors.</li> <li>6. Complacency from contractors.</li> <li>7. Breaches of EU procurement legislation.</li> </ul>	<ul style="list-style-type: none"> <li>5. Committee present at Tender openings.</li> <li>6. Tender Register.</li> <li>7. Issuing standard condition of contracts.</li> <li>8. Policy on CDM Regulations.</li> <li>9. Code of conduct for maintenance contractors.</li> <li>10. References sought from other RSL's.</li> <li>11. Partnering arrangements in place for large scale contracts, eg gas maintenance.</li> <li>12. Annual review of contactor performance presented to committee.</li> </ul>	<p>Contract costs benchmarked against previous contract costs.</p>	
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Risk	Risk Score	Risk Rate	Potential Risks	Existing Controls	Update and Action to Mitigate Risk	Risk Profile
Failure to implement Model SPSO Model Complaints Handling Procedure.	3	Low	<ol style="list-style-type: none"> <li>1. Procedure not compliant</li> <li>2. Complaints not recorded.</li> <li>3. Reports not provided to committee and tenants.</li> <li>4. Poor customer perception of service we deliver.</li> <li>5. Possibility of SPSO involvement.</li> <li>6. Possibility of complaints being upheld.</li> </ol>	<ol style="list-style-type: none"> <li>1. Complaints procedure</li> <li>2. Staff training on complaints handling.</li> <li>3. Tenant satisfaction survey and assessment.</li> <li>4. Publicising complaints policy.</li> <li>5. Reporting complaint outcomes to committee and tenants</li> <li>6. Complaints logged and recorded.</li> </ol>	<p>Model SPSO Complaints Policy and Procedure adopted and approved by SPSO.</p> <p>Tenant satisfaction surveys carried out every year.</p> <p>of tenants surveyed during 2017/18 100% were satisfied with the overall service they received from the Association.</p>	Low

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**RISK ASSESSMENT 2019 - 2020**

<b>Risk</b>	<b>Risk Score</b>	<b>Risk Rate</b>	<b>Potential Risks</b>	<b>Existing Controls</b>	<b>Update and Action to Mitigate Risk</b>	<b>Risk Profile</b>
Compliance with equal opportunities	3	Low	<ol style="list-style-type: none"> <li>1. Failure to meet Regulatory Standards</li> <li>2. Failure to comply with Legislation</li> <li>3. Discrimination against individuals</li> <li>4. Possibility of damaging the reputation of the Association</li> </ol>	<ol style="list-style-type: none"> <li>1. Equality and Diversity Policy In place.</li> <li>2. Association is a registered disability symbol user</li> <li>3. Member of Positive Action in Housing</li> <li>4. Member of Happy to Translate</li> <li>5. Systems of reporting and recording information</li> </ol>	<p>Diversity training has been provided..</p> <p>We are assessed annually for our disability symbol user accreditation</p>	Low

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### RISK ASSESSMENT 2019 - 2020

Risk	Risk Score	Risk Rate	Potential Risks	Existing Controls	Update and Action to Mitigate Risk	Risk Profile
The effect of the financial climate on our operations.	5	Medium	<ol style="list-style-type: none"> <li>1. Increasing interest rates</li> <li>2. Increasing inflation</li> <li>3. Difficulty in loan negotiation</li> <li>4. Recession</li> <li>5. Welfare changes</li> <li>6. Unaffordable rents</li> <li>7. RTB sales.</li> <li>8. Impact of Brexit withdrawal</li> </ol>	<ol style="list-style-type: none"> <li>1. Annual rent review</li> <li>2. Annual budget</li> <li>3. Provision of welfare benefits advice to tenants.</li> <li>4. Good treasury management.</li> <li>5. Medium/long term financial planning.</li> <li>6. Adequate reserves.</li> <li>7. Cash reserves increasing over period of 5 year plan.</li> <li>8. SHR Returns.</li> <li>9. Quarterly reporting to committee.</li> <li>10. Unencumbered assets</li> </ol>	<p>Budgetary process.</p> <p>SHR 5 year plan.</p> <p>Welfare reform plan.</p> <p>Track record as a solid financial performer.</p>	Medium

				11. No loan covenants in place		
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# Kingsridge

## RISK ASSESSMENT 2019 - 2020

Risk	Risk Score	Risk Rate	Potential Risks	Existing Controls	Update and Action to Mitigate Risk	Risk Profile
Estate Management	1	Low	1. Deterioration of properties 2. Vandalism. 3. Anti social behaviour 4. Untidy gardens, properties and common closes.	1. Estate Management Policy 2. Tenancy Agreement. 3. Liaison with Police. 4. New tenant visits 5. Weekly estate inspections.	ARC requires reporting on anti social behaviour and assessment of tenant satisfaction with management of the	Low

		<ul style="list-style-type: none"> <li>5. Untidy neighbourhood.</li> <li>6. Untidy common areas.</li> <li>7. Failure to protect investment.</li> <li>8. Failure to comply with Regulatory standards.</li> <li>9. Tenant dissatisfaction.</li> <li>10. Lack of tenant involvement.</li> <li>11. Dog fouling.</li> <li>12. Becoming a non- desirable area in which to live.</li> <li>13. Reduction in demand due to anti social behaviour.</li> </ul>	<ul style="list-style-type: none"> <li>6. Newsletters.</li> <li>7. Monthly performance reports.</li> <li>8. Tenant satisfaction surveys.</li> <li>9. Annual inspections.</li> <li>10. Tenant consultation register.</li> <li>11. Legal remedies.</li> <li>12. Information sharing protocol with police.</li> </ul>	<p>neighbourhood.</p> <p>Annual garden competition to stimulate community pride.</p> <p>Landscape maintenance contract in place.</p> <p>Close cleaning contracts in place.</p> <p>Weekly estate management inspections carried out.</p> <p>System of programmed tenancy inspection visits in place.</p>	
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## RISK ASSESSMENT 2019 - 2020

Risk	Risk Score	Risk Rate	Potential Risks	Existing Controls	Update and Action to Mitigate Risk	Risk Profile
Inability to let properties	2	Low	<ol style="list-style-type: none"> <li>1. Increase in void rate</li> <li>2. Deterioration of area.</li> <li>3. Loss of rental income.</li> <li>4. Failure to meet void rent loss target.</li> <li>5. Failure to meet re-let target.</li> <li>6. Failure to comply with Regulatory Standards.</li> <li>7. Unpopular property types.</li> <li>8. Becoming a non desirable area.</li> <li>9. Increase in low demand properties.</li> <li>10. Vandalism.</li> <li>11. Tenant dissatisfaction.</li> <li>12. Potential for improper lets to be made.</li> </ol>	<ol style="list-style-type: none"> <li>1. Allocation policy.</li> <li>2. Void control procedures.</li> <li>3. Internal transfer policy.</li> <li>4. Section 5 referrals.</li> <li>5. Maintain an open housing list.</li> <li>6. Annual review of list.</li> <li>7. Mutual Exchange Policy.</li> <li>8. Monthly reporting to committee.</li> <li>9. Early inspection of voids.</li> <li>10. Re-let standards.</li> <li>11. Participation in Housing options</li> <li>12. 2 members of staff involved in allocations process.</li> <li>13. Maintaining accurate records and establishing an audit trail</li> </ol>	<p>Healthy demand for new build properties.</p> <p>In the top quartile for re-let times and void loss.</p> <p>Low turnover of stock.</p> <p>Lower demand for 4apt 4p and 5apt 5p properties at 37 – 45 Lochgoin Avenue.</p> <p>Use of enhanced void standard for lower demand properties.</p> <p>Low turnover of properties.</p> <p>Good tenancy sustainment performance 100% in 2017/18</p>	Low

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### RISK ASSESSMENT 2019 - 2020

Risk	Risk Score	Risk Rate	Potential Risks	Existing Controls	Update and Action to Mitigate Risk	Risk Profile
Ability to ensure business continuity in the event of disruption.	3	Low	1. Theft from office premises. 2. Fire damage to office. 3. Disruption of business. 4. Unauthorised access to office. 5. Risk of damage to equipment. 6. Risk of injury to staff. 7. Gas leak ignition.	1. Health and safety policy. 2. Installation of panic button linked to police station. 3. Controlled entry system to office. 4. Alarm system in place with password for deactivation. 5. Daily back up of computer systems. 6. Disks stored in fireproof safe. 7. Fire appliance checks in place. 8. Insurance cover in place. 9. Gas appliance servicing. 10. PAT testing in place. 11. Out of hours emergency cover in place.	Appropriate systems in place to mitigate risk.  Emergency Xmas and New Year holiday plan in place.  Staff mobile numbers available should an emergency situation arise outwith office hours.	Low  None of the potential risks have arisen since we became a RSL in 1992

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**RISK ASSESSMENT 2019 - 2020**

<b>Risk</b>	<b>Risk Score</b>	<b>Risk Rate</b>	<b>Potential Risks</b>	<b>Existing Controls</b>	<b>Update and Action to Mitigate Risk</b>	<b>Risk Profile</b>
Rent Arrears	6	Medium	<ol style="list-style-type: none"> <li>1. Failure to comply with Regulatory Standards.</li> <li>2. Failure to control rent arrears and meet target.</li> <li>3. Failure to generate sufficient income to cover costs.</li> <li>4. Budgetary implications if arrears target not met.</li> </ol>	<ol style="list-style-type: none"> <li>1. Arrears Policy and Procedure.</li> <li>2. Monthly reporting including analysis of debt.</li> <li>3. Early response to arrears problems.</li> <li>4. Liaison with GCC Financial Services.</li> <li>5. Provision of Welfare benefits Advice service.</li> </ol>	<p>.</p> <p>Housing Officer is sharing arrears caseload with Housing Manager. Emphasis is on early intervention. Arrears Management is being prioritised.</p> <p>Tracing agencies used for</p>	<p>Medium</p> <p>Risk area will remain medium as arrears are reducing.</p>

		<p>5. Material losses to the Association.</p> <p>6. Welfare Reform</p>	<p>6. Scrutiny by SHR and possible requirement to submit an improvement plan.</p> <p>7. Performance Monitoring and reporting to committee.</p> <p>8. New Tenant visits.</p>	<p>FT arrears cases.</p> <p>Gross Arrears Performance for 2018/19 was 4.06% and current tenant arrears were 3.92%. While still above national average is showing a downward trend</p>	
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Risk	Risk Score	Risk Rate	Potential Risks	Existing Controls	Update and Action to Mitigate Risk	Risk Profile
Scottish Housing Regulator assessment.	4	Low	<ol style="list-style-type: none"> <li>1. Not meeting SHR regulatory requirements.</li> <li>2. Not having information for SHR requests.</li> <li>3. Failure to comply with legislation.</li> <li>4. Statutory intervention by SHR.</li> <li>5. Inability to continue as a RSL.</li> <li>6. Poor performance within peer group and against national medians.</li> </ol>	<ol style="list-style-type: none"> <li>1. Policies and procedures in place.</li> <li>2. Advice from financial adviser.</li> <li>3. ARC Return.</li> <li>4. Performance monitoring.</li> <li>5. Medium/long term financial planning.</li> <li>6. Regulatory Standards.</li> <li>7. Risk assessment.</li> <li>8. Committee training plan.</li> <li>9. Internal Audit on compliance With regulatory standards of Governance and financial Management undertaken in 2017</li> <li>10. Governance workplan in place</li> </ol>	<p>Self assessment and performance monitoring ongoing.</p> <p>Risk rating will be reviewed if level of engagement with Regulator changes.</p>	low

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