

Risk Management Policy

Author: Matt Armstrong, Director of Business Improvement

| |
|---------------|
| Version 2.0 |
| February 2020 |

1. Policy Statement

- 1.1 Colchester Borough Homes (CBH) recognises that effective risk management is required in order to meet our company objectives as laid out in our six strategic delivery plans. Implementing and maintaining a good risk management system will ensure good governance, strategic planning, effective decision making, budgeting, compliance and enable robust performance management.
- 1.2 We are committed to the identification, evaluation and management of strategic, operational and emerging risks both internal and external to the organisation. We are committed to adopting best practice in the management of risk to ensure retained risk is of an acceptable and tolerable level in order to maximise opportunities whilst meeting the required standards of accountability, compliance and transparency.
- 1.3 CBH is clear that the responsibility for managing risk belongs to everyone and that there needs to be an appropriate level of understanding of the nature of risk by all stakeholders. We will actively promote the principles of effective risk management throughout the organisation.
- 1.4 This policy is supported by a risk management strategy and framework to ensure consistency and a universal system of managing risk. This policy will be reviewed every 3 years and the strategy and framework every year, to ensure their continued effectiveness.

Dirk Paterson

Chair of the Board

Gareth Mitchell

Chief Executive

February 2020

2. Introduction and Purpose

This policy sets out the principles underpinning our approach to risk management and the roles & responsibilities of stakeholders. The policy is supported by a strategy and a framework. The strategy is our plan to ensure effective risk management is exercised throughout the organisation in order to achieve our company objectives. The framework defines the system we will use to identify, evaluate, manage and monitor the risks which affect our business.

3. Risk Definition

- 3.1 Risk is defined as the effect of uncertainty on an organisation's objectives.
- 3.2 Risk management is the process of ascertaining what might go wrong, the likelihood of the event happening, the impact on the company's objectives and deciding how best to minimise threats and maximise opportunities.

4. Objectives

- 4.1 The policy objectives for managing risk are to:
 - Assist the organisation in achieving its strategic delivery plan objectives;
 - Support staff in their responsibilities for carrying out risk management and communicate the benefits of risk management;
 - Protect physical assets, promote employee safety, protect our reputation, minimise financial loss and deliver excellent customer services;
 - Embed risk management within our business processes in order to minimise threats and maximise opportunities;
 - Promote good governance;
 - Create an environment and culture throughout the organisation where all staff assume responsibility for managing risk.

5. Risk Management Strategy

- 5.1 It will be the Director of Business Improvement role to ensure the strategy is implemented. The strategy's action plan will include the resourcing, training and embedding of the risk management framework within the organisation.
- 5.2 The Board will set the organisation's risk appetite which will be applied to the evaluation and management of all risk types. This will enable staff to recognise the significance of risks they identify, understand the implications to the organisation and escalate the mitigating actions as necessary.
- 5.3 Risk assurance will be provided through:
 - Effective business processes;
 - the organisation's team of auditors;
 - Internal Audit;
 - External Audit; and
 - The Finance & Audit Committee.

Internal Audit will develop an Assurance Map and an Audit Plan to indicate sources of assurance and review the effectiveness of controls in place.

6. Risk Management Framework

6.1 A robust framework will support this policy and will detail:

- Our approach – the process we will use to manage risk;
- Risk governance – the accountability structure we will use to embed an effective risk framework;
- Risk identification and scoring – how we will identify the risk type, the scoring and application of appetite and the method of mitigating the risk to an acceptable level;
- Risk monitoring and reporting – our process for monitoring progress of the mitigating actions against the target score, reporting the direction of travel of risks and the overall risk heatmap. Reporting the effectiveness of our risk management.

6.2 Each strategic delivery plan lead will maintain a risk register of the strategic, operational and emerging risks in their area of responsibility. Strategic risks will be collated and reviewed by the Board and scrutinised by the Finance & Audit (F&A) Committee. Red and Amber operational risks will be reviewed and scrutinised by the F&A Committee.

7. Roles and Responsibilities

7.1 The **Board** will:

- Approve and adopt the Risk Management Policy, Strategy and Framework;
- Instruct the Director of Business Improvement to ensure that risk management is embedded throughout the organisation;
- Delegate the responsibility to the Finance & Audit Committee for the review and scrutiny of the strategic risk register and the red & amber risks on the operational risk register;
- Determine the risk appetite of the organisation for each risk type;
- Contribute towards identification of strategic and emerging risks;
- Review the Strategic risk register at each Board meeting;
- Actively consider the risk management implications contained within all reports;
- Gain an understanding of risk management and its benefits which includes attending relevant training.

7.2 The **Finance & Audit Committee** will:

- Review and recommend to Board any updates to the Risk Management Policy, Strategy and/or Framework;
- Monitor the effectiveness of the risk management arrangements across the organisation.

- Review and scrutinise the strategic risk register and the red & amber risks on the operational risk register;
- Conduct deep dives into relevant risks to gain a wider understanding and provide guidance to risk owners;
- Monitor the implementation of the risk management strategy and the effectiveness of the framework;
- Approve the Internal Audit Plan.

7.3 The **External Audit team** will:

- Report to F&A and the Board the CBH financial statements and give their findings and audit opinion;
- Provide a source of external assurance on the operation of internal controls.

7.4 The **Internal Audit team** will:

- Develop, present to F&A and then implement the annual Internal Audit plan;
- Conduct an organisational assurance mapping exercise annually to highlight where further controls are required;
- Provide an independent review of the corporate approach to risk management and compliance;
- Contribute to the accuracy and integrity of the strategic risk register (as part of the risk-based approach to audit);
- Provide an opinion as part of its annual assurance statement on whether the assurance/risk management process is fit for purpose.

7.5 The **CBH Audit team** will:

- Develop auditors from across the organisation;
- Conduct risk-based assurance audits throughout the organisation to compliment the Internal Audit teams audit plan.

7.6 The **Corporate Management Team** will:

- Ensure risk management is embedded throughout CBH;
- Recommend a Risk Management Policy, Strategy and Framework to the F&A Committee;
- Lead on the identification and management of strategic, operational and emerging risks;
- Review strategic risks and operational risks to ascertain any red risks to be brought to the appropriate committee.
- Ensure adherence to the Risk Management Policy Framework and the implementation of the Risk Management Strategy;
- To communicate the principles of risk management into the culture of CBH;

- Ensure risk management is a regular item on departmental management team meeting agendas;
- Maintain an understanding of risk management and its benefits which includes attending relevant training;
- Establish training requirements of managers in relation to all aspects of risk management (where relevant).

7.7 The **Heads of Service** will:

- Identify, evaluate and record risks which could affect the achievement of any strategic delivery plan objective;
- Maintain awareness of and promote the approved risk management policy and strategy to all relevant staff;
- Ensure risk management is a standard item on team meeting agendas;
- Monitor the progress of risk mitigation and update the risk register monthly.

7.8 The **Director of Business Improvement** will:

- Provide a focus for and coordinate risk management activities throughout CBH;
- Maintain the Risk Management Policy, Strategy and Framework documents so that they reflect best practice and meets our needs;
- Proactively identify and manage risk opportunities in accordance with best practice;
- Maintain the Risk Management Framework so that it reflects best practice and enables us to satisfy the requirements of any external assessment the company is subject to;
- Monitor the progress of mitigating actions against the target score of the risk;
- Communicate and provide risk management guidance and training to staff of to raise staff awareness and ensure effective controls are in place.

Document control sheet

| | | | | | | |
|-----------------------------------|---|-----|---------------|----------------------|-------------------|--------------------------|
| Title | CBH Risk Management Policy | | | | | |
| File location | https://colchbh.sharepoint.com/:w:/s/fnc/corpdoc/EdETxcpBv3hFsDGoSNNpCvIBYcaFlpngYUkD_FE5-11ftA?e=9d5Evr | | | | | |
| Consultation | Two risk workshops were run by Mazars, our internal auditors with the members of the Finance & Audit Committee and the Chair of the Board. Finance & Audit Committee – 10 March 2015 Board 24 April 2015 | | | | | |
| Approved | Board 27/02/2020 | | | | | |
| Next review | 27/02/2023 | | | | | |
| Circulation method | SharePoint | | | | | |
| Equality Impact Assessment | Required | Yes | Latest | [Latest EqIA (Full)] | Review due | [EqIA Review Due (Full)] |

Document amendment history

| Version | Type | Date | Brief description of changes |
|----------------|-----------------|-------------|--|
| 1.0 | New | Dec 2012 | New strategy |
| 1.1 | Minor revisions | Feb 2014 | Next review date changed from Dec 2013 to December 2014 at request of Finance & Audit Committee. Review cycle extended from annual to every 3 years. |
| 1.2 | Review | April 2015 | Changes to the new action plan on page 11 |
| 1.3 | Minor revisions | Sept 2016 | Reviewed to reflect current organisational structure and an update of the action plan. |
| 1.4 | Minor Revisions | Nov 2018 | Update to remove reference to Board Risk Champion and Operations Committee. Full review still required by September 2019. |
| 2.0 | Major Revision | Feb 2020 | Rewrite to separate Policy, Strategy and Framework. New Strategy and Framework. Assistance from Mazars (Internal Audit review) and F&A Committee. |

Risk Management Strategy

Author: Matt Armstrong, Director of Business Improvement

| |
|---------------|
| Version 2.0 |
| February 2020 |

A1.1 Risk Appetite

- 1.1 Risk appetite is best summarised as “the amount of risk an organisation is willing to accept” and is set by the Board for each risk type detailed in the framework. As a public sector organisation it is recognised that the appetite for risk will vary according to the activity undertaken and hence different appetites and tolerances to risk apply.
- 1.2 We are working to strengthen and clarify our definition of risk appetite to ensure it reflects the acceptable levels of risk across the services of the organisation. Our appetite was set in 2019 and requires an update as new Board members have taken up their posts since then.
- 1.3 CBH aims to be risk aware, but not overly risk averse and to actively manage business risks to assist us in meeting the targets set in the Strategic Delivery Plans. The risk appetite should be reviewed annually or when changes in our working environment require it.

A1.2 Risk Management Assurance

- 2.1 Assurance is provided at different levels throughout the organisation, predominately based on the level and type of risk associated with the business process . The level of assurance should reflect the level of risk appetite.
 - **Business Processes**
Incorporates day-to-day business practices.
 - **Management Assurance**
Embedded in some of our processes usually for financial and reputational risks.
 - **CBH Audit Team**
Risk based approach to audit, assisting those risk owners with identifying weaknesses within business processes.
 - **Internal Audit**
Assurance based approach to audit for key business processes.
 - **External Audit**
Financial based audit for closing the Companies accounts and reporting the overall health of the business.
- 2.2 The new internal audit provider due to be procured and appointed in spring 2020 will conduct some assurance mapping of all our business areas to determine the levels of assurance which already exist.

A1.3 Resources

- 3.1 We recognise that the resources allocated to manage risks should be proportionate to the nature of the risks faced and the overall resources available. The use of internal audit should be considered by senior managers to ensure the best use of resources are used for quality assurance and quality control.

A1.4 Guidance, education and training

- 4.1 The Director of Business Improvement is responsible for the development and training of the organisation in risk management. Training will be provided when this strategy is implemented and subsequent refreshers on an annual basis or if the framework changes for any reason.
- 4.2 Guidance will be provided on the framework used for risk management in appendix 2 to the Risk Management Policy.

A1.5 Communication

- 5.1 This strategy will be communicated to the organisation once the policy has been adopted by the Board and embedded within our business processes through Heads of Service and Line Managers. Further communication will occur as per the action plan in A1.6.

A1.6 Action Plan

- 6.1 The action plan below will be developed further to ensure the key milestones are completed on time.

| | Action | By Whom | By When |
|----|---|----------------|----------------|
| 1 | Adopt new Risk Management Policy, Strategy and Framework | Board | 27.02.20 |
| 2 | Communicate new policy to CMT | DoBI | 28.02.20 |
| 3 | Prepare Risk Appetite workshop | DoBI, F&A | 16.03.20 |
| 4 | Set Risk appetite – 2hr workshop (delivered by DoBI and F&A) | Board | w/c 23.03.20 |
| 5 | Communicate Risk Appetite to CMT | DoBI | 24.03.20 |
| | Review Risk Registers: | DoBI | |
| 6 | • Customer Plan | KW, KB | 03.04.20 |
| 7 | • Community Plan | KL | 03.04.20 |
| 8 | • People Plan | AR | 10.04.20 |
| 9 | • Business Development Plan | LS | 10.04.20 |
| 10 | • VFM and Technology Plan | GMu, CG | 17.04.20 |
| 11 | • Leadership Plan | GM | 24.04.20 |
| 12 | • MTDP | CMT | 01.05.20 |
| 13 | Review Internal Audit (IA) assurance mapping exercise and previous audits | DoBI, IA | 01.05.20 |
| 14 | Create Strategic Risk Register | DoBI | 22.05.20 |
| 15 | Create Operational Risk Register | DoBI | 22.05.20 |
| 16 | Create Emerging Risk Register | DoBI | 22.05.20 |
| 17 | Approve all Risk Registers | CMT, F&A | 04.06.20 |

Risk Management Framework

Author: Matt Armstrong, Director of Business Improvement

| |
|---------------|
| Version 2.0 |
| February 2020 |

A2.1 Introduction

1.1 This framework sets out how Colchester Borough Homes (CBH) will manage its risks. CBH recognises that risk management is an integral part of good governance and the importance of managing risks correctly is essential in achieving our objectives. The framework will provide a universal method used by everyone in the organisation providing clear visibility of how risks are managed in CBH.

A2.2 Approach

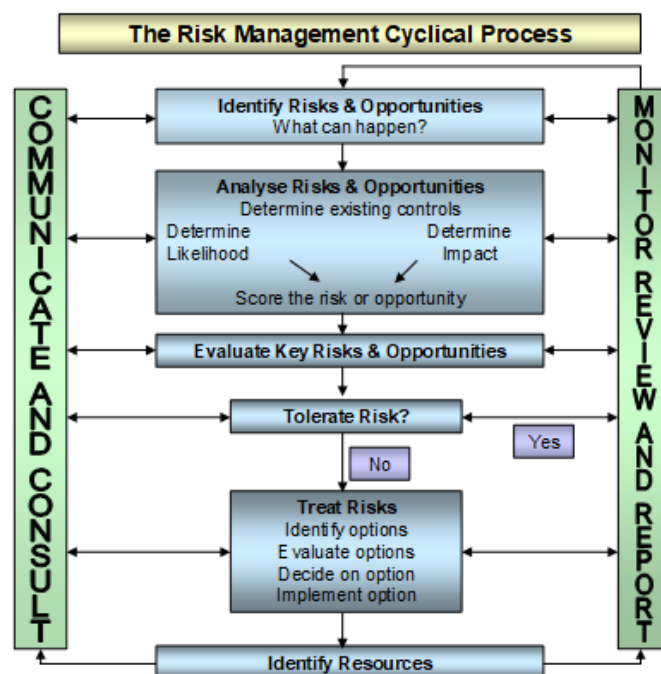
2.1 Risk is measured in terms of likelihood (the possibility of it happening) and impact (the effect it would have on the company if it did happen). At CBH we measure the probability of risks occurring and potential impact using a 5x4 matrix.

2.2 Risks are identified as strategic, operational or emerging and categorised under the following headings:

- Service Delivery Failure
- Staff Welfare
- Compliance Breach
- Reputational
- Direct Financial loss
- Customer and public welfare
- Business Objective

Categories can be added when required but an appetite must be sought prior to scoring risks.

2.3



2.4 The key stages of our risk management process are:

- Identifying the risk;
- Evaluate the risk using the scoring matrix and apply the risk appetite;
- Mitigate the risk;

- Continual review, monitoring and escalation of risks
- Monitoring of risk in accordance with the identified roles and responsibilities.

A2.3 Governance

- 3.1 Each strategic delivery plan will have its own risk register monitored by the lead for that plan. From the individual registers a strategic risk register, an operational risk register and an emerging risk register will be presented at relevant meetings. The Board will be provided a report on the strategic risk register at every meeting; the Finance & Audit Committee will scrutinise the strategic and operational (red and amber risks only) risk register at each meeting and conduct deep dives when required. The Corporate Management Team will review the individual delivery plan risk registers at every meeting.

A2.4 Risk Identification & Scoring

- 4.1 The descriptors for each category stated in 2.2 are as follows:

Service Delivery Failure

A priority service would be one that has significant and immediate impact of customers, for example the responsive repair service, or the Gateway Housing Options register. Customer Facing Services are ones used by customers such as the CBH website, payment taking systems, the contact centre and service desks at Greenstead Housing Office and the Library. The Capita Housing system is designated a customer facing system as its unavailability impairs many of the other elements of frontline service delivery, not least repairs and the Contact Centre. The loss of use of let properties is not considered a Service Delivery Failure under these risk impact descriptors, it would be assessed under Customer and Public Welfare. Back Office Services are services used only by staff and do not directly or immediately affect customers, though prolonged loss of these services would start to impact on customer facing service delivery

Staff Welfare

This descriptor only considers the risks to staff delivering CBH services. This includes CBH employees, agency staff paid by CBH and staff employed by CBH's contractors whilst working on CBH's projects. Impact on the welfare of all other people is considered under the Customer and Public Welfare impact descriptor

Compliance Brief

This descriptor covers all forms of compliance breach in the broadest sense. Included under this would be a breach of CBH's own internal policies such as its Standing Financial Instructions or Contract Procedure Rules, failure to meet a statutory duty, for example the Homeless Act or safeguarding, failure to complete government returns, or failure to comply with tax or VAT legislation. This descriptor would include compliance breaches by CBH's contractors where CBH was also liable for any resulting penalties

Reputation Damage

This descriptor considers the impact on CBH's reputation arising as a consequence of an event. This could include impact on CBH's reputation from the actions of one of its contractors

Direct Financial Loss

This descriptor is used to assess financial loss arising from any event except for a compliance breach, where the Compliance Breach descriptor is used to assess the financial impact. The risk appetite rating gives two appetites: one for normal operations and one for trading, where it is recognised that the additional uncertainty inherent to trading activity requires a higher risk appetite.

Customer and Public Welfare

This descriptor is used to assess the impact on any person or groups affected by an event. The impact on CBH's tenants, leaseholders and other service users is considered here. It also covers members of the general public who have no dealings with CBH but may be affected by something CBH does or does not do. This could include, but is not limited to, people living adjacent to CBH managed properties.

Business objective

This descriptor recognises that there may be events which do not affect any of the other descriptors but nevertheless prevent CBH achieving a strategy or objective. This descriptor enables these risks to be assessed and managed.

4.2 The likelihood descriptors are shown in the table below:

| Descriptor | Score | Frequency of event occurring | Time Period |
|----------------|-------|--|----------------------------|
| Rare | 1 | Would only happen in very exceptional circumstances | Less than once in 10 years |
| Unlikely | 2 | Not expected to happen but definite potential exists - unlikely to occur. | Once in 10 years |
| Possible | 3 | May occur occasionally, has happened before on occasions - reasonable chance of occurring. | Once in 5 years |
| Likely | 4 | Strong possibility that this could occur - could occur several times. | Once in a year |
| Almost certain | 5 | This is expected to happen frequently / in most circumstances - more likely to occur than not. | Once in 3 months |

4.3 The matrix below shows the scoring method with a generic appetite applied:

RISK MATRIX

| | | | | | |
|-------------------|---------------------|---------------|-------------|---------|-------|
| | | IMPACT | | | |
| | | 1 | 2 | 3 | 4 |
| LIKELIHOOD | Almost Certain 5 | 5 | 10 | 15 | 20 |
| | Likely 4 | 4 | 8 | 12 | 16 |
| | Possible 3 | 3 | 6 | 9 | 12 |
| | Unlikely 2 | 2 | 4 | 6 | 8 |
| | Rare 1 | 1 | 2 | 3 | 4 |
| | | 1 | 2 | 3 | 4 |
| | | Minor | Significant | Serious | Major |

4.4 A full risk appetite heat map is shown in the table below:

| Descriptor | Minor 1 | Significant 2 | Serious 3 | Major 4 |
|--|--|---|--|---|
| Service delivery failure | Unavailability or significant impairment of: Priority Service for 1/2 day, or Single Customer Facing Service for up to 1 day, or Back Office Systems for up to 2 days. | Unavailability or significant impairment of: Priority Service for 1 day, or Multiple Customer Facing Services for up to 3 days, or Back Office Systems for up to 3 days. | Unavailability or significant impairment of: Priority Service for 2 to 4 days, or Multiple Customer Facing Services for 2 to 5 days, or Single Customer Facing Service for up to 1 week, or Back Office Systems up to 1.5 weeks | Unavailability or significant impairment of: Priority Service for in excess of 4 days, or Multiple Customer Facing Services for in excess of 5 days, or Single Customer Facing Service for over 1 week, or Back Office Systems for over 1.5 weeks |
| Appetite - heat map | Rare 1 - combined score 1 Unlikely 2 - combined score 2 Possible 3 - combined score 3 Likely 4 - combined score 4 Almost certain 5 - combined score 5 | Rare 1 - combined score 2 Unlikely 2 - combined score 4 Possible 3 - combined score 6 Likely 4 - combined score 8 Almost certain 5 - combined score 10 | Rare 1 - combined score 3 Unlikely 2 - combined score 6 Possible 3 - combined score 9 Likely 4 - combined score 12 Almost certain 5 - combined score 15 | Rare 1 - combined score 4 Unlikely 2 - combined score 8 Possible 3 - combined score 12 Likely 4 - combined score 16 Almost certain 5 - combined score 20 |
| Appetite - likelihood rating | Almost Certain - 5 | Likely - 8 | Unlikely - 6 | Rare - 4 |
| Staff welfare | Minor injuries or stress with no workdays lost or minimal or no medical treatment. No impact on staff morale | Injuries or stress level requiring some medical treatment, potentially 1 or 2 workdays lost. Potential impact on morale & performance of small number of individuals or a single team | Injuries or stressful experience requiring medical treatment and up to 6 workdays lost. Major impact on morale & performance of several teams | Life threatening or multiple serious injuries or worse injury, or prolonged work place stress. Severe impact on morale & service performance throughout most of the organisation |
| Appetite - heat map | Rare 1 - combined score 1 Unlikely 2 - combined score 2 Possible 3 - combined score 3 Likely 4 - combined score 4 Almost certain 5 - combined score 5 | Rare 1 - combined score 2 Unlikely 2 - combined score 4 Possible 3 - combined score 6 Likely 4 - combined score 8 Almost certain 5 - combined score 10 | Rare 1 - combined score 3 Unlikely 2 - combined score 6 Possible 3 - combined score 9 Likely 4 - combined score 12 Almost certain 5 - combined score 15 | Rare 1 - combined score 4 Unlikely 2 - combined score 8 Possible 3 - combined score 12 Likely 4 - combined score 16 Almost certain 5 - combined score 20 |
| Appetite - likelihood rating | Almost Certain - 5 | Almost Certain - 10 (see Note B.1) | Possible - 9 | Rare - 4 |
| Compliance breach | Minor breach of internal procedures, no consequential loss but resulting in adverse audit report | Minor external compliance breach with no financial sanction. Significant breaches of internal procedures resulting in a financial loss of up to £1,000, adverse audit finding | Breach of external regulations with likelihood of financial cost up to £10,000 and/or other form of sanction. Or significant breaches of internal procedures resulting in financial loss of £1,001 to £10,000. | Significant breach of external regulations requiring disclosure to regulatory body. Likelihood of financial cost in excess of £10,000 and/or other form of sanction. Or significant breaches of internal procedures resulting in financial loss in excess of £10,000 |
| Appetite - heat map | Rare 1 - combined score 1 Unlikely 2 - combined score 2 Possible 3 - combined score 3 Likely 4 - combined score 4 Almost certain 5 - combined score 5 | Rare 1 - combined score 2 Unlikely 2 - combined score 4 Possible 3 - combined score 6 Likely 4 - combined score 8 Almost certain 5 - combined score 10 | Rare 1 - combined score 3 Unlikely 2 - combined score 6 Possible 3 - combined score 9 Likely 4 - combined score 12 Almost certain 5 - combined score 15 | Rare 1 - combined score 4 Unlikely 2 - combined score 8 Possible 3 - combined score 12 Likely 4 - combined score 16 Almost certain 5 - combined score 20 |
| Appetite - likelihood rating | Almost Certain - 5 | Possible - 6 | Unlikely - 6 | Rare - 4 |
| Reputation damage | Adverse comments amongst staff no external impact. Stakeholders not aware | Adverse local press/public awareness, low level negative social media comment, stakeholder aware of issue | Extended local press coverage, extensive negative social media, negative coverage in industry press, criticism from stakeholders | Adverse national media coverage / public awareness, intervention by stakeholder |
| Appetite - heat map | Rare 1 - combined score 1 Unlikely 2 - combined score 2 Possible 3 - combined score 3 Likely 4 - combined score 4 Almost certain 5 - combined score 5 | Rare 1 - combined score 2 Unlikely 2 - combined score 4 Possible 3 - combined score 6 Likely 4 - combined score 8 Almost certain 5 - combined score 10 | Rare 1 - combined score 3 Unlikely 2 - combined score 6 Possible 3 - combined score 9 Likely 4 - combined score 12 Almost certain 5 - combined score 15 | Rare 1 - combined score 4 Unlikely 2 - combined score 8 Possible 3 - combined score 12 Likely 4 - combined score 16 Almost certain 5 - combined score 20 |
| Appetite - likelihood rating | Almost Certain - 5 | Likely - 8 | Likely - 12 (see Notes B.2) | Rare - 4 |
| Direct financial loss | Between £0 and £5,000 | Between £5,000 and £20,000 | Between £20,000 and £50,000 | In excess of £50,000 |
| Appetite - likelihood rating: | | | | |
| Appetite - heat map Normal Operations | Rare 1 - combined score 1 Unlikely 2 - combined score 2 Possible 3 - combined score 3 Likely 4 - combined score 4 Almost certain 5 - combined score 5 | Rare 1 - combined score 2 Unlikely 2 - combined score 4 Possible 3 - combined score 6 Likely 4 - combined score 8 Almost certain 5 - combined score 10 | Rare 1 - combined score 3 Unlikely 2 - combined score 6 Possible 3 - combined score 9 Likely 4 - combined score 12 Almost certain 5 - combined score 15 | Rare 1 - combined score 4 Unlikely 2 - combined score 8 Possible 3 - combined score 12 Likely 4 - combined score 16 Almost certain 5 - combined score 20 |
| Normal operations | normal operations Likely - 4 | Possible - 6 | Rare - 3 | Rare - 4 |
| Appetite - heat map Trading | Rare 1 - combined score 1 Unlikely 2 - combined score 2 Possible 3 - combined score 3 Likely 4 - combined score 4 Almost certain 5 - combined score 5 | Rare 1 - combined score 2 Unlikely 2 - combined score 4 Possible 3 - combined score 6 Likely 4 - combined score 8 Almost certain 5 - combined score 10 | Rare 1 - combined score 3 Unlikely 2 - combined score 6 Possible 3 - combined score 9 Likely 4 - combined score 12 Almost certain 5 - combined score 15 | Rare 1 - combined score 4 Unlikely 2 - combined score 8 Possible 3 - combined score 12 Likely 4 - combined score 16 Almost certain 5 - combined score 20 |
| Trading | trading Almost Certain - 5 | Likely - 8 | Possible - 9 | Rare - 4 |
| Customer and public welfare | Minor nuisance or disturbance to small number of people for duration of up to 3 days. No physical injuries. | Persistent nuisance or disturbance to small number of people for in excess of 3 days, or short duration nuisance or disturbance to large number of people, or minor injury to a person requiring minimal or no medical treatment. | Injuries or stress level requiring some medical treatment, of a severity that for an employed person could result in up to 3 workdays lost, or minor injury to multiple people, or significant nuisance or disturbance to a large number of people for 2 to 3 days | Serious injuries or stressful experience requiring medical treatment and of a severity that for an employed person could result in more than 5 workdays lost to one person, or injury requiring medical treatment to multiple people, or life threatening injury, or significant nuisance or disturbance to a large number of for in excess of 3 days |
| Appetite - heat map | Rare 1 - combined score 1 Unlikely 2 - combined score 2 Possible 3 - combined score 3 Likely 4 - combined score 4 Almost certain 5 - combined score 5 | Rare 1 - combined score 2 Unlikely 2 - combined score 4 Possible 3 - combined score 6 Likely 4 - combined score 8 Almost certain 5 - combined score 10 | Rare 1 - combined score 3 Unlikely 2 - combined score 6 Possible 3 - combined score 9 Likely 4 - combined score 12 Almost certain 5 - combined score 15 | Rare 1 - combined score 4 Unlikely 2 - combined score 8 Possible 3 - combined score 12 Likely 4 - combined score 16 Almost certain 5 - combined score 20 |
| Appetite - likelihood rating | Likely - 4 | Possible - 6 | Rare - 3 | Rare - 4 |
| business objective / strategic | Little impact on the organisational strategy or on it achieving objectives | Some impact on organisational strategy or on achieving objectives but this could be resolved within existing resources. | Significant impact on the organisational strategic/critical objectives and would require additional resources to overcome | Would require a significant change in organisational strategy/critical objectives |
| Appetite - heat map | Rare 1 - combined score 1 Unlikely 2 - combined score 2 Possible 3 - combined score 3 Likely 4 - combined score 4 Almost certain 5 - combined score 5 | Rare 1 - combined score 2 Unlikely 2 - combined score 4 Possible 3 - combined score 6 Likely 4 - combined score 8 Almost certain 5 - combined score 10 | Rare 1 - combined score 3 Unlikely 2 - combined score 6 Possible 3 - combined score 9 Likely 4 - combined score 12 Almost certain 5 - combined score 15 | Rare 1 - combined score 4 Unlikely 2 - combined score 8 Possible 3 - combined score 12 Likely 4 - combined score 16 Almost certain 5 - combined score 20 |
| Appetite - likelihood rating | Almost Certain - 5 | Almost Certain - 10 | Likely - 12 | Unlikely - 8 |

B1: The likelihood score reflects that some of the work undertaken by CBH staff, for example in carrying out responsive repairs, visiting construction sites and for Housing Officers meeting a wide variety of clients, has greater level of risk than exclusively office-based work
B2: The appetite likelihood rating recognises that CBH sometimes have to take decisions that will lead to unfavourable press reaction. Past examples of this have been decisions taken about ASB cases.

A2.5 Risk Monitoring and Reporting

- 5.1 Risks can never be eliminated completely, so risk management is used to ensure risks are identified and their consequences understood. Based on this information, action can be taken to ensure appropriate resources are directed at controlling the risk or minimising the effect of the potential loss. Risks may be dealt with in the following ways:
- 5.2
- Tolerating the risk – If the company is unable to do anything to reduce the risk, or it is too costly to mitigate effectively, it may require contingency planning to deal with the risk in case the risk occurs (it may also be possible to insure against this).
 - Terminating the risk – It is not always possible to eliminate a risk but it may be possible to stop the activity giving rise to the risk.
 - Treating the risk – There may be an appropriate way to constrain it to an acceptable level.
 - Taking advantage of the risk to gain a potential benefit – This is done in conjunction with the above actions, as whilst the risk might pose a threat to the organisation, there may be opportunities to be exploited from it.
 - Transferring the risk – Either through insurance or working in partnership with another organisation.
- 5.3 The continual development of risk registers takes place to facilitate opportunities and to reduce duplication between departments in identifying and managing overlapping risks whilst providing opportunities for shared learning across the organisation.
- 5.4 The risk management action plan details actions and targets which will ensure that all opportunities are maximised, the likelihood of risks occurring are minimised and the impact of any consequences are reduced. This plan ensures that the ongoing monitoring and reporting arrangements at all levels are maintained and incorporates risk management into the culture of the organisation.
- 5.5 The risk template below will be used to report, monitor and control each risk:

| | | | | | | | | | | |
|--|---|---|---|--|----------------------------------|---------------------------------------|---------------------------------------|---|---------------------------|--|
| Risk number | | Strategic / Operational / Emerging | | | Delivery Plan: | | | Business Objective: | | |
| Mitigation status / Direction of Travel | Unmitigated (inherent) Probability | Unmitigated (inherent) Impact | Unmitigated (inherent) Risk Rating | Current (residual) Probability | Current (residual) Impact | Current (residual) Risk Rating | Target (residual) Probability | Target (residual) Impact | Target Risk Rating | |
| On Target | Likely 4 | Major 4 | Red 16 | Likely 4 | Serious 3 | Amber 12 | Unlikely 2 | Serious 3 | Green 6 | |
| Risk | | | | | | | | | | |
| Causes | • | | | | Consequences | • | | | | |
| Risk rating justification | [why have we rated the risk as above? Name the risk category] | | | | | | | | | |
| Mitigations / Controls Currently in Place | | | | Additional Planned Mitigating Actions (and owner) | | | Target date /owner for Actions | Target Outcome (ie effect of actions on risk rating) | | |
| • | | | | • | | | | [what will the mitigating actions deliver? Will they deliver the target risk rating?] | | |
| Responsibility: | | Input from: | | Date risk recognised: | | Date risk last reviewed: | | | | |

A2.6 Risk Control and Escalation

- 6.1 High scoring risks are monitored at the Corporate Management Team meetings and decisions on escalation of risks are fed back down. Risks added to the Strategic Risk Register and red and amber Operational risks are monitored by the Finance & Audit Committee.
- 6.2 Risk management needs to be embedded throughout the organisation and each individual needs to understand their role in the process of managing risk.