

London Housing Trust - Risk Management Policy

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1.1.1	Risk can be defined as any event or action that prevents us from maintaining good Performance, from meeting pre-set targets, goals or plan that result in a loss being incurred or in a reduction of service to tenants or service users. Risks can be financial, physical or reputational.	
1.1.2	Risk Management is essentially about identifying and managing key obstacles to the achievement of our Objectives. It is a strategic tool that enables opportunities to be exploited and is in an integral part of effective and efficient management and planning.	

1.2 Policy Statement

- 1.2.1 We face a variety of risks. While risk cannot be eliminated, it can be identified, assessed and responded to. We will seek to minimise risks through a suitable system of controls such that the residual risk after any mitigating actions can be borne without serious permanent damage to our Association.
- 1.2.2 We will insure against those risks deemed relevant to the extent of the sums agreed from time to time by the Board. We will ensure that we hold adequate insurance to meet its legal obligations.

2. PRINCIPLES AND SCOPE OF THE POLICY

- 2.1 We will have a risk management process (see section 3 below) in place that will be reviewed annually by the Audit Committee.
- 2.2 We will have risk framework in place. This will be a single document which will take London Housing Trust's Business Plan, identify the risks and assess their impact. It will also indicate the actions that are in place and that will be put in place to minimise the Impact.
- 2.3 Where practical and desirable, we will insure those risks that are deemed appropriate to insure. We will tender for all insurances annually, except where a long term agreement has been entered into where tendering will be required at least three years. Tendering and procurement of insurance will be carried out in accordance with our tendering and procurement policies in insuring risks the association will always consider cost effectiveness.
- 2.4 All health and safety risks will be dealt with under our Association's Safety management systems.

3. **KEY OPERATIONAL FRAMEWORK**

3.1 Responsibility for dealing with risk

3.1.1 The Board has overall responsible for ensuring the adequacy of the risk management framework and operation of the process. In particular the Board must be aware of and understand key business risks and be aware of any changes occurring to these.

3.1.2 The Audit committee has delegated responsibility for over viewing risk systems, for reporting annually for the Board performance against the risk management strategy and for ensuring that the key risks on the framework are managed and that the agreed risk mitigation measures are monitored and undertaken.

3.1.3 The Audit Committee will provide an annual Risks Management Assurance report to the Board. This will include a review of the full risk framework, key risks identified, the impact of the association and the other action taken to minimise these risks.

3.1.4 The Senior management Team is responsible for:

- Annual setting the risk management process ensuring it is agreed efficiently and effectively.
- Reviewing London Housing Trust's business plan and from that identifying strategic level risks.

As part of regular directorate meetings.

- Disseminating strategic Risk information
- Identifying Operational Risks related to the strategic risks with Department Managers
- Implementing and monitoring Action Plans related to the operational risks, ensuring target timescales are met with aim mitigation the risk impact.

Reporting to the Audit committee.

3.1.5 The Business plan services Manager is the nominated Risk co-ordinator for the Association. This role will be delegated up to the corporate services Director in period of absence. The Risks co-ordinator, or delegated representative, will ensure that staffs is aware of their roles and responsibilities that the Risk register are monitored, review and updated and that the appropriate reporting is carried out.

3.1.6 The Finance Manager will review insured risks and values annually and report to the Corporate services Director before any decision is taken on. Details procedures for this review process are contained within the finance Department Procedure manual. The review will take cognisance of our risk registers and our statutory and other legislative obligation.

- 3.1.7 The Corporate Services Director will effect the insurances and will report to Board on the area insured, the level and cost of such insurances and those risks which are insured but not insured.
- 3.1.8 Departmental managers are responsible for day-to-day risk management and for Identifying, assessing, and reporting strategic and operational-level risks to the risks Co-ordinator and their appropriate Director.
- 3.1.9 All staff is responsible for reporting any new or modified risks they became aware of to their line manager. They also notify their line Manager of any properties, vehicles or other assets that they consider should be insured.

- 3.2.1 The risk framework will be created in the following order:

SECTION	BY
Business Plan Goals	
Strategic Risks & Scoring	
Operational Risks & Scoring	
Action Plan- Current & Future	
Review before submission	
Completion	

- 3.2.2 Strategic-level risks will be created, reviewed and updated on an on-going basis by the Risk Co-ordinator. The formal review will take place every six months.
- 3.2.3 Operational risks will be created, reviewed and updated on on-going basis at regular Directorate meetings. These meetings will generally be attended by Director and Managers, but from time to time may include other staff. The physical updating of the risk framework should be passed to the Risk Co-ordinator.
- 3.2.4 The Risk Co-ordinator will ensure that the Audit Committee receive risk management. Updates at least twice per year.
- 3.2.5 The Audit Committee will report as required (but at least one year) to the Board.
- 3.3 The Association will determine its risk capacity before capacity before the start of Each business year, taking account of:
- An agreed level of financial loss that is acceptable on all identified and new potential risks:
 - An assumed level of the number of potential risks that may materialise at any one time; and
 - The limit of reserves that is available to absorb potential losses of any new projects.