

1.0 INTRODUCTION

- 1.1 The Co-operative is committed to maintaining, and indeed improving, the long-term health of the organisation in terms of financial stability, management of resources and quality of service provision. The Co-operative will seek to minimise risks through a suitable system of controls which control and manage the level of risk such that the residual risk after any mitigating actions can be borne without serious damage to the Co-operative.
- 1.2 Lister aims to meet its duty of care to its tenants, employees, assets, as well as the wider public and our partners. Lister will ensure that risk management plays an integral part in the management of the co-operative at a strategic and operational level. Lister will use a risk management review cycle approach to identify, analyse, control and monitor risk, as set out in this document. Risk management is an active process and Lister will involve all staff in this process.

2.0 PRINCIPLES OF RISK MANAGEMENT AND HEADINGS USED TO CATEGORISE RISKS

2.1 The principles of risk management at Lister are as follows:

- a. The Co-operative will not undertake an activity with an uncertain outcome when the sole intended purpose is to make a financial gain.
- b. The Co-operative will maintain an effective control framework designed to contain risks where cost effective to do so and to manage risks effectively.
- c. Where a proposed project has a residual risk that is unacceptable and there is no means of reducing the risk to an acceptable level, the project will be rejected.
- d. The authority and responsibility to take decisions involving risk will be appropriate to the level of risk and will be clearly defined and communicated.
- e. Major external threats to the Co-operative will be identified and monitored and contingency plans/risk assessments made to respond effectively in the event of such threats materialising.
- f. When it is cost effective to do so, the impact of risks materialising will be minimised by appropriate insurance cover or some other indemnity from third parties with whom the Co-operative is operating.

2.2 Lister will take steps to tackle strategic and operational hazards and risks under the following headings:

Strategic	Operational
Political	Professional
Economic	Financial
Socio-demographic	Legal
Technological	Physical
Legislative	Contractual / Procurement
Environmental	Technological
Competitive	Environmental
Procurement	Governance
Customer/citizen	Legal / Compliance

3.0 RESPONSIBILITIES FOR RISK MANAGEMENT

3.1 The roles and responsibilities for risk management at Lister are as follows:

Management Committee: Overall responsibility for development, implementation and review of this strategy. To oversee the management of risk by the Director. To receive a report annually on the RMS from the Director which incorporates the view from the Audit Sub Committee. To review annually the Risk Maps (RM) relating to the specific risks affecting the Co-operative, and in particular the higher rated risks. To ensure that the control processes for managing and monitoring risks are functioning well.

Audit Sub Group To be consulted on reviews of the Co-operative's risk management strategy and risk map and associated documents. To consider the aspect of risk in relation to the financial controls and internal & external audit activity of Lister. To have an input to the risk reviews and risk management reports to Committee. [The Sub Group may meet infrequently as its work is often done by the full Management Committee. As a result the Audit Sub Group may not be directly involved in every review].

Director: Ensure that the strategy is implemented and managed effectively. To undertake risk assessments and to start and maintain a risk map. To be the Risk Co-ordinator.

Housing Officer To be the deputy Risk Co-ordinator.

All employees: To manage risk effectively in their job and report matters to management.

Agencies: To manage risk and report any matter to Lister management.

Internal audit: To carry out checks to verify that the risk management strategy and cycle are being applied and that risks are being managed.

4.0 RISK CAPACITY

4.1 The risk capacity of an organisation can be seen as an attempt to state how much risk an organisation could withstand/manage without suffering serious adverse impacts. Thus for example a way of evaluating whether to commence a new (risky) project would be assess the potential loss (both financial and otherwise) that could occur if risks associated with the project took effect. The project would then be evaluated in relation to the risk capacity of the organisation and in relation to other ongoing or about-to-start projects and their risk profiles.

4.2 Similarly an organisation's risk 'appetite' can be seen as related to their risk capacity, i.e. if there is a large capacity to absorb risk then that may allow a higher risk appetite.

4.3 At Lister, we have attempted to reduce and control risks as much as possible, and to not undertake risky projects. This is due to our small size, small stock and small staffing level. Thus anything which impacts on one or more of these headings could have a significant impact on the organisation as a whole e.g. one key member of staff on long-term sick could affect Lister considerably.

- 4.4 On the other hand, as an organisation with sound finances and no debt, we have a higher potential capacity to cope with adverse circumstances, so we have a reasonable potential risk capacity.
- 4.5 Through choice, Lister has a low risk strategy thus it has a low / small risk appetite and in effect we would like to have a good sized risk capacity, whilst working hard to never have to use it.

5.0 BUSINESS CONTINUITY

- 5.1 Lister has a Business Continuity Plan which is a live document and will be updated and tested regularly.

6.0 METHODOLOGY TO MANAGE RISKS

- 6.1 A Risk Map (RM) shall be drawn up and reviewed at least once a year. The review process is set out in the review timetable and cycle and this shall be followed. The basic approach shall be of the following cycle:
risk identification -> risk analysis -> risk monitoring -> risk monitoring -. etc.
- 6.2 Risks shall be identified by looking at the hazard; identifying the risks associated with each; assessing the likelihood of the risk occurring and the severity of the impacts if the risk occurs. Finally the control action(s) for each risk are outlined.
- 6.3 Where appropriate and useful, risk assessments shall be made to identify and manage risks in more detail. Similarly contingency plan may be drawn up where they would be useful. Such assessments and plans to be monitored, reviewed and updated.
- 6.4 Those risks of a high value and with significant impact shall be studied further to identify action that can be taken to reduce the risk and the impacts. The actions shall be given to the Risk Co-ordinator or another named person to address. There shall be a monitoring process.

7.0 REVIEW TIMETABLE AND CYCLE

- 7.1 The monitoring and review cycle / timetable shall be as follows:

Ongoing monitoring	At the staff team meetings
Interface with health and safety	To review risks when undertaking the annual H+S review and report to Committee.
Annual review of RMS and RM	This shall be done in the autumn with a report to the Management Committee.
Action points on RMS and RM	These to be implemented following the review above, as well as more urgently for major risks that arise during the year.
Link with other reviews	The issue of risks is interlinked with the following documents - Internal Management Plan, Annual Priorities, SDFP submission, Internal Audit, External Audit. The RMS and RM will be given consideration when drafting and reviewing these other documents.

8.0 HEALTH AND SAFETY ISSUES

- 8.1 The issue of health and safety is crucial in the management of risks. This can have several aspects - health and safety of the office premises; of work practices; of manual and cleaning staff; of contractors working for Lister; of contracts running at Lister.
- 8.2 The management of H+S is thus crucial at Lister, to promote a healthy, safe environment. There are many documents, policies and procedures to assist in managing H+S. Lister will continue to bring in outside assistance where appropriate. For example: using a playground inspection specialist; a H+S audit from ACS Environmental (linked to EVH); planning supervisor services as necessary to meet CDM regulation requirements.
- 8.3 Training of staff is crucial in managing H+S and this should be given good weight when planning and organising training.

9.0 PROCUREMENT ISSUES

- 9.1 The procuring of contracts, goods, services and supplies is at the key of Lister's activities and functions. Procurement is a key topic not just to achieve value for money and good outputs, but in ensuring that good governance, sound policies and well run procedures operate to ensure Lister delivers its housing and organisational functions to its tenants, community, Committee and staff.
- 9.2 Lister will develop more procurement related reports and controls to manage the risks associated with procurement.

10.0 FUTURE TASKS

- 10.1 No future tasks identified at this stage - to keep options under review.

11.0 REVIEW OF THE RISK MANAGEMENT STRATEGY

- 11.1 This strategy shall be reviewed annually with a major review at least every three years.

Procedure note no:		Last reviewed:	5 June 2018
File reference:	pfr-i/RiskMgmtStrategyV3	Last updated:	5 June 2018
Adopted:	27 September 1994	Review no:	15 ©Lister Housing Co-operative Ltd