

Title: Group Risk Register

Purpose of Report

1. To agree an updated Risk Register for the Association and its subsidiary

Risk Register

2. Strategic risks are those which are critical to the direction of the Association. Strategic risks may be driven by government policy, competition or a change in stakeholder requirements.
3. Operational risks are those which are identified during the course of the Association delivering its service. Operational risks may be driven by government policy, staffing issues or sickness
4. The Risk Register has been updated to reflect all areas of risk currently facing the Association.
5. The following four scale matrix in line with our Risk Management Policy has continued to be used for impact and likelihood:

Likelihood

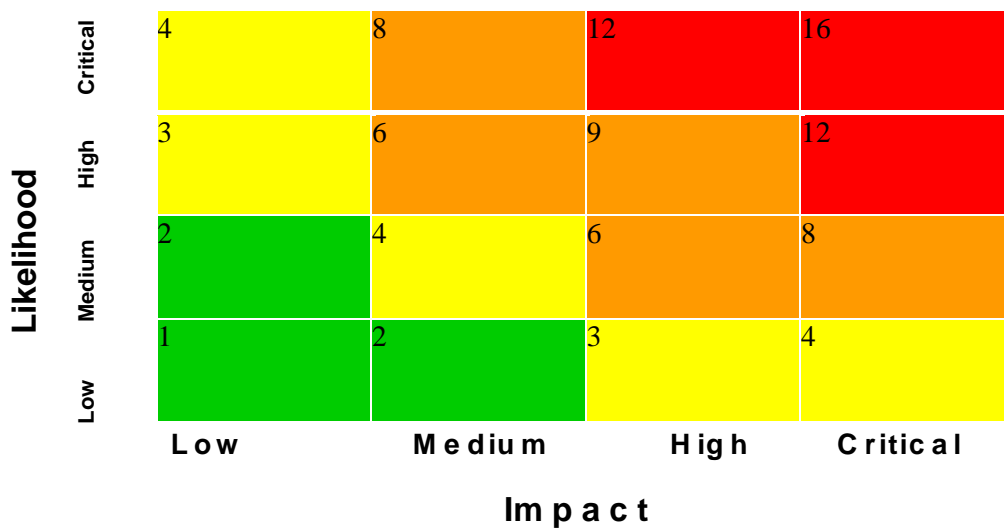
Scoring	Definition
4	Almost certain
3	Likely
2	Moderate
1	Unlikely

Impact – Strategic Risks

Scoring	Definition	Example of impact
4	Critical	Total service loss for significant period, Fatality, Financial loss over £500,000 Regulatory / Council intervention
3	High	Significant service disruption Major/disabling injury Financial loss over £100,000 Adverse national media coverage

2	Medium	Service disruption Loss time injury Financial loss over £50,000 Adverse local media coverage / lots of service user complaints
1	Low	Minor service disruption / short term inconvenience Minor injury Financial loss under £50,000 Isolated service user complaints

6. The following four scale matrix demonstrates how the risks will be assessed using a traffic light system: -



Link to Values

7. This report links to the following corporate values: -

- Being honest, accountable and transparent
- Being motivated, trained and committed
- Being customer focused, innovative and professional
- Embracing equality

Strategic Risks

Risk No	Risk	Likelihood	Impact	Heat	Owner
SR1	Failure to focus on the customer	1	3	3	Director
SR2	Failure to manage the Company's finances & demonstrate value for money	1	3	3	Finance Manager/Director
SR3	Failure to manage organisational capacity	1	2	2	Director
SR4	Failure to deliver on new projects	2	3	6	Director
SR5	Failure to deliver effective asset management	2	2	4	Maintenance officer/ Director
SR6	Failure to effectively manage business continuity	1	3	3	Director
SR7	Failure to manage effective corporate governance	1	2	2	Director
SR8	Failure to maintain a positive reputation	1	3	3	Director
SR9	Adverse impact of welfare reform legislation	4	4	16	Housing Officer/Director

SR1	Failure to focus on the customer	Director
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Consequence of the risk	Risk of customer dissatisfaction and poor standards of service
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Current Likelihood	Current Impact
1	3

Existing Controls

1	On Going business planning
2	Internal Management Planning
3	Annual customer satisfaction surveys monitored and lessons learnt
4	Feedback from Customers on specific projects
5	Regular review of service delivery and performance by the Association

Planned Controls

		Timescale
1	Bi-Annual Customer Satisfaction Survey	January 2018
2	Customer Service reporting to Committee via complaints/compliments report	Monthly
3	Review of service delivery and performance by the Committee	TBD

Future Likelihood	Future Impact
1	3

Without the planned controls there is a risk of the likelihood increasing.

SR2	Failure to manage the Company's finances and demonstrate value for money	Finance Manager/Director
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Consequence of the risk	Financial loss to the Company that we are unable to meet through our reserves, inability to deliver services and maintain staffing levels
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Current Likelihood	Current Impact
1	3

Existing Controls

1	Regular, accurate budget monitoring scrutinised by Committee
2	Annual budgets approved by Board
3	Comprehensive internal audit programme reported to Committee
4	External Audit carried out annually, no significant issues ever raised
5	Robust insurance arrangements in place
6	Qualified finance team in place
8	Financial Regulations and standing orders in place and regularly reviewed

Planned Controls

		Timescale
1	Regular review of financial policies	On going
2	Revised financial regulations and standing orders to be approved by the Board	On going

Future Likelihood	Future Impact
1	3

Whilst the planned controls are unlikely to improve the current likelihood and impact, there is a risk of the likelihood and impact increasing if these planned controls are not implemented.

SR3	Failure to manage organizational capacity	Director
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Consequence of the risk	Loss of key members of staff, increase in turnover of staff, increase in sickness absence rates - specifically around an increase in stress levels amongst existing staff
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Current Likelihood	Current Impact
1	2

Existing Controls

1	Dedicated training provided to staff
2	Procedures in place to replace staff who leave
3	Sickness absence closely monitored
4	Work life balance flexi system in place
5	Sickness Absence monitored
6	Regular staff meetings to ensure team work and organizational issues picked up

Planned Controls

		Timescale
1	Training plan	On going
2	Staff succession plan	TBD

Future Likelihood	Future Impact
1	2

Whilst the planned controls are unlikely to improve the current likelihood and impact, there is a risk of the likelihood and impact increasing if these planned controls are not implemented.

SR4	Failure to deliver on new projects	Director
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Consequence of the risk	Loss of reputation with, partner agencies and stakeholders leading to reduced opportunities to generate additional income and customer dissatisfaction.
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Current Likelihood	Current Impact
2	6

Existing Controls

1	Before any project of a capital nature discussion held with board and risk analysed
2	Specific projects or new ventures are subject to Board approval.
3	Systems in place to ensure accountability and resources identified to support new projects
4	Project management systems in place to deliver new projects and services

Planned Controls

		Timescale
1	Board assessment of any project	On going
2	Specific projects or new ventures are subject to Board approval.	Ongoing
3	Linked to the delivery of new projects effective risk management process will maintain the delivery of services to customers.	Ongoing
4	Specific projects or new ventures are subject to evaluation by the Board.	Ongoing

Future Likelihood	Future Impact
2	6

Specific projects or new ventures are subject to Board approval and evaluation.

SR5	Failure to deliver effective asset management	Maintenance Officer/Director
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Consequence of the risk	Properties will fall into disrepair, increasing corporate complaints and potential for negative publicity and reputational damage Association. Sustainability of tenancies and neighbourhoods will be adversely affected. Without effective asset management, investment decisions will be ill informed and priorities for the stock not addressed jeopardising longer term sustainability.
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Current Likelihood	Current Impact
2	2

Existing Controls

1	Regular operational meetings Contractors report with progress and KPI performance included for review.
2	Agreed 5 year capital programme to enable a strategic approach to investment decisions.
3	Regular meetings and close working relationship with Maintenance teams to ensure maintenance issues are identified at earliest opportunity and factored into decisions.
4	Committee to provide scrutiny to asset management decisions.
5	Refresh Stock Condition survey every three years
6	Opportunities for external funding and innovative ways to improve energy efficiency of stock are identified and taken forward as appropriate.
7	

Planned Controls

		Timescale
1	Review Asset Management Strategy	3 yearly
2	Implement Planned Maintenance Module with scheduled investment works programmes being managed within Kypera System	On going
3	Revisit Stock Condition Surveys ensuring information compatible with Kypera	Ongoing

Future Likelihood	Future Impact
2	2

Condition of stock will change so investment needs are only likely to increase going forward. Funding available is unlikely so the emphasis is on maintaining our homes on a planned and strategic approach to ensure long term asset management. Risks are unlikely to be reduced however.

SR6	Failure to effectively manage business continuity	Director
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Consequence of the risk	Inability to deliver services, leading to an impact on customer satisfaction and potential financial losses to the Association
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Current Likelihood	Current Impact
1	3

Existing Controls

1	Disaster recovery Plan in place
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Planned Controls

1	Review and update of the Disaster Recovery Plan
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Future Likelihood	Future Impact
1	3

The planned controls will ensure that this risk continues to be appropriately managed.

SR7	Failure to manage effective corporate governance	Director
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Consequence of the risk	Failure to manage effective corporate governance could lead to poor strategic decision making, reputational damage to the company and could ultimately lead to direct intervention from the Regulator.
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Current Likelihood	Current Impact
1	2

Existing Controls

1	Committee consisting of up to 15 members where the majority must be tenants
2	Training and annual appraisal programme in place for all Committee Members
3	Committee Code of Governance Pack provided to all Board Members
4	Comprehensive tailored induction programme provided to all new Committee Members

Planned Controls

		Timescale
1	Recruitment of replacement Tenant Director	30 September 2014
2	Board Appraisals for 2014/15	31 December 2014

Future Likelihood	Future Impact
1	2

This is an area that is already being effectively controlled and the future planned controls will ensure this continues

SR8	Failure to maintain a positive reputation	Director
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Consequence of the risk	Loss of confidence from External bodies and our customers, negative press stories
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Current Likelihood	Current Impact
1	3

Existing Controls

1	Regular meetings with External agencies (GWSF, Benchmarking group, Social health partnership, Council agencies), Committee and staff Meetings.
2	Regular involvement opportunities for customers through newsletters, annual reports and group meetings
3	All staff encouraged to provide on going information by way of updates during any identified processes

Planned Controls

		Timescale
1	Continue to keep the above meeting structure	Ongoing
2	Continue to involve customers in service delivery	Ongoing

Future Likelihood	Future Impact
1	3

Despite the planned future controls this is an area where it is unlikely to be able to reduce the risk further.

SR9	Adverse impact of welfare reform legislation	Housing Officers/Director
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Consequence of the risk	Tenants unable or not willing to pay rent. CDHA and partners unable to meet requests for assistance. Mismatch between demand and supply of appropriately sized properties. Increase in levels of voids, with associated increase in demands on resources. Some properties at risk of being unsustainable, with high turnover and low demand. Rental income significantly reduced due to increased rent arrears and void rent loss. Will lead to CDHA being unable to meet budgetary requirements within revenue, repair and capital budgets; - reduction in satisfaction with services and loss of confidence in ability to manage
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Current Likelihood	Current Impact
4	16

Existing Controls

1	Housing Officers all trained in rent recovery and giving assistance with HB
2	2 x Welfare Rights Officer services bought in from another HA
3	Membership of various council-led partnership groups
4	Partnership arrangements with public, private and third sector agencies
5	Advice and support for tenants looking to downsize
6	Assistance given to tenants with applications for Discretionary Housing Payments
7	Assistance provided through joint lottery funded posts for specific money advice

Planned Controls

		Timescale
1	Develop proposal to redesignate properties at highest risk of becoming unsustainable. Looking at local letting initiatives for Cumming Drive	On going
2	Review approach to marketing hard to let properties	Ongoing
3	Continue to tap into funded project to offer advice on fuel poverty and reduce expenditure for tenants:	by Sept 2014
4	Continue to work with WRO and Partner agencies to minimize UC arrears	On going

Future Likelihood	Future Impact
4	16

Planned controls will reduce the impact of welfare reform, but the financial impact (and impact on tenants) will continue to be (at least) high, and probably critical until the system beds in and proves to be effective

Operational Risks

Risk No	Risk	Likelihood	Impact	Heat	Owner
OR1	Failure to keep arrears at or below target	1	3	3	Housing Officers
OR2	Failure to turn void flats round in timescales	1	3	3	Maintenance / Housing Officers
OR3	Failure to keep waiting list up to date	1	2	2	Housing Assistant
OR4	Failure to carry out H & S risk assessments In line with CDM	1	4	4	Maintenance Officer/Contractor
OR5	Failure to deliver effective asset management	2	2	4	Head of Investment & Property
OR6	Failure to effectively manage business continuity	1	3	3	Head of Corporate Services
OR7	Failure to manage effective corporate governance	1	2	2	Managing Director
OR8	Failure to maintain a positive reputation	1	3	3	Managing Director
OR 9	Failure to meet requirements of EESH	2	3	6	Maintenance Officer /Director
OR10	Failure to procure contracts in line with the law	1	3	3	

OR1	Failure to keep arrears at or below target	Housing Officers
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Consequence of the risk	Loss of confidence from Committee and Regulatory bodies, loss of potential revenue for improvement works to tenants houses
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Current Likelihood	Current Impact
1	3

Existing Controls

1	Regular training for housing officers in different external areas e.g. UC, arrears control. Keeping up to date with legislation and internal training on matters that affect rent control.
2	Regular bulletins about services for customers through newsletters, annual reports and group meetings
3	All staff encouraged to provide on going information by way of updates on a fortnightly basis internally. Staff encouraged to use all medium to contact tenants at an early stage

Planned Controls

		Timescale
1	Continue to keep the above meeting structure	Ongoing
2	Continue to monitor accounts closely	Ongoing

Future Likelihood	Future Impact
1	3

Despite the planned future controls this is an area where it is unlikely to be able to reduce the risk further.

OR2	Failure to turn void flats around in timescales	Maintenance Officer/Director
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Consequence of the risk	Loss of revenue and demand for housing not being able to be met quick enough. Also concern for Committee and Regulatory bodies
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Current Likelihood	Current Impact
1	3

Existing Controls

1	Maintenance officer requires good communication from housing staff in respect of give ups and key delivery
2	Regular meetings and supervision of contractors. Ensure contractors know timescales and are willing to give priority to void turnaround
3	Maintenance and housing management working together to ensure timescales are met for voids which feeds on to allocations

Planned Controls

		Timescale
1	Continue to keep the above meeting structure	Ongoing
2	Continue to involve the contractors in void identification works	Ongoing

Future Likelihood	Future Impact
1	3

Despite the planned future controls this is an area where it is unlikely to be able to reduce the risk further.

OR3	Failure to keep waiting list up to date	Housing Assistant
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Consequence of the risk	Negative information contained in waiting list that is no up to date. Time lost by sending out offers to persons who no longer want houses. Resulting in longer void time and ultimately loss of revenue
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Current Likelihood	Current Impact
1	3

Existing Controls

1	Waiting list update forms sent out on a monthly basis. One reminder sent one week later
2	Returned forms by PO or non return of form results in application being temporarily suspended. No offers made until applicant makes contact
3	Refreshment calls made ahead of voids becoming available. This identifies if the person will still require a property if we know it's likely to become vacant.

Planned Controls

		Timescale
1	Continue to keep the above meeting structure	Ongoing
2	Continue to involve customers in service delivery	Ongoing

Future Likelihood	Future Impact
1	3

Despite the planned future controls this is an area where it is unlikely to be able to reduce the risk further.

OR4	Failure to carry out H&S risks in line with CDM	Maintenance officer/contractors
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Consequence of the risk	The consequence of this could be far reaching and the impact of not doing this is high. Not checking ladders could result in injury, not carrying out asbestos surveys could result in injury
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Current Likelihood	Current Impact
1	3

Existing Controls

1	Regular meetings with External agencies (EVH, ACAS, Council agencies), Committee and staff Meetings. Keeping H&S manual up to date with EVH bulletins.
2	Carrying out regular testing of fire equipment, ladders etc and ensuring regular surveys as required legionella, asbestos, roof anchors
3	Ensuring staff and committee aware of their responsibilities by way of H&S training.

Planned Controls

		Timescale
1	Continue to keep the above meeting structure	Ongoing
2	Continue to be vigilant to legislation and training provisions	Ongoing

Future Likelihood	Future Impact
1	3

Despite the planned future controls this is an area where it is unlikely to be able to reduce the risk further.

OR5	Failure deliver effective asset management	Director/Maintenance Officer
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Consequence of the risk	Risk of property falling into disrepair. Repairs costing more when done in isolation instead of part of a bigger planned project. Not being able to make best use of our properties owing to condition and therefore impacting on letting.
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Current Likelihood	Current Impact
1	3

Existing Controls

1	Ensuring that our Asset management plan is meaningful
2	Regular stock condition surveys in order to measure the plan against current conditions. (3 yearly)
3	Ensure staff up to date with appropriate training and take part in external forum meetings on matters of legislation.

Planned Controls

		Timescale
1	Continue to keep the above meeting structure	Ongoing
2	Continue to involve customers in service delivery	Ongoing

Future Likelihood	Future Impact
1	3

Despite the planned future controls this is an area where it is unlikely to be able to reduce the risk further.

OR6	Failure to manage effective corporate governance	Director
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Consequence of the risk	Loss of confidence from Regulatory bodies and negative press stories. Inability to function within rules if numbers fall.
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Current Likelihood	Current Impact
1	2

Existing Controls

1	Ensure committee receive robust information and continuity of information on various pieces of work. Ensure good working relationship between office bearers and senior officer
2	Ensure Committee have option for external training and attendance at conferences to encourage networking
3	Ensure Committee structure is relative to work and information flowing from appraisal meets the requirements to manage the Association. Try and have a cross section of expertise on the board

Planned Controls

		Timescale
1	Continue to keep the Committee Structure refreshed	Ongoing
2	Continue to talk about succession and look at ways in which going forward the organization can remain strong	Ongoing

Future Likelihood	Future Impact
1	2

Despite the planned future controls this is an area where it is unlikely to be able to reduce the risk further.

OR8	Failure to maintain a positive reputation	Director
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Consequence of the risk	Loss of confidence from External bodies and our customers, negative press stories. Organisation left open to loss of confidence from customers and lenders
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Current Likelihood	Current Impact
1	3

Existing Controls

1	Address all regulatory requirements timeously. Manage an open and frank Committee structure. Ensure regular staff meetings to discuss operational issues as they arise
2	Regular correspondence with customers through newsletters, personal letters and meetings
3	Good financial management which is open and objective

Planned Controls

		Timescale
1	Continue to keep the above structure	Ongoing
2	Continue to strive to demonstrate a good reputation which is publicly accountable and transparent	Ongoing

Future Likelihood	Future Impact
1	3

Despite the planned future controls this is an area where it is unlikely to be able to reduce the risk further.

OR9	Failure to meet requirements of EEESH	Director/Maintenance Officer
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Consequence of the risk	Failure to meet legislative requirements and regulatory requirements. Additional cost of repair to houses, drain on resources
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Current Likelihood	Current Impact
2	6

Existing Controls

1	Maintenance staff attending forum meetings and training courses on legislative requirements
2	Planned maintenance with EEESH requirements in mind to bring properties up to standard
3	All staff encouraged to provide on going information by way of updates during any identified processes

Planned Controls

		Timescale
1	Continue to keep the above meeting structure	Ongoing
2	Continue to involve customers in service delivery	Ongoing

Future Likelihood	Future Impact
2	6

Despite the planned future controls this is an area where it is unlikely to be able to reduce the risk further.

OR10	Failure to procure contracts in line with legislation	Director/Maintenance Officer
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Consequence of the risk	Leaves the Association open to challenge and negative press. Doesn't determine best value for money
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Current Likelihood	Current Impact
1	3

Existing Controls

1	Policies to ensure all significant contracts are procured through Public Contracts Scotland.
2	Staff trained and certified in procurement procedure
3	All relevant staff encouraged to attend training courses on this and related topics

Planned Controls

		Timescale
1	Continue to keep the above structure	Ongoing
2	Continue to involve relevant staff in on going training	Ongoing

Future Likelihood	Future Impact
1	3

Despite the planned future controls this is an area where it is unlikely to be able to reduce the risk further.

Financial Risks - Heat map

Risk No	Risk	Likelihood	Impact	Heat	Owner
FR1	Valuation Risk – Failure to carry out valuations of Housing Stock.	1	3	3	Finance consultant
FR2	Market Risk -Failure to ensure that gearing ratios are in place so that borrowing does not exceed equity.	1	4	4	Lenders/Finance Consultant
FR3	Failure to put debt recovery procedures and policies for Rent and Factoring Arrears in place.	1	4	4	Finance Officer/Housing Officers
FR4	Failure to keep funds and account for the parent company and the subsidiary company separately.	1	2	2	Finance Officer
FR5	Failure to produce Audited annual accounts for both the parent company and the subsidiary company and compliance with FRS102.	1	3	3	Finance Consultant/Auditor
FR6	Failure to account for all payments and receipts and carry out monthly reconciliations.	1	3	3	Finance Officer
FR7	Failure to monitor bank balances.	2	3	6	Finance Officer/Finance Consultant
FR8	Failure to ensure that the subsidiary company poses no risk to the Association or its tenants.	1	3	3	Director/Finance consultant
FR9	Failure to make adequate insurance arrangements for the stock and offices.	1	4	4	Finance Officer
FR10	Failure to keep all financial records in a safe environment with a back- up available.	1	3	3	Finance Officer/Finance Assistant

FR1	Valuation Risk – Failure to carry out valuations of Housing Stock	Finance Consultant/Director
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Consequence of the risk	Uncertainty about the value of our stock in the current market could affect our loan to value.
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Current Likelihood	Current Impact
1	3

Existing Controls

1	Periodic Valuations are carried out to ensure that there is no significant drop in the value of our stock.
2	This is part of our bank’s covenant compliance, which has to be completed annually. Our Insurers also require an up to date valuation of our stock.
3	Any significant change in interest rates would trigger a new Valuation being carried out.

Planned Controls

		Timescale
1	Continue to comply with the requirements of our lenders and insurers.	Ongoing
2	Continue to monitor interest rates.	Ongoing

Future Likelihood	Future Impact
1	3

Despite the planned future controls this is an area where it is unlikely to be able to reduce the risk further.

FR2	Market Risk – Failure to ensure that gearing ratios are in place so that borrowing does not exceed equity.	Finance Consultant/Lenders
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Consequence of the risk	In the event of having to pay all of our current liabilities gearing ratios are put in place to make sure that our assets would cover all of our loans. If there was no gearing in place the risk could be critical.
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Current Likelihood	Current Impact
1	4

Existing Controls

1	Gearing ratios calculated and presented to our Committee of Management on a quarterly basis as part of the Management Accounts and are also included in our annual audited accounts.
2	Our lenders require us to demonstrate that we are complying with our gearing ratios.
3	A robust approach is taken when considering borrowing. All new projects are discussed and debated by our committee of management to determine if they are Financially viable and in the Association’s best interests.

Planned Controls

		Timescale
1	Continue to monitor loans against equity.	Ongoing
2	Continue to discuss any new projects fully with our Committee of Management.	Ongoing

Future Likelihood	Future Impact
1	4

Despite the planned future controls this is an area where it is unlikely to be able to reduce the risk further.

FR3	Failure to put debt recovery procedures and policies in place for Rents and Factoring.	Finance Officer/ Housing Officers
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Consequence of the risk	Failure to pursue arrears would lead to the Association subsidizing their tenants/owners. This would mean that there would not be funds available for repairs, planned maintenance and development. A high level of arrears would be flagged up to the Scottish Housing Regulator through the Annual Reporting Charter and this could lead to intervention.
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Current Likelihood	Current Impact
1	4

Existing Controls

1	Arrears and Debt Management Policies are in place for Rent and Factoring. In house procedures are also in place.
2	Arrears are reported at fortnightly staff meetings and monthly committee meetings. Staff must demonstrate that they are making every effort to recover the arrears internally, through Sheriff Officers or by taking legal action.
3	Arrears are also reported to the Scottish Housing Regulator through the Annual Reporting Charter and are compared to our peer groups.

Planned Controls

		Timescale
1	Continue to follow the policies and procedures in place to make every effort to recover debt.	Ongoing
2	Continue to report arrears to the Committee of Management and demonstrate that debts are actively being pursued.	Ongoing

Future Likelihood	Future Impact
1	4

Despite the planned future controls this is an area where it is unlikely to be able to reduce the risk further.

FR4	Failure to keep funds for the parent company and subsidiary company separately.	Finance Officer
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Consequence of the risk	It would be extremely difficult to account accurately for both companies if their funds were merged. There is also a risk that the parent company would end up subsidizing the subsidiary which would be a failure in protecting our tenants.
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Current Likelihood	Current Impact
1	2

Existing Controls

1	There are separate bank accounts for the Association and the subsidiary company.
2	Separate management and Annual accounts are produced and audited for the Association and the subsidiary company.
3	Budgets and forecasts are monitored and presented to the Committee of Management to ensure that our tenants are not at any risk.

Planned Controls

		Timescale
1	Monitor bank accounts on a regular basis and transfer any funds when necessary.	Ongoing
2	Revise Business Plan for the subsidiary company.	Ongoing

Future Likelihood	Future Impact
1	2

Despite the planned future controls this is an area where it is unlikely to be able to reduce the risk further.

FR5	Failure to produce Audited annual accounts for both the parent company and the subsidiary company and compliance with FRS102.	Finance Consultant/Auditor
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Consequence of the risk	Failure to comply with FRS102 and SORP (Statement of recommended Practice) guidance for charities would result in our Auditors being unable to Audit our annual accounts. They would not be able to be presented to our shareholders at our AGM or sent to our lenders or the regulator. This would put our borrowing at risk and result in engagement by the regulator.
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Current Likelihood	Current Impact
1	3

Existing Controls

1	Our Finance Consultant is fully aware of the legislation and legal requirements he has to follow when preparing the accounts.
2	A full Financial Audit is carried out annually before the accounts can be finalized and presented to our committee of management for approval.
3	Our Auditor and Accountant are both in attendance at the AGM to present the accounts and answer any questions the shareholders have.

Planned Controls

		Timescale
1	Ensure that all new legislation is put in place.	Ongoing
2	Ensure that any new requirements for the subsidiary are in place.	Ongoing

Future Likelihood	Future Impact
1	3

Despite the planned future controls this is an area where it is unlikely to be able to reduce the risk further.

FR6	Failure to account for all payments and receipts and carry out a monthly bank reconciliation.	Finance Officer/ Finance Assistant
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Consequence of the risk	Failure to keep records of all funds received and paid out would prevent the monthly bank reconciliation and petty cash reconciliation from balancing. This would mean that the nominal ledger would not be accurate which would affect the management accounts. We would be unable to provide Audit Trails to our Auditor who would then report his findings in the management letter which would be presented to our committee and shareholders.
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Current Likelihood	Current Impact
1	3

Existing Controls

1	All funds received and paid out are entered in the cash book. In the event of a missing transaction there are cheque stubbs, bankline searches, bank statements, receipt books and card payment data.
2	A monthly Bank Reconciliation and trial balance is carried out. Our committee are presented with a Finance Statement which reflects the balanced Bank Reconciliation and shows the income and expenditure each month and any outstanding transactions.
3	A Petty Cash reconciliation is carried out each month to ensure that all cash is accounted for.
4	Our Auditor performs a series of tests where Finance staff must provide evidence for various transactions he chooses at random. This demonstrates that the accounting procedures and controls in place are being followed and confirms that our records are accurate.

Planned Controls

		Timescale
1	Ongoing training for Finance Staff in order to keep up to date with new accounting requirements and IT systems.	Ongoing
2		Ongoing

Future Likelihood	Future Impact
1	3

Despite the planned future controls this is an area where it is unlikely to be able to reduce the risk further.

FR7	Failure to monitor Bank balances.	Finance Officer/ Finance Consultant
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Consequence of the risk	If bank balances are not monitored it could result in a negative cash flow meaning that there may not be enough cash to manage operational expenses such as repairs and maintenance. It could signify that debts are not being collected or that budgets are not being controlled.
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Current Likelihood	Current Impact
2	6

Existing Controls

1	Each month credit balances are transferred from our Rent & Factoring account into our ordinary account.
2	Our ordinary account is monitored closely by the Association and the bank and funds are transferred in and out of this account from our Deposit Account. Finance staff use the electronic banking system on a daily basis and check balances before making payments.
3	An unexplained drop in our deposit account balance would be flagged up when the deposit account reconciliation is carried out each month.
4	Budgets versus actual spend are a part of the Management Accounts which are presented to committee quarterly. Any significant cost over budget would be investigated and reported.

Planned Controls

		Timescale
1	Continue to monitor bank balances as often as possible to identify anything which could affect our bank balances.	Ongoing
2	Continue to monitor budgets.	Ongoing

Future Likelihood	Future Impact
2	6

Despite the planned future controls this is an area where it is unlikely to be able to reduce the risk further.

FR8	Failure to ensure that the subsidiary company poses no risk to the Association or its tenants.	Director/ Finance Consultant
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Consequence of the risk

The Association and its tenants could be put at risk if the subsidiary is not accounted for correctly.

Current Likelihood	Current Impact
1	3

Existing Controls

1	Procedures are in place to account for all expenses and receipts for the Association and the subsidiary separately.
2	There are separate bank accounts, cash books, business plans and accounting in place for both the parent company and the subsidiary.
3	Staff employed by the subsidiary have separate payroll and pensions.
4	Cash flow projections have been carried out to demonstrate the viability of the subsidiary.

Planned Controls

		Timescale
1		Ongoing
2		Ongoing

Future Likelihood	Future Impact
1	3

Despite the planned future controls this is an area where it is unlikely to be able to reduce the risk further.

FR9	Failure to make adequate insurance arrangements for the Housing stock, Factored Stock and offices.	Finance Officer
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Consequence of the risk	Failure to make adequate insurance arrangements would leave all stock and our offices in a vulnerable position and the Association would then be responsible for all insurance related losses. If a fire destroyed a tenement or our offices we could suffer massive or potentially fatal loss.
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Current Likelihood	Current Impact
1	4

Existing Controls

1	We have insurance policies in place covering our Housing Stock, Factored Stock and office based insurance.
2	Our policies are renewed each year through a broker so that we can offer value for money to our Factored properties while making sure that the Association receive the best premium possible.
3	There are separate policies for the Housing stock and Factored stock to make sure that one policy is not subsidising the other.
4	Adequate cover is in place for all aspects of the policy and the levels of cover are increased annually where required.

Planned Controls

		Timescale
1	Continue to provide transparency and value for money to owners by tendering each year.	Ongoing
2	Continue to keep up to date records of any changes to the policy arrangements.	Ongoing

Future Likelihood	Future Impact
1	4

Despite the planned future controls this is an area where it is unlikely to be able to reduce the risk further.

FR10	Failure to keep all financial records in a safe environment with a back-up available.	Finance Officer
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Consequence of the risk	Leaked information which could lead to confidential or sensitive documents being shared. A cyber attack on our computer system which could cause a major disruption.
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Current Likelihood	Current Impact
1	3

Existing Controls

1	Anti virus and scam software has been installed on all office computers. Each computer is password protected. Passwords are changed frequently. Care is taken by all staff when opening e-mail from unknown sources and if any mail is suspicious it is forwarded to our IT company immediately.
2	Paper records have been digitalized. All sensitive documents are either locked in the safe or kept in a locked cabinet in the Finance Officer's room. Any discarded documents containing financial information are shredded. When old files are destroyed we are issued with a certificate confirming that they have been destroyed securely.
3	Data Protection procedures are in place.
4	A back up is taken on a daily, monthly and quarterly basis.

Planned Controls

		Timescale
1	Continue to monitor suspicious e-mails.	Ongoing
2	Continue to deal with all Financial Information securely.	Ongoing

Future Likelihood	Future Impact
1	3

Despite the planned future controls this is an area where it is unlikely to be able to reduce the risk further.

Subsidiary Risks

Risk No	Risk	Likelihood	Impact	Heat	Owner
SUB 1	Failure to manage effective independent governance	1	3	3	Board/Director
SUB 2	Failure to manage the Subsidiary's finances & demonstrate value for money	1	3	3	Director/Finance consultant
SUB 3	Failure to manage organisational capacity and be cost effective to subsidiary	1	2	2	Director
SUB 4	Failure to deliver on new projects	2	3	6	Director
SUB 5	Failure to manage activities of subsidiary within SHR guidelines	2	2	4	Board/ Director
SUB 6	Failure to recruit an effective board to subsidiary	1	3	3	Board/Director
SUB 7	Ensure any project that subsidiary undertakes poses no risk to Parent body	1	2	2	Director
SUB 8	Failure to maintain a positive reputation	1	3	3	Director

SUB 1	Failure to manage effective independent governance	Board/Director
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Consequence of the risk	Failure to manage effective independent governance, breaches SHR guidance and thereby has a detrimental effect on Parent body.
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Current Likelihood	Current Impact
1	4

Existing Controls

1	We have insurance policies in place covering our Housing Stock, Factored Stock and office based insurance.
2	Our policies are renewed each year through a broker so that we can offer value for money to our Factored properties while making sure that the Association receive the best premium possible.
3	There are separate policies for the Housing stock and Factored stock to make sure that one policy is not subsidising the other.
4	Adequate cover is in place for all aspects of the policy and the levels of cover are increased annually where required.

Planned Controls

		Timescale
1	Continue to provide transparency and value for money to owners by tendering each year.	Ongoing
2	Continue to keep up to date records of any changes to the policy arrangements.	Ongoing

Future Likelihood	Future Impact
1	4

Despite the planned future controls this is an area where it is unlikely to be able to reduce the risk further.