



Strategic Risk Management Register 2021/2022

Quarter 2

KEY


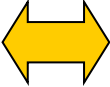
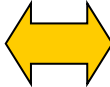
Risk Score Bands



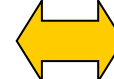


HIGH	Over 75
MED/HIGH	over 50 – 75
MED	over 30 - 50
MED/LOW	15 - 30
LOW	Under 15

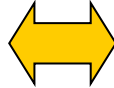
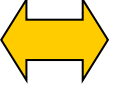
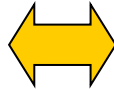

Total Strategic Risks					
25	New/Emerging Risks (1)	Increased Risk (0)	No Movement (22)	Reduced Risk (2)	Deleted Risk (0)


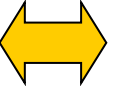
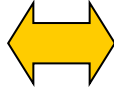

Risk Prioritisation	HIGH	MEDIUM/HIGH	MEDIUM	MEDIUM/LOW	LOW
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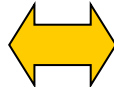



Strategic Risks

No	Hazard – Threat or Danger	Specific Risk	Risk Category / Type	Raw Risk High, Medium/High, Medium, Medium/Low Low	Controls Key Controls used to Mitigate the Risk	Residual Risk High, Medium/High, Medium, Medium/Low Low	Risk Score & Rank (Per Residual Risk Score)	Associated Strategic Objective	Dept / Officer / Responsible	Movement in Period
1.	Development of New Housing	<p>Various Risks</p> <ul style="list-style-type: none"> ➤ Failure to deliver the Associations development aspirations. ➤ “Challenge” from lack of public tender process. ➤ Additional Costs. ➤ Potential Impact on Rent Levels. ➤ Challenge re Tender Process. ➤ Increased SHR scrutiny. 	Development	HIGH	<ul style="list-style-type: none"> ➤ Appointed experienced RSL development partner ➤ Follow RSL development partners tried and tested processes and procedures where appropriate ➤ Engage experienced and reputable contractors (use development partners frameworks etc already in place) ➤ Apply appropriate tendering procedures (use development partners frameworks etc already in place) ➤ Developments which require substantially higher rents than those charged for existing properties will not be approved 	HIGH	100	Strategic Objective 4 <i>To contribute to the supply of high quality, accessible, secure, affordable and sustainable homes where financially viable whilst maximising community benefits.</i>	Chief Executive	
2.	Cyber Security	<ul style="list-style-type: none"> ➤ Vulnerability to system attack 	Corporate Governance	HIGH	<ul style="list-style-type: none"> ➤ Currently shown as High Risk until controls have been listed 	HIGH	100	Strategic Objective 5 <i>To ensure that the Association's work is underpinned by effective financial, administrative, and management processes set within a framework of effective corporate governance</i>	Director of Finance & Corporate Services	
3.	Scottish Housing Associations Pension Scheme (SHAPS)	<ul style="list-style-type: none"> ➤ Impact of proposed changes to financial treatment ➤ September 2018 and 2021 Valuation Results 	Financial Viability	HIGH	<ul style="list-style-type: none"> ➤ Early awareness of how the financial statements are affected by the movement in pension liability and any impact on loan covenants ➤ Agreement with Auditors as to how pensions movements are disclosed in the financial statements ➤ Keep up to date with SHAPS communications with regard to the 2018 and 2021 Valuation and the potential impact on the Association 	HIGH	100	Strategic Objective 5	Director of Finance & Corporate Services	

					<ul style="list-style-type: none"> ➤ Attendance at Employer Forums to inform future participation in the Defined Benefit Scheme. ➤ Committee to be informed of Valuation results and the impact on past service deficit payments and future contribution rates as early as possible in order that consideration can be given to future pension offerings to employees 					
4.	COVID – 19	Various Risk	The Association	HIGH	<ul style="list-style-type: none"> ➤ All Actions 	MED / HIGH	75	All Strategic Objectives	Chief Executive	
5.	Compliance with EESSH	Failure to Achieve EESSH by December 2020	Property Services	HIGH	<ul style="list-style-type: none"> ➤ Deliver programme of works prior to 31st December 2020 ➤ Obtain optimum amount of funding possible; ➤ Consider alternative measures that attract greater funding; ➤ Work jointly with Clackmannanshire Council on their LA Flex Scheme. ➤ Prioritise procurement of work during 2019; ➤ Aim to commence work as soon as feasibly possible 	MED/HIGH	75	Strategic Objective 1	Property Services Manager	
6.	Potential Impact of Brexit	Unknown	Unknown	HIGH	<ul style="list-style-type: none"> ➤ Continue to monitor the situation and take any action as necessary 	MED/HIGH	75	Strategic Objective 5	Chief Executive	
7.	Implications of higher Inflation	Potential to impact on tenant's income, the rent we charge and the Associations costs.	Financial Viability	HIGH	<ul style="list-style-type: none"> ➤ Short medium, long term budgets in place; ➤ Management Accounts reporting ➤ Appropriate insurance & review arrangements, financial control & internal audit procedures in place ➤ Keep up to date with economic forecasts and information and factor into decision making across the Association 	MED/HIGH	75	Strategic Objective 5	Director of Finance & Corporate Services	
8.	Failure to follow approved policies and procedures	<ul style="list-style-type: none"> ➤ Incorrect / inconsistent decision making ➤ Poor morale ➤ Poor tenant satisfaction ➤ Increased regulatory scrutiny 	Corporate Governance	HIGH	<ul style="list-style-type: none"> ➤ Regular staff training on policy and procedures ➤ Departmental service plans ➤ Departmental / team meetings ➤ Individual staff actions monitored by managers ➤ Internal Audit & regular Reviews of Policy & Procedures 	MED/HIGH	75	Strategic Objective 6 <i>To ensure that OVHA recruits and retains sufficiently trained and experienced Committee members and suitably qualified staff and satisfies all health, safety and environmental requirements and legislation.</i>	Chief Executive	

9.	Breaches of Legislation (other than H&S)	<ul style="list-style-type: none"> ➤ Fines, imprisonment ➤ Reputational damage ➤ Increased regulatory scrutiny 	Corporate Governance	HIGH	<ul style="list-style-type: none"> ➤ Appointment of experienced solicitors and advisers ➤ Adhering to advice in decision making ➤ Meeting legal deadlines for submissions 	MED/HIGH	75	Strategic Objective 5	Chief Executive	
10.	Compliance with EESSH2	Failure to Achieve EESSH by 2032 (or interim EPC targets set for 2025)	Property Services	HIGH	<ul style="list-style-type: none"> ➤ Deliver programme of works prior to 2025 and 2032 including installation of EWI or IWI to non-traditional properties in Tullibody. 	MED/HIGH	75	Strategic Objective 1	Property Services Manager	
11.	GDPR	<ul style="list-style-type: none"> ➤ Breach of Regulations ➤ Impact on reputation ➤ Costs associated with any breach 	Corporate Governance	HIGH	<ul style="list-style-type: none"> ➤ Audit of Status quo ➤ Plan of Action ➤ Recommendations actioned ➤ Internal Audit ➤ Further improvements recommended ➤ Action taken ➤ New policies and procedures introduced ➤ Actions completed 	MED/ HIGH	75	Strategic Objective 5	Director of Finance & Corporate Services	
12.	Chief Executive Absence	<ul style="list-style-type: none"> ➤ Loss of knowledge/exp experience ➤ Increased regulatory scrutiny ➤ Staff shortage/difficulty in covering responsibilities ➤ Cost implications 	Corporate Governance	HIGH	<ul style="list-style-type: none"> ➤ Temporary appointment internally ➤ Reallocation of tasks within Finance and Corporate Services ➤ Regular review of situation will be undertaken ➤ SMT meeting weekly to ensure business continuity 	MED/HIGH	75	Strategic Objective 6	Acting Chief Executive	
13.	Implications of Welfare Reform	High / Increasing Rent Arrears /Bad Debts	Financial Viability	HIGH	<ul style="list-style-type: none"> ➤ Regular liaison and meetings with local authority. ➤ Encouraging tenants to set up direct transfer of HB amount to the Association to ensure rent account remains in credit / not in debit. ➤ Monitor housing press for information on forthcoming HB changes ➤ "Stress test" financial projections for sensitivity to increased arrears arising from HB changes ➤ Lobby representative bodies ➤ Arrears Policy & Procedures in place ➤ Ensure staff understand the importance of rent to the Associations financial position ➤ Robust monitoring regime to be in a position to respond quickly to developing situation ➤ Quarterly management report to Committee highlights current position 	MED	48	Strategic Objective 2 <i>To provide a comprehensive and responsive customer service to tenants, sharing and factored owners which supports sustainable tenancies and delivers customer satisfaction</i>	Housing Services Manager	

					<ul style="list-style-type: none"> against previous period and previous year to determine trend ➤ Benchmarking with peers to monitor trends ➤ Good external relations with LA, CAB etc in assisting tenants to obtain debt advise ➤ In house tenancy sustainment service introduced 					
14.	Increased number of void properties	Loss of Rental income	Housing Management	HIGH	<ul style="list-style-type: none"> ➤ Quarterly management reports to Committee ➤ Benchmarking with peers ➤ Inter departmental liaison on tenancy terminations / allocations etc ➤ Apply strict timetable for void repairs from contractors <p style="margin-left: 20px;">Minimise the impact of statutory agency involvement in the process.</p>	MED	48	<u>Strategic Objectives 1 & 2</u>	Housing Services Manager / Property Services Manager	
15.	Failure to adhere to Health & Safety Legislation or Regulations Gas Servicing	Reputational Damage Increased Regulatory Engagement	Health & Safety/ Reputational	HIGH	<ul style="list-style-type: none"> ➤ Appointment of Specialist Gas Maintenance Contractor ➤ Ensure a programme is established to ensure that all servicing takes place within 12 months ➤ Detailed internal procedures and controls <p>Continue to record any non-compliance due to Covid 19 as such</p>	MED	48	<u>Strategic Objective 6</u>	Chief Executive	
16.	Reactive Maintenance Service	Associated with sole contractor ➤ Quality ➤ Contractor Insolvency ➤ Tenant Satisfaction	Property Services Governance	HIGH	<ul style="list-style-type: none"> ➤ Apply our repairs pre and post inspection process. ➤ Contractor paid through regular invoices under our normal financial procedures. ➤ Monthly progress meetings will be used to monitor performance. ➤ All tenants will be notified of the change in service provision ahead of any change. ➤ Customer Satisfaction exercises will be undertaken more frequently ➤ Action to be taken to ensure improved performance is maintained. 	MED	48	<u>Strategic Objective 1</u> <i>To invest in its existing housing stock to ensure that the Association provides the highest standard of accommodation possible</i>	Property Services Manager / Chief Executive	
17	Failure to adhere to Health & Safety Legislation or Regulations Eg Fire and Smoke Alarm Regulations 2019	Financial Cost of fines Reputational Damage	Health & Safety/ Reputational	HIGH	<ul style="list-style-type: none"> ➤ Appointment of H&S Adviser, 6 monthly review of H&S Manual ➤ Appoint CDM Coordinator on all appropriate contracts and engage competent contractors ➤ Maintain training on landlord's requirements; strict monitoring of process for gaining access 	MED	48	<u>Strategic Objective 6</u>	Chief Executive	

					<ul style="list-style-type: none"> ➤ Regular checks of office fire extinguishers and equipment ➤ Risk assessments in place and monitored regularly ➤ Ensure a programme is established to ensure that all installations are completed by the deadline date of March 2021 					
18	Unsatisfactory Customer Satisfaction Performance	Reputational Increased Scrutiny from SHR eg service engagement plan	Housing Services Property Services	HIGH	<ul style="list-style-type: none"> ➤ Tenant opinion to be at the forefront of all decisions 	MED	48	Strategic Objectives 1 & 2	Housing Services Manager / Property Services Manager	
19	Construction Cost inflation	Prohibitive price resulting in Planned Maintenance programme delays	Finance / Property Services	HIGH	<ul style="list-style-type: none"> ➤ Monitor Tender Prices closely 	MED	48	Strategic Objectives 1 & 5	Director of Finance & Corporate Services / Property Services Manager	
20	Insufficient Staff Resources (to undertake the range of services expected)	<ul style="list-style-type: none"> ➤ Being able to deliver the necessary services to tenants 	Service Delivery	HIGH	<ul style="list-style-type: none"> ➤ Review staff structure against the range of services expected ➤ Ensure successful implementation of revised Staff Structure and operational priorities ➤ Commence recruitment of Tenant Engagement & Communication Officer 	MED/LOW	27	Strategic Objective 6	Chief Executive	
21	Tenants views not taken into account by the Association	<p>Poor tenant / landlord relationship</p> <p>Services introduced not being taken up by tenants leading to a waste of resources</p> <p>Deteriorating tenant satisfaction and reputation as a landlord</p> <ul style="list-style-type: none"> ➤ Regulatory / performance standard compliance issue 	Housing Services Property Services	HIGH	<ul style="list-style-type: none"> ➤ Ensure good communication with tenants ➤ Newsletter Report /discussion with key respondents spells out the views expressed and reasons for any non-compliance. ➤ Consultation notified to tenants in all key media. ➤ Disclose in Newsletter importance of service users providing feedback. ➤ Additional reminders to be sent to tenants to comment on annual rent proposals 	MED/LOW	27	Strategic Objective 3 To actively promote and support resident engagement in the management, maintenance and development of their homes	Housing Services Manager / Property Services Manager	

22	Residents expectations of tenant participation are not able to be met	High expectations – poor output leads to reduced participation. ➤ Poor participation may lead to introduction of unwanted services etc	Housing Services Property Services	HIGH	<ul style="list-style-type: none"> ➤ Accurately communicate expectations and influence of resident's groups. ➤ Clearly communicate what the landlord can take into account and what it can't. 	MED/LOW	27	Strategic Objective 3	Housing Services Manager / Property Services Manager	
23	Inaccurate property information	Inability to properly plan, monitor and control the finances of the Association due to inaccurate property maintenance information	Property Management Financial Management	HIGH	<ul style="list-style-type: none"> ➤ Experienced and qualified finance staff ➤ External Audit ➤ Internal Audit ➤ Reporting to Committee ➤ Reporting to Regulator ➤ Reporting to Lenders ➤ Regular review of long term financial projections. ➤ Accurate Planned maintenance information ➤ Introduction of new Property Management Software 	MED/LOW	27	Strategic Objective 1	Property Services Manager	
24	Inadequate IT System – remote server	<ul style="list-style-type: none"> ➤ Inefficient working practices ➤ Increased costs to the Association ➤ Disruption to service deliver ➤ Vulnerability to system attack 	All areas	HIGH	<ul style="list-style-type: none"> ➤ Remote capability in place to support remote working ➤ Upgrade to support all staff 	LOW	12	Strategic Objective 5	Director of Finance & Corporate Services (General)	
25	Material financial loss to the Association	Financial viability	Financial Management	HIGH	<ul style="list-style-type: none"> ➤ Short medium, long term budgets in place; ➤ Management Accounts reporting ➤ Appropriate insurance & review arrangements, financial control & internal audit procedures in place ➤ Ensure quarterly management reports are submitted to MC ➤ Maximising the number of properties unsecured to allow additional borrowing if required ➤ Ensure suitable insurances are in place to cover the most likely events which may otherwise cause a material financial loss 	LOW	12	Strategic Objective 5	Director of Finance & Corporate Services	
26	Lack of Committee skills	Poor decision making Increased regulatory scrutiny	Corporate Governance	HIGH	<ul style="list-style-type: none"> ➤ Implement Committee Training Needs Analysis and Plan. ➤ Committee Induction and support ➤ Committee training programme 	LOW	12	Strategic Objective 6	Chief Executive	

					▶ H&S Awareness Training for HSE Committee					
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Anne Smith
Acting Chief Executive
18th October 2022