Risk Management

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Related Policy:		G08	
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Approved by P&PRG:		August 2024	
Owner:	Bobby Duffy	**Job Title:**	CEO

To be issued to: (check as needed)

☐ Board of Management	☐ OD
☐ All Staff	☐ Compliance
☒ ET/SLT	☐ All Care & Support
☒ Head Office Managers	☒ C&S Managers (RM,OM, CSM)
☐ Head Office Staff	☒ C&S Staff
☐ Finance	☐ Contractors
☐ Housing	☐ Agency Staff
☐ Asset	☐ Unite the Union
☐ ICT	☐ Employee Voices Group
	☐ Other: _____

Method of Delivery (check as needed)

☒ Learn Pro	☐ Policy Owner to Notify (e.g. Contractors)
☒ Board Portal	☐ Other: _____
☐ Line Manager to Share (e.g. Agencies)	_____

Stakeholder Consultation Completed (check as needed)

☐ Board of Management	☐ OD
☐ All Staff	☐ Compliance
☒ ET/SLT	☐ All Care & Support
☐ Head Office Managers	☐ C&S Managers (RM,OM, CSM)
☐ Head Office Staff	☐ C&S Staff
☐ Finance	☐ Contractors
☐ Housing	☐ Agency Staff
☐ Asset	☐ Unite the Union
☐ ICT	☐ Employee Voices Group
	☐ Other: _____

Version Control

Date	Owner	Version	Reason for Change
Jul 2024	Victoria Knox	V1.0	New procedure to support G08 Policy

Summary of Changes

Section	Change
All	New procedure developed from the removal of appendices in G08 and all procedural information now contained in this separate procedure

Risk Management

Contents

1.0 Introduction

This procedure supports Ark's Risk Management Policy (G08) and outlines the process Ark have in place to identify, assess, manage, and reduce risks to the achievements of Group objectives and overarching Corporate Strategy.

2.0 Managing Risk

As laid out in the Risk Management Policy (G08), risks are identified, scored, and mitigating actions that reduce the likelihood and/or degree of impact of each risk are noted.

Risk scores are calculated based on an assessment of the 'likelihood' of each risk occurring and the 'impact' on Ark's business. Likelihood and impact are assessed on a five-point scale, ranging from 'rare' to 'almost certain' for likelihood and 'incidental' to 'extreme' for impact, and a score is attributed to the risk based on these assessments.

Ark has in place a detailed risk management framework for each of its activities that provides overarching guidance on key considerations to ensure identification and safe management of risk which is detailed in section 3.0 below.

3.0 Risk Management Framework

Effective risk management is essential for ensuring the safety, stability, and sustainability of our operations within Ark. This Risk Management Framework section outlines the organisational approaches to managing risk. By implementing this framework, we aim to foster a proactive culture of risk awareness, where all employees understand their roles and responsibilities in managing risk. This procedure serves as a guide to help us make informed decisions, protect our assets and reputation, and enhance our resilience. Through consistent application and continuous improvement of this framework, we are committed to safeguarding the well-being of our staff, supported people, tenants and stakeholders, while ensuring the long-term success and integrity of Ark through the following areas:

- Governance
- Compliance with legislation
- Care and Support
- Development
- Housing Management
- Asset Management
- Financial Management

- Insurances
- Human Resources
- Equality
- Health and Safety
- Computer Security and Internet Access
- Business Continuity
- Exceptions reporting

3.1 Governance

Good governance is the essence of risk management. To fulfil its responsibilities and exercise the necessary delegation, accountability and control over all activities, the Executive Team has established and will regularly review the framework detailed in Appendix 1-7.

3.2 Compliance with Legislation

In all our activities, we will aim to comply with current legislation, statutory requirements, codes of practice, our Rules, the requirements of the Care Inspectorate, Scottish Housing Regulator, Office of the Scottish Charities Regulator, Financial Conduct Authority and any other agency that impacts on our work, and with all other relevant guidance or 'best practice'.

3.3 Care and Support

Over 85% of our total income comes from local authorities purchasing the support we provide to our Supported People, and over 85% of Care & Support expenditure goes on the staff required to provide that support. Coupled with the complex and changing external operating environment this area of activity is therefore a significant area of risk.

The Care Inspectorate is the key regulator and stakeholder in relation to the provision of our Care and Support services. The measures we will implement to manage the risks identified in our Care and Support services are detailed in Appendix 2.

3.4 Development

Managing development risk (applicable only when there is an ongoing development programme) is a key responsibility, given the significant sums of investment and the range of potential risks involved.

To maximise funding opportunities, we will only undertake projects that:

- Fulfil our own aims and development strategy.
- Fulfil the strategic priorities of the relevant local authorities and grant providers.
- Are financially viable in the short, medium, and long term.
- Satisfy the financial criteria of potential lenders of private finance (where applicable).

The measures we will implement to manage development risk are detailed in Appendix 3.

3.5 Housing Management

Rental income makes an important contribution to our overall financial position. Poor delivery of services, including the management of estates, could lead to loss of reputation resulting in fewer applicants for vacant housing and a loss of income. Failure to ensure that day-to-day repairs are dealt with promptly and effectively may lead to much higher repair costs in the future. Poor voids management and inadequate follow up of arrears could also result in loss of income. The implementation of the Scottish Social Housing Charter, the appropriate reporting against the Charter outcomes, including the self-assessment and involvement of tenants in this process, will ensure these risks are minimised.

The measures we will implement to manage the risks involved in housing management activities are detailed in Appendix 4.

3.6 Asset Management

Failure to ensure that cyclical and planned maintenance programmes are funded and adhered to will result in deterioration in the quality of building fabric, higher repairs costs in the future and the loss of rental income through the inability to let properties.

Failure to carry out statutory safety tests and checks when required, together with poor maintenance, will mean that we are not complying with our 'duty of care' to tenants and staff through not maintaining a safe environment, which could result in damages claims and legal penalties, as well as a loss of reputation, should an accident and/or injury occur as a result of our negligence.

Failure to achieve Energy Efficiency Standards, or the environmental standards set by the Care Inspectorate as and when required, or failure to maintain ongoing compliance with the Scottish Housing Quality Standards, will mean that the properties affected will be below acceptable standards. Failure to meet Care Inspectorate standards will also mean that the properties affected will be awarded low grades by the Care Inspectorate, which may affect local authorities' willingness to place tenants and supported people in such accommodation.

Failure to review regularly the current and potential use of all our properties and the type of tenure may result in unnecessary costs and/or loss of potential income, or the obsolescence of buildings.

The measures we will implement to manage the risks involved in asset management activities are detailed in Appendix 5.

3.7 Financial management

While the risks in every area of our activities have financial consequences, and managing risk almost always involves managing financial risk, there are general financial risks which are not related to specialist areas such as care and support or housing and asset management. Appendix 6 details the measures we will implement to manage general financial risks, including those associated with borrowing private finance.

3.8 Insurances

Part of our risk management strategy is to insure against all relevant risks in accordance with statutory requirements and professional advice, may include the following:

- Employer's liability (including cover for the current range of medical procedures to be carried out by staff);
- Public and products liability;
- Employment Practices Liability;

- Material damage (including damage to all types of properties, extended cover where necessary in relation to vacant properties, property contents and to service users' personal effects in Ark owned properties);
- Business interruption (covering the range of costs apart from loss of computer services – see (j) below);
- Money held at services and in transit;
- Abuse (claims against staff which allege abuse of service users);
- Commercial Crime Protection;
- Directors and Officers liability;
- Computer services (covering loss or damage to computer equipment and the business continuity costs resulting from loss of computer services);
- Cyber Risks (including losses associated with data liability and network security);
- Engineering at the Ark property at Stenhouse Drive Edinburgh, the passenger lift at Ark's Southhouse service, the wheelchair access lift at the Priory, and lifting baths/ hoists at various locations);
- 'All-risks' insurance to cover proposed construction and re-development building works;
- Professional Indemnity to cover legal liability for negligent acts, errors or omissions or negligent breach of duty committed in the provision of Ark's services or advice; and
- Treatment Malpractice to cover loss arising from negligent acts, errors or omissions or negligent breach of duty by medical practitioners in relation to Ark's activities; and
- Travel to cover employee accident and health insurance whilst travelling as part of their duties.

Full details are contained in the governance policy: G18 - Insurances.

3.9 Human Resources

Staffing costs account for around 82% of our expenditure. Staff training, expertise and morale play a large part in determining the quality of our service delivery, how we are perceived by 'others' and whether our goals are achieved. It is therefore important to ensure that new staff appointed are the best available to undertake the required duties, that all staff receive the relevant training and development to maximise their contribution, and that the increasingly complex range of people legislation is complied with, to avoid employment disputes and/or costly compensation claims. The measures we will implement to manage HR issues are detailed in Appendix 7.

3.10 Equality

We are committed to promoting an environment of respect, understanding, encouraging diversity, and eliminating discrimination, by providing equality of opportunity for all. We oppose all forms of unlawful discrimination.

To manage the risks associated with discrimination of any kind we have developed an Equality, Diversity Inclusion and Human Rights Strategy and implemented a comprehensive Equality & Diversity policy together with related policies covering areas such as Recruitment and Selection, Learning and Development and Allocations

3.11 Health and Safety

We will seek to minimise the risks associated with Health & Safety by:

- Implementing a comprehensive range of health and safety policies that comply with all current statutory requirements and codes of practice, etc;
- Clearly identifying individual responsibilities for health and safety at every level in the organisation;
- Undertaking all the types of risk assessment required, and recording any action necessary and taken;
- Providing basic health and safety training for all staff and more specialised training in relevant activities for appropriate staff;
- Ensuring that we provide the required number of trained first aiders at each work location; and
- Ensuring that all accidents, potential accidents, and all incidents are recorded, investigated and the necessary follow up action taken.

Full details are contained in the policy: HS01 – Health and Safety and the range of supporting policies and procedures.

3.12 Computer security & internet access

We will minimise the risks associated with the use of computers and access to emails and the internet by:

- Ensuring that we comply with current legislation and best practice;

- Establishing passwords and access levels to control access to confidential data;

- Carrying out frequent back-ups of current data;

- Implementing comprehensive 'disaster recovery' arrangements with an off-site provider;

- Implementing policies to govern the use of emails and access to the internet.

Full details are contained in the policy: G15 - Computer System Security, Email, and Internet.

3.13 Business Continuity

We will minimise the risks resulting from an unforeseen 'disaster' that could seriously affect our ability to continue providing the required level and standard of service, such as major damage to Head Office or to Care and Support offices or supported accommodation, or the complete failure of computer systems, by developing and implementing comprehensive business continuity plans to enable us to recover and continue in operation with the minimum of disruption. For full details see the policy: G09 - Business Continuity Planning and the supporting procedures covering Head Office and Care and Support services.

3.14 Exceptions Reporting

Ark has in place a process for identifying and managing risks through exception reporting. We define an exception as:

- A risk to the business which constitutes anything out with the limits set by the organisation's remits, such as standing orders;
- A risk to the business which constitutes anything exceptional out with regulatory or operational expectation that exposes Ark to increased risk;
- Risk to Ark's reputation or the reputation of the whole Registered Social Landlord (RSL)/Care provision sector;
- A major incident, including serious injury to supported people, tenants, or employees;
- Fraud, theft, or other criminal acts;
- Legal claims or serious complaints against Ark.

Where exceptions are identified they will be reported to external regulators as required, and to Ark's Executive Team, Leadership Team, Audit Sub-Committee, and where necessary Board of Management, together with relevant remedial actions put in place to address them. Note that not all incidents as reported by Care and Support will be exceptions, only

incidents which create a risk to the business or to Ark's reputation, it will be for the Director of Care /Assistant Director to make this decision.

Exceptions may relate to risks already identified in Ark's Operational or Strategic Risk Registers, they may relate to new risks, or they may provide opportunities to manage or mitigate pre-existing risks. Each exception will be reviewed by the relevant member of the Leadership Team, and will be reflected, together with relevant mitigating actions, in Ark's Risk Registers as appropriate.

4.0 Implementation and Review

4.1 Implementation

Ark's Executive and Leadership Teams will monitor implementation of this procedure and it's supporting procedures on an on-going basis through agreed reporting to the Audit Subcommittee, Ark Board and Subsidiary Boards as set out within this procedure.

The Leadership Team and the Executive Team will review the Risk Registers as defined within the Risk Management Policy (G08) and will determine whether the risk environment has changed, and any mitigating actions need to be altered to address this.

4.2 Review

This procedure will be reviewed within 5 years from the date of approval by the Board of Management, in accordance with Ark's policy review framework and approval process, or more frequently if required to meet changes in legislation, address any weaknesses identified and/or to implement new/good practices or lessons learned.

Appendix 1: Risk Management Framework - Governance

1. Ensure, as far as is possible, that Board members represent supported people, tenants, and the wider communities within which we operate, and that they represent a broad range of skills and experience.

2. Undertake an annual review of the skills, knowledge and diversity that the Board needs to provide capable leadership, control and constructive challenge to achieve Ark's purpose, deliver good outcomes and manage its affairs, and arrange to fill any gaps in knowledge or experience identified in the most appropriate way, for example, co-option, specific training and development etc. Ensure the provision of induction and appropriate ongoing training for Board Members, especially new Members.

3. Have in place a comprehensive Code of Governance and Code of Conduct and ensure that all Board Members sign up to these, and that new Board Members signup to these at the first meeting following each AGM.

4. Establish a relevant Committee structure with a detailed Scheme of Delegation to any Sub-Committees or Working Groups set up, and to the Executive Team and Leadership Team. Ensure that the Board and Sub-Committees have clear remits and standing orders. Review the structure and remits etc. at least every three years.

   In particular, ensure that the Audit Sub-Committee has an appropriate remit to oversee Ark's audit arrangements and risk management framework.

5. Ensure that Ark's Aims & Objectives are reviewed at least every three years, and that there is a specific strategy to achieve them. Review progress with the strategy at least annually.

6. Ensure well conducted Board & Sub-Committee meetings, including:

   - Agenda papers issued at least 7 days before the meeting;
   - Agenda items clearly identified as either for information or requiring a decision;
   - Sufficient time given at all meetings to discuss and consider the implications of all major items requiring a decision.

7. Through the process of Board/Sub-Committee discussion and approval, oversee the production by the Executive Team and Leadership Team of the Business Plan, Corporate Strategy & Development Funding Plan (when appropriate), and annual Budget, including the setting of targets and performance standards. Ensure that all Directors provide detailed input at each stage of the processes.

8. Appoint senior staff with the required skills, qualifications and experience, and ensure that the staffing structure is reviewed prior to the filling of any vacancy, in the light of current workload and commitments.

9. Establish and implement a comprehensive risk management strategy, including adequate insurance cover for specific risks. Record the action planned or taken to minimise the impact of identified risks in detailed Risk Registers which are reviewed regularly by the Executive team, Leadership Team, Audit Sub-Committee, and the Board.

10. Ensure that:

    - There is a process in place to ensure that a comprehensive range of policies and procedures that comply with current legislation and all 'best practice' etc.
    - All policies/procedures are clearly written and clearly identify who is responsible for carrying out the various duties and responsibilities described;
    - Where appropriate, the content and frequency of any monitoring reports required by the Board, or a Sub-Committee are clearly stated;
    - There is a regular policy review cycle and that it is adhered to.

11. Ensure that the potential for conflicts of interest is eliminated, and that the good reputation of Ark is maintained, through adherence to the Codes of Governance and Conduct, and Ark's policy on Payments, Benefits and Corporate Accountability regarding the Scottish Housing Regulator's framework for regulation of Social Housing in Scotland.

12. Ensure Board Members and staff adhere to our policies on Hospitality and Expenses, and to the procedures on accepting business gifts and benefits.

13. Ensure the effective implementation of the Complaints policy, including the targets for response times, and monitor through regular reports to Audit Subcommittee and an annual report to the Board.

14. Establish and implement a comprehensive health and safety policy with detailed procedures covering all relevant aspects of health, safety and welfare that could affect Board Members, staff, supported people, tenants and anyone else that receives a service from or comes into contact with Ark.

15. Implement measures to ensure the safety and security of properties and other physical assets. Establish and review regularly a Business Continuity Plan to ensure that services can continue to be provided in the event of a 'disaster'.

16. Ensure that appropriate internal audit arrangements are in place, including an Audit Sub-Committee, that a 3-year rolling internal audit plan has been approved by the Audit Sub-Committee, and that action is taken on the recommendations from each internal audit report.

Appendix 2: Risk Management Framework – Care and Support

1. Ensure that full due diligence, a service assessment and risk assessments are carried out before any commitments for new or renewed services are entered into.

2. Ensure that we fully understand the requirements of the Care Inspectorate as far as they relate to the provision of our services.

3. Ensure that systems are in place to support services to complete Care Inspectorate Annual Returns and Quality Framework.

4. Ensure that standardised action planning tools and Service Development Plans are in place to support delivery of actions arising from Care Inspectorate inspections and complaints. Ensure also that systems are in place to measure and report on performance in relation to delivery of Care Inspectorate action plans.

5. Ensure that, in those rare cases where the Care Inspectorate publishes unsatisfactory inspection grades, we take immediate steps to ensure that a service review is completed and detailed action plans are implemented immediately, that we report regularly, internally and externally, on progress in relation to delivery of action plans, and that wherever possible we seek early re-inspection, so as to mitigate the potential impact of such adverse reports on Ark's reputation.

6. Ensure that services provided are fully funded by the commissioning local authority and/or alternative sources.

7. Ensure that appropriately qualified and experienced staff are recruited to provide the services required, in particular ensuring that enhanced Protecting Vulnerable Groups Scheme checks are carried out on all relevant staff before they take up post.

8. Ensure comprehensive induction training is provided for all new staff, and that the training is recorded as it is given. Ensure that all staff have access to an ongoing learning and development programme according to individual staff needs and the requirements of individual supported people. Maintain comprehensive training records for all staff.

9. Ensure that comprehensive Good Life support plans/Risk and Vulnerability (R&V), including relevant Risk Management Plans, are produced for all supported people, and that these are reviewed regularly and revised as required. Ensure that all staff, including new staff, are fully aware of each plan's contents and receive relevant training to ensure it is followed.

10. Establish and implement a comprehensive set of policies and procedures covering all aspects of Care and Support services, ensuring that these comply with all current legislation, statutory regulations, regulatory authority requirements and best practice, and that they are reviewed and revised regularly. Ensure that there are adequate

arrangements in place for all staff to be made aware of, and trained in as required, all current policies and procedures.

11.   Ensure that arrangements are in place within each service to facilitate communication between staff on all matters, especially those concerning supported people.

12.   Ensure that resource deployment meets the requirements of the service, in particular where for health & safety or financial control reasons a minimum of two staff are required to carry out a task.

13.   Establish and implement comprehensive arrangements for regular staff supervision sessions with their line manager, ensure that the matters discussed and the outcomes agreed are recorded and that there is follow-up on any action to be taken.

14.   Seek to establish a 'positive' culture where staff may freely raise any concerns, e.g. about standards of service, with their line manager and know that these will be considered.

15.   Implement measures to minimise potential risks to staff through 'lone working'.

16.   Ensure there are arrangements in place at each service to enable services to continue in the event of a 'disaster' affecting normal service delivery.

17.   Implement a quality management system consisting of internal and external checks and audits, to ensure that services are delivered as we expect them to be and that risks are identified and mitigated.

Appendix 3: Risk Management Framework - Development & Refurbishment

1. Ensure that all proposed developments are in accordance with our own aims, objectives, and current strategy, and with the aims and priorities of the local authorities in whose areas we work and any grant funders from whom we may seek funding.

2. Undertake an appraisal of each potential project, including financial and risk appraisal, examining long-term as well as short-term risks, and where appropriate incorporating 'sensitivity analysis'. In Design and Build projects transfer the appraisal costs risk to Consultants and/or Contractors. Undertake site surveys and/or structural surveys before deciding whether or not to proceed with a project.

3. At every stage in the development process, ensure that all relevant approvals are obtained, and that all current guidance and procedures, including any conditions attached to loan offers, are followed, or complied with by staff, through regular reports on each project to the Board.

4. So far as is possible ensure that the proposed mix of properties in each scheme reflects the known needs as detailed in the Housing Needs Assessment, to minimise letting difficulties and potential loss of income.

5. Define clearly through specific policies and procedures, those matters delegated to staff for decision. In particular, ensure adherence to the following, either through reports to the Board or the submission of specific matters for decision:

   - Policies on the Selection and Appointment of Consultants and Contractors
   - Policy on the Signing and Witnessing of Documents
   - Design Guide
   - HAG Procedures and Procurement Guide
   - Construction (Design and Management) Regulations 2015

6. Establish a high-quality Design Guide, from which the design brief for each project is drawn, to:

   - Ensure a high standard of design
   - Meet current housing and care regulatory standards, and good practice guidelines
   - Maximise the 'popularity' of each project
   - Minimise the letting difficulties and loss of rental income.

   Review the Guide after the completion of each project, failing which at least every three years, ensuring the full involvement of Housing Services, Asset Management and where appropriate Care and Support staff. Ensure the input of Housing Services, Asset

Management and relevant Care and Support staff in the detailed design brief for each project.

7. Ensure that the Design Guide includes a standard of construction which makes provision for a 60-year lifespan and the long-term maintenance of the housing stock.

8. Ensure the appointment of competent Consultants and Contractors, both through the vetting process and adherence to our policy on Procurement and procedures on Tendering, including the use where appropriate of the 'balancing quality and price' process, and of partnering arrangements where relevant.

9. Ensure that the responsibilities of Consultants, the Client's Agent or Development Agent for supervising Contractors are clearly defined.

10. Ensure that all tender documents are comprehensive, detailed, and unambiguous, so that the Contractor's responsibilities are clearly defined.

11. Ensure that all Consultants and Contractors have the necessary insurances before confirming any appointment.

12. Where Necessary ensure effective supervision of each project through the appointment of an experienced and competent staff member, and regular reports and meetings including the following:

    - Principal Contractor daily (site) diary and weekly report to the client and Architect or Client's Agent;
    - Lead Designer and Contractor's reports to monthly site (progress) meetings;
    - Comprehensive minutes of all meetings, with all amendments to the original design or specification formally authorised and recorded;
    - Quantity Surveyor's cost reports – at least quarterly or more frequently if required;
    - Regular progress reports to the Board.

13. Minimise the potential risk of increased construction costs, particularly in rehabilitation or refurbishment projects, through a detailed specification, high quality of supervision, experienced Consultants and, where appropriate, a design and build contract.

14. Minimise potential contract delays through regular, high quality site inspection and appropriate compensation arrangements in the contract (liquidated and ascertained damages).

15. Minimise the risk of liquidation or early contract termination through:

    - Establishing the viability of Contractors invited to tender;
    - If appropriate, requiring a Contractor's bond for part of the contract sum;

- Retaining for 12 months a proportion of each authorised payment to the Contractor (retentions) until the defects liability period is completed.

16. Minimise the effects and costs of contractor liquidation by having a clear and comprehensive policy and procedures on the action to take in the event of contractor insolvency.

17. Establish, as part of the contract arrangements, effective defects period procedures and ensure these are adhered to.

18. Establish, as part of the contract arrangements, and in association with relevant staff, effective handover procedures to minimise the time required for occupation.

19. Undertake design feedback surveys at the conclusion of each project, normally during the 12 months defects liability period.

Appendix 4: Risk Management Framework - Housing services Management

1. Establish and implement a comprehensive range of housing services policies and procedures that meet current statutory requirements and best practice guidance, and which clearly set out the roles and responsibilities of staff and the reporting requirements to the Board or Housing & Finance Sub-Committee.

2. Establish annual targets for allocations, arrears, voids, which reflect performance in relation to the Scottish Social Housing Charter and monitor through reports to the Board.

3. Establish and ensure adherence to an Allocations Policy which meets current guidance, is fair, well publicised, and supported by a detailed Tenancy Agreement together with a comprehensive range of tenancy related policies and procedures.

4. Establish a Rent Setting policy that achieves the required balance between maximising income while remaining 'affordable' to tenants who do not receive housing benefit or universal credit housing costs.

5. Establish and ensure adherence to the Sustaining Tenancies Policy, with a comprehensive Rent Collection Policy complying with current statutory guidance.

6. Ensure regular monitoring of rent and other arrears, including early intervention where tenants are experiencing arrears difficulties, the provision of advice to ensure that tenants are maximising their entitlement to housing benefit/costs and other benefits, and prompt follow-up of outstanding arrears.

7. Where appropriate, maintain the 'attractiveness' of areas surrounding properties to assist in lettings, through regular inspections by staff and comprehensive estate management procedures.

8. Ensure regular monitoring of void properties, including close liaison with relevant local authorities regarding nominations, and with Asset staff regarding repairs, to minimise overall void times and loss of rental income.

9. Establish and implement comprehensive reactive (day-to-day) maintenance procedures, including arrangements for dealing with emergency repairs 'out of office hours', with specified levels of delegated authorisation of expenditure and appropriate internal controls.

10. Identify repairs which are not Ark's responsibility, and endeavour to reclaim the costs of such repairs from the tenants or others responsible. Follow up outstanding rechargeable repairs promptly and ensure that the costs of any mutual repairs are reclaimed from adjoining owner/occupiers, where appropriate.

11. Ensure that serious cases of anti-social behaviour are managed in accordance with our policy and procedures.

12. Ensure that, where tenants who are not Ark supported people and need support from specialised agencies to sustain their tenancies, there are appropriate management or lease agreements in place specifying the level of support to be provided.

13. Ensure the implementation of a comprehensive Tenant Participation Strategy, seeking to maximise the involvement of tenants in the design and delivery of services. Monitor tenant satisfaction through periodic general surveys, questionnaires on specific topics and/or meetings with focus groups/scrutiny group set up to examine particular aspects of our service.

Appendix 5: Risk Management Framework – Asset Management

1. Maximise the recovery of costs through claims on insured risks.

2. Ensure the funding and completion by due dates of the annual cyclical maintenance programmes and the planned maintenance programmes, as required by property inspections, the life-cycle costing surveys, the attainment of the Energy Efficiency Standard for Social Housing, and ongoing compliance with the Scottish Housing Quality Standards.

3. Establish a high-quality Design Guide for major improvements, incorporating current housing and care regulatory standards and good practice guidelines, from which the design brief for each project may be drawn. Review the guide at least every three years.

4. Ensure that the Procurement policy and Tendering procedures are followed when appointing Contractors, and especially that contracts are awarded to Contractors who are financially viable, have the required insurances, and who can provide a 'value for money' service. Where appropriate, enter into partnering arrangements for mutual benefit.

5. Where required due to the size or complexity of the project, ensure the appointment of competent Consultants, and ensure that the responsibilities of Consultants for supervising Contractors are clearly defined and comply with the Construction, Design and Management Regulations (CDM 2015).

6. Ensure that all tender documents are comprehensive, detailed, and unambiguous, so that the Contractors' responsibilities are clearly defined, and to minimise the risk of increased works costs.

7. Ensure effective supervision of each project through the appointment of an experienced and competent Principal Contractor where required, and through regular reports and meetings, including cost and progress reports as appropriate.

8. For planned maintenance projects ensure that tenants are given accurate information on proposals well in advance, are involved in the selection of colours or finishes when appropriate and are given clear advice on contact arrangements during each project.

9. Where appropriate, establish as part of contract arrangements effective defects period procedures and ensure these are well publicised to all staff concerned, and adhered to.

10. Ensure that all maintenance activities are carried out in accordance with current legislation, current 'best practice' and Ark's policies and strategies.

Appendix 6: Risk Management Framework – Financial Management

1. Establish clear financial policies and procedures ensuring separation of duties wherever possible and requiring all expenditure to be authorised at the appropriate level. Ensure all policies and procedures are implemented by staff, and that any reports required are submitted regularly to the Finance Sub and Board.

2. Establish an annual business planning cycle incorporating a Strategy & Development Funding Plan (when appropriate), an internal Business Plan, annual budget, a 5-year financial plan (updated annually) and a 30-year planned maintenance programme (updated annually).

3. Present the Business Plan, annual budget, and other financial plans for approval by the Board before the start of each financial year.

4. Monitor financial performance against budget through regular reports (at least quarterly) to the Leadership Team and the Board. Monitor actual performance against cash flow projections.

5. Review, at least annually, the implications and potential risks of any changes to the standard accounting practices affecting housing associations and charities.

6. Ensure that individual responsibility for budgets and expenditure is clearly specified and delegated throughout the organisation, including appropriate references in staff job descriptions and regular review as part of the staff appraisal process.

7. Ensure that appropriate arrangements are in place for identifying and reporting any immediate financial problems, including fraud or suspected fraud, or trends that may pose problems and that staff are aware of their responsibilities for reporting such matters.

8. Establish and implement a comprehensive Treasury Management strategy, including annual targets, and monitor through regular reports to the Board.

9. Demonstrate value for money when procuring private finance and monitor loan covenant performance through regular reports to the Board.

10. Ensure that the financial implications of any review of overall aims and objectives, of future strategy, of changes in legislation or statutory requirements and of changes in internal policies, are fully assessed and agreed by the Executive Team and Board as appropriate, as part of the decision-making process.

11. Ensure that external audit requirements are met, including the statutory audit of the annual accounts, that the auditor's management letter is submitted to and considered by the Board, and that there is liaison between the internal and external auditors.

Appendix 7: Risk Management Framework – Human Resources

1. Establish and implement a comprehensive set of policies and procedures covering all relevant areas of HR practice, ensure that they comply with all current legislation and good practice and that they are reviewed and updated regularly as required.

2. Establish and implement comprehensive recruitment arrangements, including clear job descriptions and person specifications, with the aim of appointing the most suitable and best qualified person to each vacancy.

3. Establish clear and comprehensive Statements of Terms & Conditions of Employment that meet all current statutory requirements and establish a salary structure that reflects the responsibilities of each post and takes account of current pay levels in similar organisations, while reflecting the organisation's need to remain financially viable.

4. Ensure all staff are informed and kept up to date regarding all HR policies, procedures, and terms & conditions of employment. Minimise the risk of misunderstanding and misinformation through regular staff and team meetings.

5. Ensure close and regular liaison with appropriate trades union staff and staff representative bodies, including consultation on the content of HR policies, to minimise the opportunity for problems arising due to lack of communication or miscommunication.

6. Review future staffing levels and structure at least annually, as part of preparing the annual Business Plan and budget.

7. Ensure that all new posts or changes to individual hours or grades etc. are approved either by the relevant management level, according to the current scheme of delegation, and are either included in the annual budget-setting process or are fully funded through contracts for developing existing or new services.

8. Ensure that all Board Members and staff involved in recruitment, discipline, appeals, grievances, absence management and staff appraisals have received the necessary training, especially with regard to any statutory requirements such as compliance with equal opportunities regulations.

9. Establish and implement comprehensive induction, training and development programmes – internal and external - for all staff, in particular to ensure that relevant staff have achieved or are working towards the required statutory qualifications, and/or to ensure that staff acquire the information and knowledge they need to fulfil their responsibilities.

10. Ensure that the organisation receives up-to-date advice on all aspects of HR legislation and best practice through professional contacts and publications, and external professional advice when required.

11. Ensure that arrangements are in place to cover the short-term or long-term absence of key staff so that all priority activities, in particular the provision of services to supported people, are able to continue.

12. Seek to minimise the risks to staff security by:

- Implementing a comprehensive policy on staff security, including 'lone working' arrangements;

- Implementing specific arrangements to deal with potential threats of violence to staff;

- Maintaining close liaison with local Police, as required;

- Providing training on defusing potentially violent situations, and on handling situations which arise.

Appendix 8: Exceptions Reporting

Exception Definition:
Risk to the Business
Risk to Ark's reputation
Serious injury/ Major Incident
Fraud/Theft/Criminal Act
Complaints/ Claims against Ark
(See below for more detailed definition)

Exception Occurs

Identified By

Staff Member

Reported To

Remedial Action

SLT Member

Reported To

Reported To

SLT

Reported To

Regulators
SHR-Notifiable incidents
Care Inspectorate- if required by law
SSSC- if subsequent dismissal for misconduct
HSE

Audit Sub-Committee
(Scrutiny)

Reported To

Board of Management
(Information)