Risk Management Strategy

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Executive Summary

Risk Management

Risk management for Ardenglen is all about managing our threats and opportunities, and creating an environment of '*No Surprises*.'

By managing our threats effectively we will be in a stronger position to deliver our business objectives. By managing our opportunities well we will be in a better position to provide improved services and better value for money.

What Threats?

Threats to us being successful in our business. Interpreted in its broadest sense, this means more than meeting our internal or external targets each year. The policies we develop and implement, for example, give us a responsibility to our stakeholders and in particular our tenants. A key element of a successful relationship with them means that we must be seen to manage our risks competently and communicate risk information effectively, especially in areas of uncertainty, where speculation often leads to misunderstanding and misinterpretation.

What is Risk?

In this strategy '*risk*' is defined as something happening that may have an impact on the achievement of our objectives. It includes risk as an opportunity as well as a threat – for example our involvement in the Mountain Bike and Activity Centre will involve an initial financial investment to deliver job, training and alternative income opportunities.

When our management of risk goes well it often remains unnoticed. When it fails, however, the consequences can be significant and high profile. We all want to avoid this – hence the need for effective risk management

Strategic Planning

A risk management strategy is an essential element of strategic planning. Ardenglen needs to have clear long-term goals and needs to know how it plans to achieve them. A strategic plan covering the whole of the Association's activities is part of this process and the risk management strategy should be seen as sitting under this broader umbrella.

This risk management strategy describes the processes that we will put in place and link together to identify, assess, address and review and report on our risks, and describes the principles that will underpin our approach.

Conclusion

This strategy outlines how the Board wishes to manage risk. It describes the four important elements – how we will identify, assess, address and review and report on our risks. It also clarifies the various roles and responsibilities. The Board is committed to embedding the principles of effective risk management in the culture of Ardenglen. This needs to be a living process, not a "tick-box" exercise. Doing it effectively, across the whole organisation, will take time; the launch of this strategy is an important step along this road.

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Aims, Principles and Implementation

Aims

We aim to be a lead Housing Association in risk management and the innovative management of threats. We want to be an example of good practice, and to have respect from our stakeholders for our ability in this area, striking a balance between risk and opportunity. We will therefore require that our strategy is kept up-to-date with current good practice.
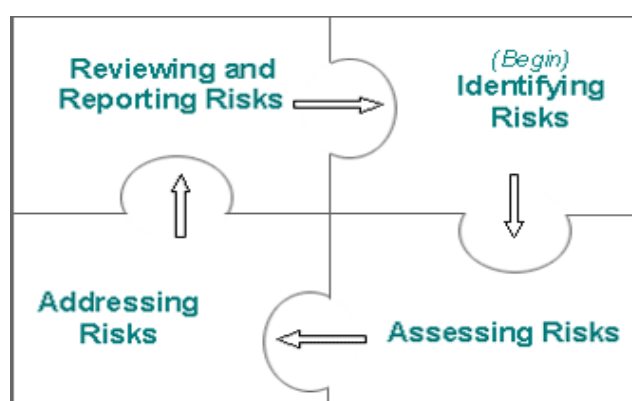
This strategy outlines how we will deliver our aim. The four linked elements of the strategy – identifying, assessing, addressing and reviewing and reporting on our risks – are illustrated in the figure below and described in subsequent sections.

Principals

Transparent, co-ordinated, publicly credible and *effective* - these are the four key principles that will underpin our strategy. As we implement the strategy we will seek to embed these in the culture of the Ardenglen. This is a long-term goal, to be achieved over the next three years, which will only succeed as we embrace new working practices and attitudes. Managers need to view risk management as an integral part of their job and the Board must keep the top risks faced by Ardenglen under regular strategic review.

Risk management will only become standard practice if there is a better understanding of what it involves and the benefits it can help to secure in terms of achieving our objectives. We need to develop a proactive stance to risk management, which ensures that less time is spent reacting to situations and more time is spent taking advantage of opportunities. As we embed the principles of good risk management, this will also help staff, Board and stakeholders to further embrace Ardenglen's values.

Figure 1: The Four Elements of Risk Management in Ardenglen

Transparent

We will be *open* in our approach to managing risks and will not attribute blame. Staff, tenants, outside organisations and members of the public should expect to have access to information on our current risks and how we are managing them - the risk information we provide should help managers and individuals to take appropriate actions themselves. We will *consult* regularly with relevant departments and external stakeholders, both on our strategy and the way that we are addressing particular risks.

Co-ordinated

We will be *consistent* in how we assess and manage our risks throughout the organisation. We will identify *cross-cutting* risks, placing the emphasis on supporting Departmental objectives rather than Departmental structures, and risk owners will be empowered to manage risks across internal boundaries. We will work closely with our partners to share best practice and learn.

Publicly credible

We will seek to gain public trust by following and communicating a *precautionary* approach - we will not always wait until we have proof of a potential threat and its impact before taking action or issuing advice. We will take *proportionate* actions when addressing risk - the cost and time of our efforts should be in balance with the potential impact of the risk, both in the short and the long term

Effective

We will have a *robust* approach to risk management - aiming to identify, assess, address and review and report on risk in a way that can stand audit scrutiny, building on best practice and protecting the interests of our stakeholders. We will be *accountable* - we will lay our processes and data open to review by the Scottish Housing Regulator (SHR) and our Internal Auditor and will respond to the improvements they suggest. We will invite other forms of external review as appropriate (such as Investors in People). We will encourage appropriate risk-taking, with a view to fostering an *innovative* approach to policy making and service delivery

These principles and the four main elements of our risk management strategy are summarised in Appendix 1.

Implementation

We will prepare an implementation plan that sets out how we will take the strategy forward. This will enable us to set measurable targets and report on our progress

We have developed an intercative Risk Tool on Ardenglen's data base where we will maintain current and detailed guidance on risk management and will contain our risk register data, and point to other sources of information, both internal and external

We will develop Ardenglen's website so that stakeholders and members of the public can obtain information on our approach to risks and any current risk-related issues.

We will conduct appropriate training to promote the awareness of risk throughout the Association, including those joining the organisation.

We will do further work to provide good practice guidance for staff in three important areas:

- for policy makers, on dealing with risk-related issues in policy development, including the area of options appraisal;

- for those involved in communicating risk-related information, particularly where the interpretation of the data is unclear and to an external audience; and,

- for those involved in presenting advice on risk to our Board

Identifying Risks

The Approach to Risk

Our approach to risk management will be objective-driven. Ardenglen's aims and objectives have been agreed at Board level, following a public consultation exercise (see below). These should now drive the critical aspects of Ardenglen's activities - for example, how we plan our business and allocate resources, how we create and revise our policies and how we measure and review our performance

Risk management is not just for the headline-grabbing incidents we can all think of – flooding, fire or a pollution scare. It can be beneficial when used right across our business – for example, when trying to reduce voids or vandalism or considering a change in the allocation system. As each of these contributes in its own way to Ardenglen's objectives, we need to identify the main things that can cause problems in all areas of the Association's activities

The high-level organisational objectives will be supported by lower level strategic plan and internal management plan objectives. Individuals will therefore identify threats to the objectives in their own work areas first and then consider the potential impact on the organisational objectives. Where staff do not directly link into any one of the organisational objectives, but who play an underpinning role, we must equally plan against disruption to any of their services

Our Mission Statement

'To invest in your home and our community and deliver what matters most to customers"

Our Operational Objectives

Everything we do flows from our purpose. Our focus and everybody's efforts are on delivering high quality services and the regeneration of our community.
Our Purpose is delivered by the following Goals:

- **Doing what matters most to customer**
- **Investing in homes and our community**
- **Making us stronger for the future**

Clarity of information on key objectives is the first critical component in risk identification; the second is information on relevant threats.

What is Risk?

A *risk* is something, which may have an impact on the achievement of our objectives. It may come from outside the Association (for example, as a result of legislative change) or inside (for example, as a result of initiative overload). It may include *information risks*, when the

information used to support our business or policy decisions is incomplete, out-of-date, inaccurate or irrelevant, or risks from those areas of the Ardenglen's work that are on the boundaries of common practice where the exact nature of the threat and the impact it could have are not yet fully understood

Risks will be assessed in terms of how likely they are and the magnitude of the consequences if they were to occur. When a risk has been realised it may be referred to as an '*issue*'; this is an event that has occurred and is causing the business damage now. The modern view of business risk, and one that we want to encourage, views many risks as opportunities to be embraced, not just threats to be avoided

Table 2 outlines the main types of risk that we are likely to encounter, though the list is not intended to be exhaustive. It provides a starting point for those seeking to identify potential risks in their areas of work.

Table 2: The Main Types of Risk

Strategic Risk	*Related to the delivery of our Mission and Operational Objectives*
Financial Risk	*Related to economic impact (costs, revenues, budgets, fraud)*
Regulatory Risk	*Related to legal, contractual and SHR obligations and Political legislative impacts*
Management Risk	*Related to decision making, policies, allocation of resources*
Reputation risk	*Related to any loss in public confidence with the Ardenglen brand*

This will help us not to overly focus on the short-term or what is close at hand. We need to be better at identifying longer-term risks or risks that are currently 'over the horizon'. We need to be alive to the general type of external or foresight risk which could affect much of the Association's business, for example:

- *world-wide events: for example, economic shocks, terrorist attacks, political and social upheaval, environmental disasters and the failure of multilateral negotiations;*

- *rising public expectations that Housing Association services should meet the standards of the best of the private sector, and an increasingly litigious and compensation-driven response to perceived failures in the provision of Housing*

> *Association services;*

- *changing public attitudes towards the Association's policies;*

- *the expansion of electronic services, transforming the way we work and the way we serve the community;*

- *the impact of the Human Rights Act (which may result in more litigation) and the Freedom of Information Act (which will require existing systems to be compliant);*

- *the impact of new scientific knowledge and developing technology; and,*

- *the increasing emphasis on enforcement of EU legislation, and the unpredictability of new EU legislation (particularly on the environment) arising from qualified majority voting and the expanded use of the co-decision procedure.*

The successful delivery of our objectives often depends on our strategic partners (such as Glasgow City Council or our maintenance contractors) implementing our policies on the ground. We must, therefore, look beyond the boundary of the Association to identify risks to our objectives from these sources and recognise that good risk management requires good stakeholder involvement

We will support our identification of risks through good systems for gathering intelligence. We will make our approach to risk management flexible enough to accommodate new and previously unforeseen risk. Good intelligence will pay dividends, both in the way that we identify new risks and in terms of how we update our information on existing risks and respond to changing circumstances (by, for example, being more aware of when our contingency plans have become outdated). Two key organisational activities will help us here, horizon-scanning and surveillance

By *horizon scanning* we will seek to identify new issues that may pose future risks to our objectives, or that may provide a new means to meet our objectives. These issues will not necessarily relate directly to current policy areas. The Association's Horizon Scanning research programme will develop the evidence base for these new issues. We will question current policy approaches and assumptions, and look for any weaknesses. We will analyse data in new ways, and offer a route for commissioning work on subjects which are not yet seen as policy priorities. We will draw in and engage with a broad range of points of view, including novel and challenging sources of scientific and policy thinking, in an effort to identify the key issues for the future.

By *surveillance* we will seek to identify important changes, such as the reduced demand for social rented housing in Glasgow. Other agencies such as the SFHA are already involved in such surveillance work and we will look to keep updated and use our expertise in surveillance to detect threats at an early stage.

Once risks have been identified, we will capture essential information about them in the form of a *risk map register* (see Appendix 2). This is a key building block of our strategy. Ardenglen will maintain a central register of its important risks, built up from information provided from each department and external agencies. This should be a living process, not a tick-box approach, and must not become bureaucratic. Once basic information on each risk is collected, the Board will only require to be notified of key changes since the last update

We recognise that the identification of risks is an ongoing task. Everyone has a part to play - it is not the sole domain of managers or the senior management team. We believe that a culture that systematically identifies risks should be well placed to assess and address its risks. It should also be well-placed to identify opportunities, and we plan to be in this position - bringing improved performance through the calculated taking of opportunities.

Assessing Risks

Internal and External Factors

Our goal is to be effective risk managers. To do this we will need to be good at assessing those risks that we have identified. This is a difficult area and one which calls for a consistent approach

To assess risks adequately we will identify the *consequences* of a risk materialising and give each risk a score or *risk rating*. In coming to our assessment and in making subsequent decisions, we will consider the use of a range of available risk management tools and techniques, to help us appraise the various options. We want policy makers, for example, to view risk management as the third leg of the cost-benefit approach. When passing policy options to the Board, information on the risks associated with each option needs to be available so that fully-informed decisions can be made

Whoever identifies the risk should carry their involvement through to the assessment stage. The initial assessment will then be refined with the help of colleagues and managers and a risk owner will be identified who will be responsible for reviewing and accepting the assessment that will then feed into the risk register.

Consequences

Given the types of risk that Ardenglen will encounter, we will group the consequences of those risks into one or more of the following categories

- *strategic* (e.g. affecting our ability to meet our objectives or values);

- *financial* (e.g. a sudden increase in interest rates);

- *regulatory* (e.g. not meeting our SHR requirements or a legal claim);

- *management* (e.g. failure in decision making);

- *reputational* (e.g. loss of public confidence in the Association).

Using these categories will allow us to group similar risks and to begin the process of identifying potential cross-cutting risks. We will also use this as an aid to identifying appropriate risk owners.

Risk Rating

We need to have some means of comparing our risks so that we can concentrate our efforts on addressing those that are most important. We will use the standard approach of giving each risk a relative score, depending on a combination of its likelihood and its impact.

Measure of Likelihood

Level	Likelihood?	Description	How Often?
A	Almost Certain	Will Occur in most circumstances	More than 1 per year
B	Likely	Probably Occur in most circumstances	1 in 1-3 Years
C	Possible	Might Occur at some time	1 in 3-5 Years
D	Unlikely	Could Occur at some time	1 in 5-10 Years
E	Rare	May Occur in exceptional circumstances	1 in 10 Years

Assigning the best estimate of likelihood can be a simple or a complex question. For example, detailed historical records of flooding can help us to assess the likelihood of future flooding. On the other hand, where little or no previous data exists, it will be necessary to assign a likelihood – for example, that a contractor on an important project will become bankrupt

As we are trying to predict and describe future events, we recognise that there will be a degree of uncertainty in our assessments – they will involve judgement as well as measurement, and the precise value will not be known exactly in advance. (See paragraphs 5.12 to 5.14 for dealing with uncertainty (either in terms of impact or likelihood) and the use of the precautionary principle

Measure of Impact

Level	Description	Financial Example
1	Insignificant	Nil – Negligible
2	Minor	Under £50k
3	Moderate	Between £50k - £250k
4	Major	Between £250k - £1m
5	Catastrophic	Above £1m

The more significant the impact and profile of the risk, the greater its interest to the Board.

In assessing the impact, we should take into account the potential *spatial scale* of the consequences (for example, a house fire could be wide-ranging if it has a significant impact on the safety of adjoining properties) and the *temporal scale* of the consequences (for example, a major anti social incident could produce harmful letting and demand impacts that extend far into the future). We should also clearly describe those situations where the impact is irreversible. In each case, we will relate the potential impact back to the Association's objectives

When assessing the potential financial impact of a risk, we will consider both the value at risk and the potential cost of rectification, to enable us to manage resources appropriately and focus on those risks with a potentially high impact.

We will consult our stakeholders. In doing so we will need to become more aware of the values that they bring to their assessment of risks. This will provide a valuable opportunity for testing the assumptions in our assessments

Risk Matrix

	Insignificant	Moderate	Major	Catastrophic
Likelihood	**1**	**2**	**3**	**4**
A	H	E	E	E
B	M	H	E	E
C	L	H	E	E
D	L	M	H	E
E	L	M	H	H

Our Risk Matrix is used to collate the Measures of Likelihood and Impact into a graphic format to allow a "traffic light" approach to Risk Assessment.

This will then link into our balanced scorecard i8n terms of reporting to the Board.

'Bottom Up' and 'Top Down' Approach

We will adopt a bottom-up and top-down approach. From the bottom, risks will be identified and assessed where they occur (by any member of staff) and will then be captured in the risk registers. The more important ones will be passed into the centre to be recorded on the organisational risk register. The collation of this information will allow common themes to emerge but will not in itself identify the top risks to the Association.

The *senior management team* will take a strategic view of its risks. The value that they will add will be in assessing the top risks against the high-level objectives and priorities of the Association. They will be responsible for identifying the '*Top Ten*' risks - those that contain the greatest threat to the Association's objectives, and which need their regular strategic management input. They will also be responsible for reporting to this information to the Board.

Addressing Risks

The Four 'Ts'

When responding to a risk, our goal will be to ensure that it does not develop into an issue, where the potential threat is realised. To do this we will build on HM Treasury's guidance in their 'Orange Book'. Having properly identified and assessed our risks, we will select one of the following general approaches ('The Four Ts'):

- *Transfer the risk*: this might be done through such things as conventional insurance or by asking a third party to take on the risk in another way. Contracting out some of our services, for example, transfers some, but not all, of our risks (and often introduces a new set of risks to be managed);

- *Tolerate the risk*: our ability to take effective action against some risks may be limited, or the cost of taking action may be disproportionate to the potential benefit gained. In this instance, the only management action required is to 'watch' the risk to ensure that its likelihood or impact does not change. If new management options arise, it may become appropriate to treat this risk in the future;

- *Treat the risk*: by far the greater number of risks will be in this category. The purpose of treatment is not necessarily to terminate the risk but, more likely, to set in train a planned series of mitigation actions to contain the risk to an acceptable level; and,

- *Terminate the risk*: this is a variation of the 'treat' approach, and involves quick and decisive action to eliminate a risk altogether. For example, the health or environmental impacts of using a particular product may be such that the appropriate action is for the Association to ban its use. The introduction of new technology may also remove certain existing risks, though it will often result in a new set to be addressed.

In addressing risks, we will seek to adopt a proportionate response – reducing risks to 'As Low a level as is Reasonably Practicable' in the particular circumstances (the ALARP approach). In deciding on the preferred course of action, we will consider the use of a range of available risk management tools and techniques, including options appraisal.

In completing the risk register, our risk owners will describe existing and additional activities to address the risk as well as outlining what action should be taken if the risk becomes an issue (i.e. contingency planning).

Countermeasures

Most of the Association's risks already experience some form of management that is seeking to contain them at an acceptable level. The risk register will draw these actions together into a co-ordinated package and allow others to review the adequacy of existing controls, given the stated likelihood, impact and consequences

The risk of development contractor insolvency, for example, is currently addressed by three main countermeasures: (i) independent financial health checks, (ii) performance bonds and, (iii) rigorous contract control measures

We will identify additional actions that could be taken, either to introduce if the existing countermeasures show early signs of not being fully effective or to allow new, more effective actions to be taken.

Contingencies

We recognise that any risk could suddenly be realised, and become a critical issue, even those that we have assessed as having relatively low likelihood's. Our assessments could be wrong, circumstances might change before we have time to respond or external events, such as interest rate rises, could alter our view of situations and the nature of the risk. We will consider in advance what action to take if a risk develops or a crisis occurs. These are our contingencies, and they are essential to creating an environment of 'No Surprises.'

There are particular organisational procedures for dealing with emergencies. The details of these are outside the scope of this risk management strategy, though the risks of particular emergencies occurring and the need for countermeasures and contingencies will be captured by the individual risk registers

We will have contingency plans for all risks which have been assessed as having a potentially High impact, irrespective of the potential likelihood, and our plans will be rehearsed. The risk of finding asbestos in our properties is a recent example of a transparent approach to contingency planning – this was prepared even though there is currently no evidence that asbestos is present in any of our properties and has involved a high-profile consultation exercise with our tenants and stakeholders.

We will prepare *business continuity plans* to help keep the business running during times of change or disruption. These will usually be for relatively isolated events, such as office moves or organisational change and will be the responsibility of the manager of the relevant business area affected

We will prepare *disaster recovery plans* for serious events such as a major office fire. These will show how we will cope with major disruption to our services and how we will deal with the major welfare and communications problems that these events will cause.

Dealing with Uncertainty – the Precautionary Principle

Many of our risks are in new and developing areas and our knowledge of their potential likelihood and impact is sometimes limited. In such cases we will implement a precautionary approach where appropriate

Application of the principle should lead to action that is proportionate to the required level of protection. It should also be consistent with other forms of action and be targeted to the risk.

Reviewing and Reporting Risk

Review and Reporting Arrangements

Appropriate and effective review and reporting arrangements will reinforce and support our risk management activities. This is the fourth piece of the jigsaw and will allow up-to-date and accurate performance information to be passed to risk owners and senior managers along with information on other performance measures

Risk management is a dynamic process – new risks will be identified, some will be terminated, contingency plans and countermeasures will need to be updated in response to changing internal and external events, and our assessment of likelihood and impact will also need to be reviewed, particularly in the light of our own management actions.

At the top the Board will keep the main risks under regular strategic review. High-level information on risk will be integrated with other key business performance data and presented via the balanced scorecard approach. Information on the 'Top Ten' will be presented in 'traffic light' format, together with summary information on the distribution of Extreme (red light), High (amber) and Medium (green) Low (blue) risks across the Department. This data will be built up from information from senior managers and Agencies and will be collated by the Risk Co-ordinator.

What is our performance data telling us?

We need evidence that our management interventions are having the desired outcome on our risks. The risk register is one of the basic building blocks of our strategy. We will develop a baseline risk register for the Association and monitor progress against this. Departments will review their local registers regularly and report significant change. We will assess this updating process in a number of ways, for example:

- how regularly is it happening in each Department?

- what level of input is the Chief Executive having to this review?

- how static is the register? Do the changes appear cosmetic and presentational or are they substantial, involving the identification of new countermeasures or additional actions? Are the additional actions being tackled?

- is there an audit trail outlining the actions that have been taken and indicating their relative success?

- is the Organisational register being made available to staff and are they amending and refining their individual registers in the light of risks and actions in related Departments?

- what is the turnover in terms of new risks being identified and existing risks being terminated? What is the general trend in the rating of the risks that have been registered? Is the number of High and H-star risks decreasing?

Similar questions will be asked of the management of our 'Top Ten'. How static are they? Is there a trend towards a decrease in their ratings?

All of this information along with the existing core data will feed into the quarterly reviews of business performance that are presented to the Board. It will also form the core of risk information that will feed into future strategic plans and review exercises.

Sharing Good Practice

We will attempt to instigate a Risk Forum within the Castlemilk Community Ownership Forum (CCOF). This will provide the opportunity for risk practitioners to discuss the implementation of new ideas, the handling of particular aspects of risk management and will offer a co-ordinated opportunity to review the lessons learnt from recent incidents or crises – and the Forum should, therefore, act as one of the main vehicles for disseminating good practice across CCOF members.

Towards an embedded Risk Management Culture

The National Audit Office paper, *Supporting Innovation: Managing Risks in Government Departments*, includes a series of detailed questions to be asked which test how far an organisation has progressed down the road of embedding risk management in its culture. For Ardenglen these are grouped under the following six key headings:

- Do senior staff and the Board support and promote risk management?

- Does the Ardenglen culture support well thought through risk taking and innovation?

- Are risk management policies and the benefits of effective risk management clearly communicated to all staff?

- Is risk management fully embedded in Ardenglen's management processes?

- Is risk management closely linked to the achievement of objectives?

- Are the risks associated with working with other organisations assessed and managed?

We will use these questions as the basis of an internal survey to assess our performance in embedding risk management, and this will be done approximately one year after the commencement of a new risk management annual cycle (i.e. around April 2004). And we will use our implementation plan and these review and reporting arrangements to shift the culture of the Department more towards one of '*No Surprises*' in the coming years

Appendix 1 : Risk 'One Pager'

Transparent, Co-ordinated, Publicly Credible and Effective			
Identify your risks	**Assess your risks**	**Address your risks**	**Review and report on your risks**
• **Objective-driven**: relate risks to the impact they will have on Ardenglen's objectives. • **Risk**: something that may have an impact on the achievement of objectives. It includes risk as an opportunity as well as a threat. • **Risk types**: strategic, financial, regulatory, management, reputation. • **Gathering intelligence**: through horizon scanning , surveillance	• **Likelihood**: Rare, Unlikely, Possible, Likely, Certain • **Impact**: Insignificant, Minor, Moderate, Major, Catastrophic • **Risk rating**: the classification of each risk, based on its likelihood and potential impact. • **Uncertainty**: some risks will have an uncertain impact and likelihood. Seek help with these and remember the Association's commitment to the precautionary principle and its desire to be transparent.	• **Transfer**: passing the risk on to someone else, usually outside the Association. Insurance for example. • **Tolerate**: watch the risk to ensure that its likelihood or impact do not change. • **Treat**: plan a series of mitigation actions to bring the risk down to an acceptable level. • **Terminate**: take quick, decisive action to remove the risk. • **Countermeasures**: the current measures you have in place to contain a risk at an acceptable level or to reduce the threat. • **Contingency**: an action or arrangement that can be put in place to minimise the impact of a risk when it has gone wrong.	• **Risk Map**: baseline data to be prepared and monitored regularly. These should clearly indicate consequence countermeasures and contingencies, as well as the risk owner. • **'Top Ten'**: the key threats to the delivery of the Association's objectives; kept under regular strategic review by the Board. • **Risk Forum**: meeting to discuss and share new ideas and best practice. • **Embedding**: changing working practices to ensure good risk management is evident and sustained throughout Ardenglen.
Know your Role and Responsibility			

Appendix 2 : Roles and Responsibilities

Introduction

There needs to be clarity in terms of 'who does what' otherwise we will be exposed to risks being unmanaged, causing us damage or loss that we could otherwise influence, control or avoid.

Everyone

We all have a part to play. We may not all be involved in addressing and reviewing and reporting on risks, but we can all be involved in identifying and assessing risks. If you know of a risk in your area of work that is not already recognised and recorded, you need to share this new information with your manager. The general approach should be '*No risk is too small.*' Once discussed, there may be no need to record the risk or take any additional action – you may be the best person to manage the risk as it is. If it is important, then the general rule of *escalation* will apply – if it cannot be managed satisfactorily at your level, it needs to be passed up to the next level of management to be owned and addressed.

Risk Owners

Each risk that is identified in the risk register will have a corresponding risk owner. Ownership must sit at the appropriate level, with the person who can take effective action (for example by being able to switch resources to tackle a risk or give agreement not to deliver other work of lower priority). If a risk owner finds that they cannot take such action, then the risk needs to be escalated to the next level.

The owner is responsible for ensuring the quality of data recorded about the risk in the register. They will oversee the countermeasures that are in place and will review the proposed contingencies and develop additional actions as required. Where there is a different individual nominated as the day-to-day manager of the risk, the risk owner will provide appropriate oversight.

Risk Managers

The risk manager is the individual with day-to-day responsibility for implementing the countermeasures and monitoring their impact on the risk and reporting on their effectiveness to the risk owner and others. They are responsible for providing early warning of the current measures becoming ineffective.

All Managers

All managers have a general responsibility to ensure that their staff are familiar with the latest risk management guidance. Any of their staff who have particular risk management responsibilities should have these reflected in their work objectives.

Board

The Board is corporately responsible for owning the Association's risk management strategy and implementing the approach to managing risk and strategically reviewing the Association's top risks. The 'Top Ten' should be agreed, owned and addressed by Board members. In this way they will provide great impetus to embedding risk management in the culture of the organisation, particularly amongst senior managers.
In fulfilling this task, the Board will need accurate and up-to-date information on new risks and on performance in managing existing risks, supplied by Risk Owners and the Association's Risk Co-ordinator.

Audit & Risk Sub Committee

This sub-committee of the Board is responsible for reviewing and agreeing the processes for managing risk in the Association. It will have a standing agenda item on risk at its meetings and will receive feedback on the implementation and performance of the four key processes - identifying, assessing, addressing and reviewing and reporting risks.

It is responsible for advising the Board on the performance of the key processes and on how effectively the principles of good risk management are being embedded across the Association.

Stakeholders

Ardenglen's various stakeholders have an important consultative role to play (though they have no responsibility), particularly in the area of risk assessment and commenting on our countermeasures and proposed contingencies. This is an essential element of a transparent approach. Periodically, our main stakeholders will be asked to comment on our approach and strategy. Our main contact is likely to be on an informal basis, in which we discuss specific aspects of some of our risks. For those risks with a potentially major impact and a high public interest (such as the risk of demolishing houses), we will consult on published contingency plans