



Risk Management Strategy

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1. PURPOSE OF THIS DOCUMENT

This Risk Management Strategy applies to North View Housing and any subsidiary, business unit and service provided by North View Housing Association (NVHA). NVHA is committed towards the identification and understanding of risk.

NVHA will take positive steps to ensure compliance with all regulatory requirements relating to risk management and have management arrangements, resource skills and systems which are appropriate to their circumstances, scale and scope of operation, and ensure that their activities are backed by proper systems of assurance for internal control.

2. WHY WE NEED TO MANAGE RISK?

The focus on risk management as part of the process of good governance, effective business planning and safeguarding stakeholder assets takes account of the Scottish Housing Regulators Regulatory Standards of Governance and Financial Management (2012).

The Regulator requires that NVHA has an effective risk management and internal controls assurance framework in place. We demonstrate this through regular Board Assurance Framework (BAF) reports approved by the Audit & Risk Sub-Committee and included in the financial statements of NVHA. An effective risk management Strategy is an integral part of this assurance and is crucial to support the statement. On that basis NVHA will continue to focus on embedding risk management throughout the organisation by putting in place a proactive risk management framework

Risk Management is beneficial to NVHA as it:

- helps us to be more flexible and responsive to new internal/external demands;
- helps NVHA make informed decisions;
- provides assurance to the Committee, the Director and the Management Team,
- reduces incidents and other control failures; and
- helps in the achievement of NVHA's key targets and priorities

Managing the risks to our business objectives reduces the chance of us having to deal with the unexpected and ensures proactive management rather than reactive crisis management. At a time when resources are limited it is especially important to reduce the number of unwanted surprises.

The framework for managing risk sets out the process through which risks will be identified, assessed, controlled, monitored and reviewed. The framework is designed to:

- Integrate risk management into the culture of NVHA;
- Raise awareness of the need for risk management;
- Encourage a positive approach to risk management;
- Support improved decision making, innovation and performance, through a good understanding of risks and their likely impact; and
- Manage risk in accordance with best practice.

3. DEFINITIONS

What is a risk?

“The threat or possibility that an action or event will adversely affect an organisations ability to achieve its objectives”.

What is risk management?

“Risk Management is the process which aims to help NVHA understand, evaluate and take action on all our risks with a view to increasing the probability of our success and reducing the likelihood of failure”.

4. RISK MANAGEMENT AIMS AND OBJECTIVES

- Provide continuous high-quality services to the customers of NVHA.
- Use appropriate identification and analysis techniques to identify risks to NVHA and determine the long and short-term impact.
- Prioritise and implement economic control measures to reduce or remove risks.
- Protect and promote the reputation of NVHA.
- Through the use of training and communication, develop and maintain a structured risk management culture, where risk is considered in the decision-making process and the everyday working situations of all Staff.
- Maintain a system for recording and providing accurate, relevant and timely risk management information.
- Reduce the long-term cost of risk to NVHA.
- Report on and review the risk management Strategy in accordance with best practice guidelines.

5. UNDERLYING APPROACH TO RISK MANAGEMENT

The following key principles underlie NVHA’s approach to risk management and internal control:

- The Committee has responsibility for overseeing risk management within NVHA as a whole;
- An open and receptive approach to solving risk problems is adopted by the Committee;
- The Director and Management Team support, advise on and implement policies approved by the Committee;
- Risk management forms part of NVHA’s system of internal control;
- NVHA makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks;
- All Staff are responsible for encouraging good risk management practices within their areas of responsibility;

6. ROLES AND RESPONSIBILITIES

ROLE OF THE NORTH VIEW HOUSING ASSOCIATION MANAGEMENT COMMITTEE (The Committee)

The Committee has a fundamental role to play in the management of risk. Its role is to:

- Set the tone and influence the culture of risk management within NVHA.
This includes:
 - determining whether NVHA is ‘risk taking’ or ‘risk averse’ as a whole or on any relevant individual issue
 - determining what categories of risk are acceptable and which are not
 - Setting the standards and expectations of Staff with respect to conduct and probity.
- Determine the appropriate risk appetite or level of exposure for NVHA.
- Approve major decisions affecting NVHA’s risk profile or exposure.
- Monitor the management of significant risks to reduce the likelihood of unwelcome surprises.
- Satisfy itself that the less significant risks are being actively managed, with the appropriate controls in place and working effectively.
- Annually review NVHA’s approach to risk management and approve changes or improvements to key elements of its processes and procedures.

ROLE OF THE AUDIT & RISK SUB-COMMITTEE

The Audit & Risk Sub-Committee will at each of the scheduled meetings receive an update report on The Strategic Risks and any high level Operational Risks. Its role is to:

- monitor the management of high level risks
- review the Risk Appetite of NVHA and make recommendations to the Committee.
- satisfy itself that all known risks are being actively managed, with the appropriate controls in place and working effectively
- annually review NVHA’s approach to risk management and approve changes or improvements to key elements of its processes and procedures.
- appraise the Strategic Risk Register on a quarterly basis.

ROLE OF THE DIRECTOR

Role

- The Director will ensure that NVHA manages risk systematically, economically and effectively through the development of an all-encompassing risk management Strategy.
- To support NVHA in the development, implementation and review of the risk management Strategy.
- To share experience on risk, risk management and Strategy implementation across NVHA.

Responsibilities

- To acquire a knowledge of risk management and its benefits.
- Monitor, evaluate and update NVHA’s Strategic Risk Register at least once a quarter
- Review the Risk Management Strategy.
- Report to each meeting of NVHA Audit & Risk Sub-Committee on the status of risks and controls.

- Ensure risk management and its processes are disseminated and are embedded throughout NVHA
- Continuous development, promotion & implementation of risk management throughout NVHA.
- Preparation of relevant contingency plans in those areas that are considered high risk.
- To review any training requirements to enable the development and implementation of risk management.

The Director will take overall responsibility for the administration and implementation of the risk management process

THE ROLE OF THE MANAGEMENT TEAM

To manage risk in their own service area/department and:

- To review and update their risks at team meetings at least;
- To contribute to the development of risk management from a function specific perspective;
- To disseminate the detail of the Strategy and allocate responsibilities for implementation of the Strategy in each service area/department;
- To recommend the necessary training on risk management for the employees in the section;
- To share relevant information with other service areas/departments;
- To identify any risk management issues in their service area/department;
- To provide feedback to the Director on their experience of implementing risk management and their perceptions of the effectiveness of the approach; and
- To ensure that the Strategy is implemented across their service areas/departments.

STAFF

Staff have a duty to ensure that risk is managed effectively in their area. This includes engagement with Staff in other teams through formal and informal processes.

All Staff across NVHA have a responsibility for identifying risks in performing their daily duties and taking action to limit the likelihood and impact of these risks.

7. RISK APPETITE

The success of NVHA is a result of effectively managing our strategic risks, which in turn support the achievement of our key targets and priorities. NVHA acknowledges that an element of risk exists in all activity it undertakes.

Risk appetite is defined as the amount of risk an organisation is prepared to tolerate or be exposed to, should the risk be realised. Too great a risk appetite can jeopardise a project or activity whilst too little could result in lost opportunity.

NVHA's risk threshold is when using the scoring structure the risk Category B is exceeded after controls are applied ('Red' on the risk scoring methodology – Appendix B). Above this threshold, NVHA will actively seek to manage the risk and will prioritise time and resources to reducing, avoiding or mitigating these risks.

The Committee will then agree the Risk Appetite (what level of risk is acceptable) for NVHA and the appropriate level of risk mitigation activity for each risk is this category.

A risk owner will be designated for each high level risk on the strategic risk register. Appropriate persons will be designated for all other risks. Risk owners will ensure that their action plan addresses the risks identified and will be required to monitor the status of their portfolio of risks at least once a quarter. Risk owners will be reviewed at least on an annual basis.

8. RISK MANAGEMENT PROCESS

NVHA's risk management process features the following five steps:

Step 1 – Identify Risks

Using NVHA objectives, it will identify the potential threats that could jeopardise their achievement and in turn look at ways to manage these risks.

Risk identification attempts to identify exposure to uncertainty. Risk owners are responsible for identifying the risks that the service areas/department face.

Having identified the risks, these are recorded on the 4Risk System. Where appropriate however, a project level risk register may be maintained for a specific strategic initiative such as a new capital project.

While strategic risks operate in insolation of the operational, operational risks remain devolved with Management Team.

Risks shall be identified at all levels of NVHA:

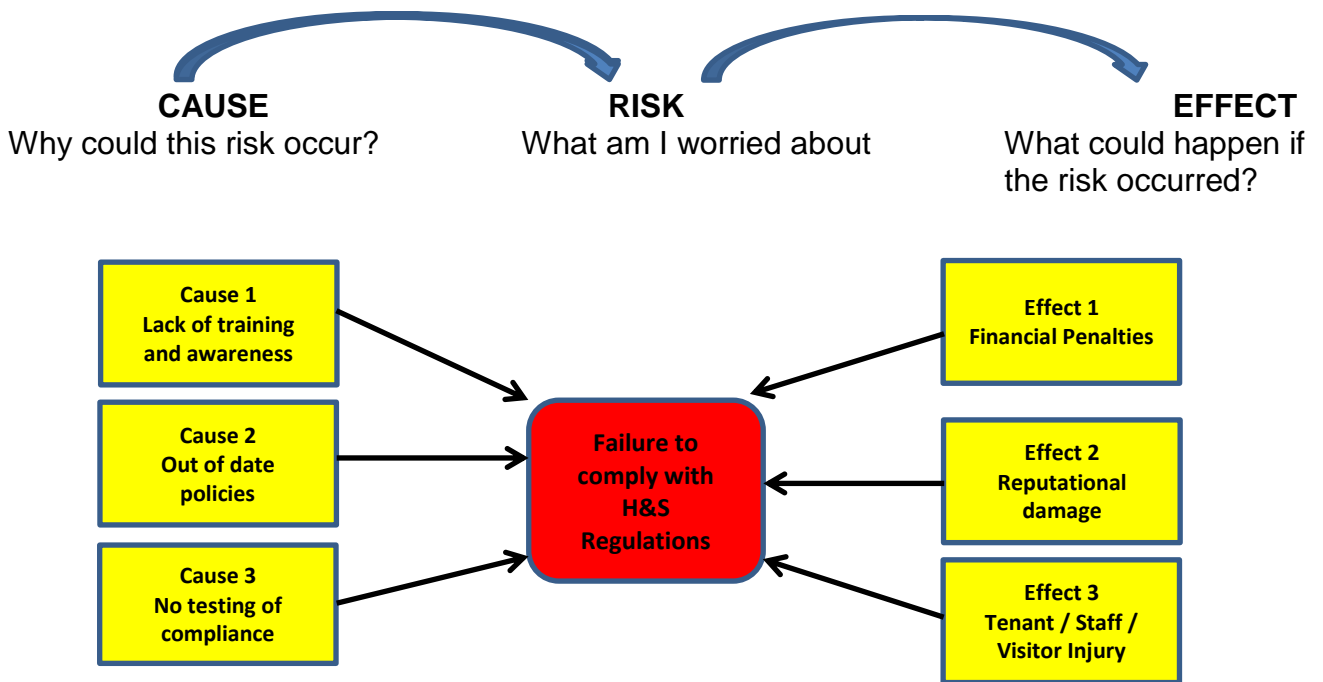
- **Strategic** - Where threats and opportunities could affect decisions on NVHA's strategic objectives;
- **Management Team Level** - Where threats and opportunities could affect decisions on operational actions which link to NVHAs strategic objectives;
- **Project Level** - Where threats and opportunities could affect the delivery of project targets.

Risks, Cause and Effect:

Risks are best expressed using a risk, cause and effect relationship.

Understanding the most important 'cause' helps formulate the best possible actions to manage an uncertainty (i.e. treating the root cause instead of the symptom). Understanding the most important effect helps formulate the best possible contingency plan in case an uncertainty does happen with negative impact.

For example: The Butterfly Effect:



From this example we can clearly see what the risk is and also 3 potential causes as to why this risk could occur. We can also see 3 potential effects to NVHA if this risk was to materialise, therefore if this risk was to be placed on a risk register we would expect to see 3 controls in place:-

Control 1	NVHA has an extensive and up to date training programme and induction programme that provides all Staff with regular training on Health & Safety
Control 2	All Health & Safety policies are held on the intranet and are up to date and all Staff have been issued with copies.
Control 3	NVHA uses a consultant Health & Safety Specialist that undertakes regular audits and inspections to ensure NVHA is compliant with the up to date legislation

Step 2 – Assess Risks

Emerging risks will be identified and discussed by NVHA’s Management Team on an on-going basis. Any information that impacts upon NVHA’s risk profile shall be formally assessed and appropriate action identified and monitored in line with the framework identified in Appendix B

Risks are assessed by looking at the likelihood of the risk occurring and the impact that the risk would have if it were to occur.

Many controls are in place to minimise identified risks. However, in the first instance, risks are assessed as though there are no controls in place i.e. the worst case scenario or if the controls in place were ineffective. This is known as the ‘**Unmitigated**’ risk score. The Inherent risk level is recorded in the risk register.

In most scenarios however, there will be controls in place to minimise the impact or likelihood of the identified risk occurring. Risks are therefore assessed based on the impact and

likelihood of the risk occurring considering that there are mitigating controls in place. This is known as the ‘**Current**’ risk score.

The Board Assurance template at Appendix C shows how the Unmitigated and Current scores are formatted.

Each risk is allocated a risk owner/risk lead whose name is recorded on the risk register. Guidance on how the Impact and likelihood levels of a risk should be assessed can be found in Appendix B.

Step 3 – Prioritise Risks

Some risks command a higher priority due to their likelihood and impact.

Both the Unmitigated & Current likelihood and impact levels of each risk are plotted and prioritised using a 5 by 5 matrix (**See Appendix B**).

A ‘traffic light’ system is used to show Category A to E risks. This results in the prioritisation of both Inherent and Residual risks, which are recorded in the 4Risk System

Step 4 – Control Risks

Once the category of a risk has been assessed NVHA’s risk appetite should indicate how the risk is then managed. In managing the risk there will be four categories of response – transfer, treat, terminate and tolerate. Details of each response can be found in the following table:

Response	Description
Transfer	Risks are transferred to an insurer, e.g., legal liability. However it must be remembered that this is not possible for all risks. Some service delivery risks can also be transferred to a partner or contractor by way of a formal contract or written agreement. Some aspects of risk however cannot be transferred, for example those that have an reputational impact.
Treat	Risks need additional treatments (controls) to reduce the likelihood and impact levels. This response is most likely where the risk has been identified as a high risk due to the likelihood and impact levels and NVHA has the ability to introduce further controls that will reduce the likelihood and/or the impact of a risk.
Terminate	A risk maybe outside NVHA’s risk appetite and NVHA does not have the ability to introduce additional controls to reduce likelihood and/or impact of the risk therefore there is no other option than to terminate the activity generating the risk.
Tolerate (accept)	The controls in place reduce the likelihood and impact levels to an acceptable level (within appetite) the introduction of additional controls would be cost-benefit prohibitive. It is therefore decided to <i>tolerate</i> the risk.

Red Risks (Category A)

- Risks that fall in to the area highlighted as 20 and above will require immediate attention. The status of the risk will require it to be monitored about the effect on NVHA’s activities and the progress of action taken to ensure its effective reduction.

Orange (Category B) & Amber Risks (Category C)

- Risks that fall in to the area highlighted as “Orange” & “Amber” may require further attention and actions where possible. Orange risks should be monitored monthly (appendix B) for any changes in the risk or control environment which may result in the risk attracting a higher score, and Amber risks monitored quarterly.

Yellow Risks (Category D)

- Risks that fall in to the area highlighted as yellow will require to be monitored but do not require actions.

Green Risks (Category E)

- Risks that fall in to the area highlighted as green will require annual review only, but no further action.

Risk owners are responsible for:

- ensuring that appropriate resources and importance are allocated to the process;
- confirming the existence and effectiveness of the mitigating controls and ensuring that any proposed mitigating actions are implemented;
- providing assurance that the risks for which they are Risk Owner are being effectively managed.

Step 5 – Assurances

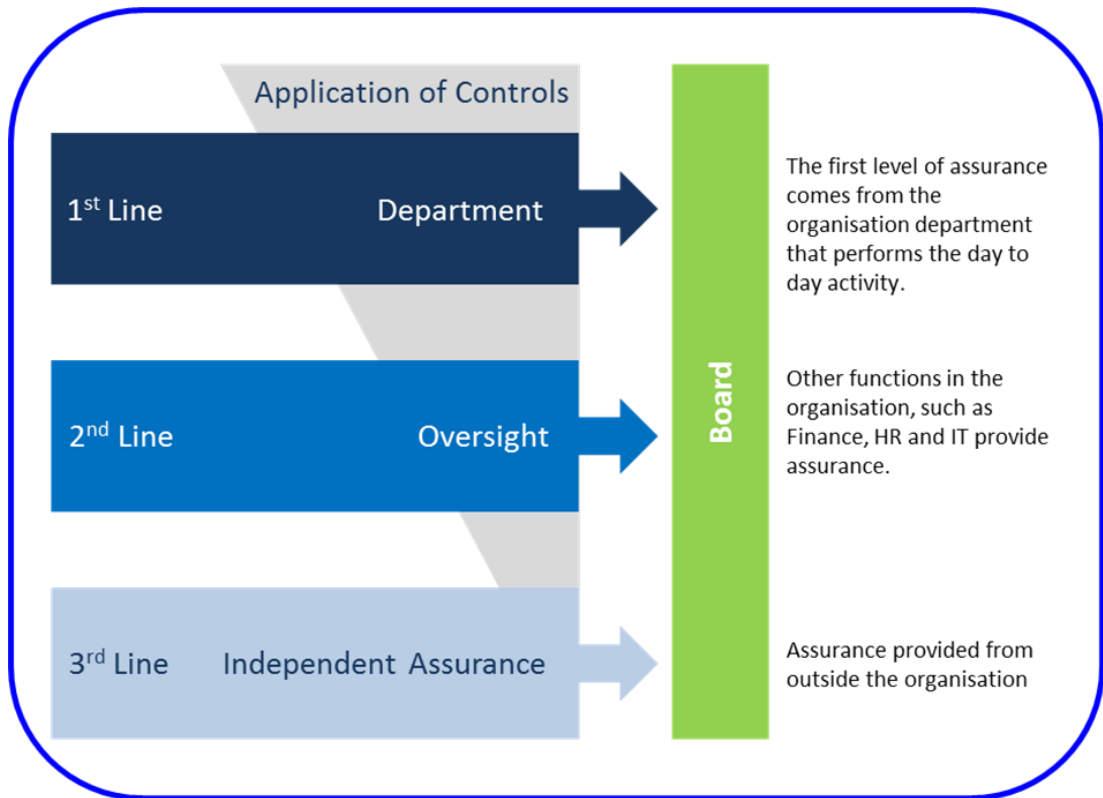
NVHA will identify and implement appropriate controls to manage the risks identified. It will also implement processes for to give assurance that these controls are working effectively.

What is Assurance?

Assurance:	
Provides:	“Confidence” / “Evidence” / “Certainty”
To:	Management Team / The Committee (individually and collectively)
That:	That what needs to be done (strategically and operationally) is being done

1st, 2nd and 3rd Lines of Assurance

The assurances that NVHA receives can be broken down into the three-line model as illustrated overleaf.



9. TRAINING

NVHA will support the provision of training and briefing sessions for relevant Staff on an annual basis. Guidance and support will also be provided by NVHA through the provision of written guidance notes from time to time and the offer of support from relevant Staff.

10. RISK MANAGEMENT AS PART OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control incorporates risk management. The system encompasses several elements that together facilitate an effective and efficient operation, enabling NVHA to respond to a variety of operational, financial and commercial risks. These elements include:

Policies and Procedures

Attached to significant risks (e.g. loss of rental income) are a series of policies that underpin the internal control process. Written procedures support the policies where appropriate

Reporting

The Director, the Management Committee and the Audit & Risk Sub-Committee receive several key reports on a regular basis which allow for the monitoring of key risks and their control – e.g. the monthly management accounts

Business Planning and Budgeting

The business planning and budgeting process is used to set objectives, agree action plans and allocate resources – these take account of risk. Progress towards meeting business plan objectives is monitored regularly

<i>Project Management</i>	All approvals for the execution of substantial new projects include an examination of risk. In accordance the risk appetite of the Committee set out in the financial regulations
<i>Audit & Risk Committee</i>	The Audit & Risk Sub-Committee is required to report to the Committee on internal controls and to alert Members to any emerging issues. As part of this function the Committee oversees internal audit and external audit.
<i>Internal Audit Programme</i>	The Committee will receive reports from the Director and include consideration of NVHA's system for the management of risk in its own annual report to the Committee, delivering an opinion on the effectiveness of 4 Risk system. Internal audit is an essential element of the internal control process. It will include a review of the effectiveness of the internal control system in its Annual Report to the Committee.
<i>External Audit</i>	The annual internal audits should be set based on a risk-based approach. External Audit provides feedback to NVHA Audit & Risk Committee on the operation of the internal financial controls and provides a Management Letter to the Committee
<i>Third Party Reports</i>	On occasions other agencies and consultants will provide reports which will refer to the effectiveness of the internal control systems

11. ANNUAL REVIEW OF EFFECTIVENESS

The Committee is responsible for ensuring that there is an annual review of NVHA risk management processes, including on-going identification and evaluation of significant risks and the allocation of resources to address areas of high exposure.

The Director & Management Team will:

- review NVHA track record on risk management and internal control over the previous year
- consider the internal and external risk profile of the coming year and consider if current internal controls are likely to continue to be effective.

In making its decision the Management Team will consider the following aspects:

- **Control Environment**
 - NVHA's objectives and its financial and non-financial targets
 - Organisational structure and calibre of the Management Team
 - Culture, approach and resources with respect to the management of risk
 - Delegation of authority within NVHA
- **On-going identification and evaluation of risk**
 - Timely identification and assessment of risks, and prioritisation of risks and the allocation of resources to address areas of high exposure

- **Information and Communication**

- Quality and timeliness of information on risks, and the time it takes for control breakdowns to be recognised or new risks to be identified.

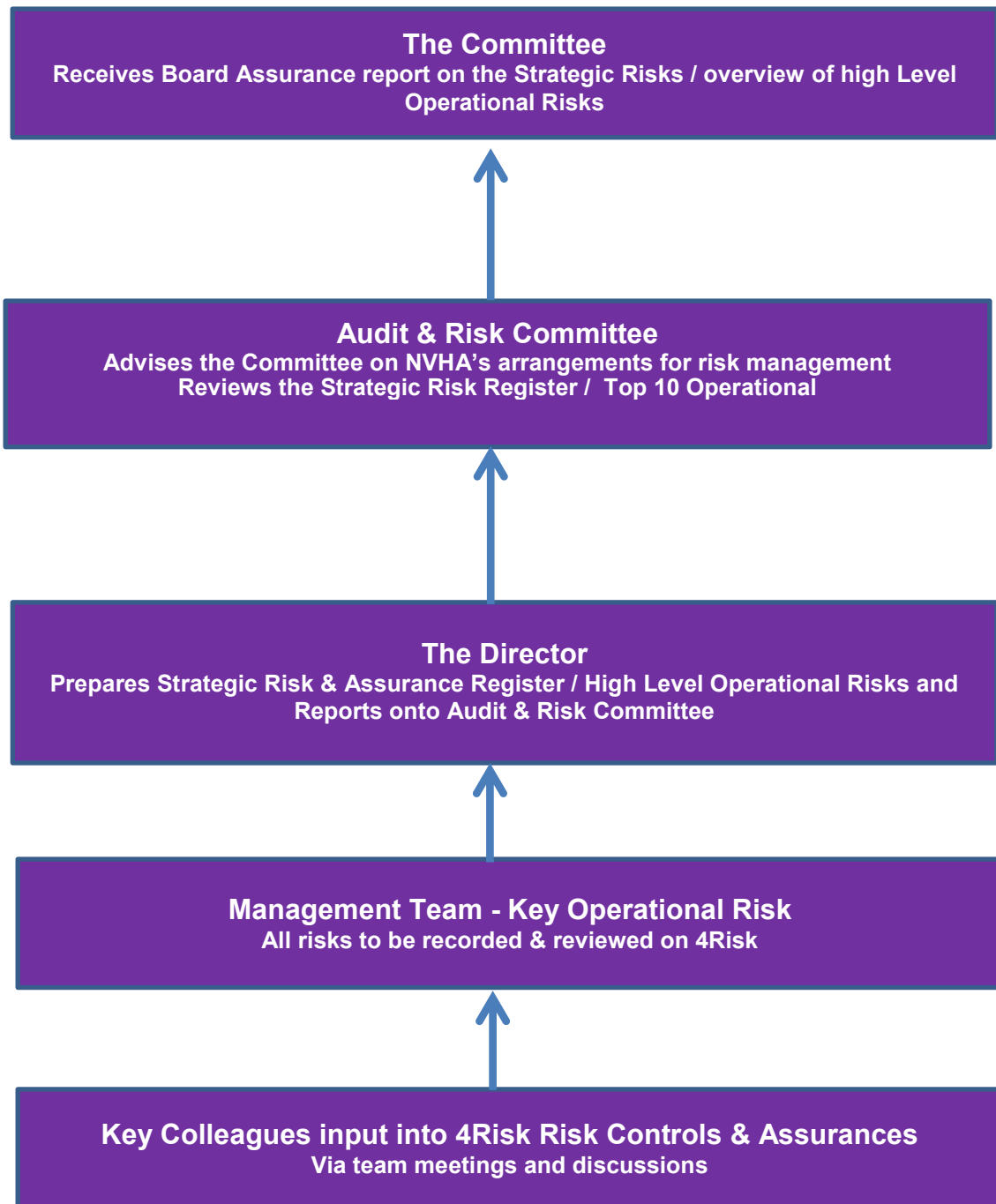
- **Monitoring and Corrective Action**

- Ability of NVHA to learn from its problems.
- The commitment and responsiveness with which corrective actions taken are implemented.

The Management Team will annually review the effectiveness of NVHAs internal control system.

A report will be produced annually for consideration by the Management Committee.

APPENDIX A - Risk Management Reporting and Escalating



APPENDIX B – Risk Matrix and Scoring Criteria –

RISK	Likelihood				
Impact	1	2	3	4	5
	Rare	Unlikely	Possible	Likely	Almost Certain
5 Major	15	19	22	24	25
4 Significant	10	14	18	21	23
3 Moderate	6	9	13	17	20
2 Minor	3	5	8	12	16
1 Negligible	1	2	4	7	11

Rating	Rating Scale	Safety	Reputation	Media attitude	Scottish Housing Regulator	Legal Action	Staff	Criminal	Direct Loss	Regulatory / Industry Status	Service Quality
NEGLIGIBLE	1	No risk of injury. H&S compliant.	Tenants not impacted or aware of a problem	No adverse media or trade press reporting.	High compliance standards recognised.	Unsupported threat of legal action	Minimal effect on Staff.	High control standards maintained and recognised.	Between 0-£1,000	No or little change to regulation in recent history/ near future.	Negligible effect on service quality
MINOR	2	Small risk of minor injury. H&S Strategy not regularly reviewed.	Some Tenants aware of the problem, but impact on is minimal.	Negative general Housing Association article of which North View Housing is mentioned	Verbal comments received	Legal action with limited potential for decision against	Potential for additional workloads intruding into normal non-working time.	Attempted unsuccessful access to operational systems; minor operational information leaked or compromised.	Between £1,000 and £10,000	Limited recent or anticipated changes	Marginally impaired – slight adjustment to service delivery required
MODERATE	3	Elevated risk of injury, possibly serious. H&S standards insufficient / poor training.	A number of Tenants are aware and impacted by problems.	Critical article in Press or TV. Public criticism from industry body.	Findings in written examination report. Potential SHR intervention	Probable settlement out of court	Increase in workloads. Intrusion into normal non-working time.	Logical or physical attack into operational systems.	Between £10,000 and £25, 000	Modest changes recently or anticipated	Service quality impaired – changes in service delivery required to maintain quality
SIGNIFICANT	4	Serious risk or injury possibly leading to loss of life. H&S investigation resulting in investigation and loss of revenue.	Significant disruption and or Cost to Tenants / third parties.	Story in multiple media outlets and/or national TV main news over more than one day.	Multiple or repeat governance failings results in SHR intervention	Law suit against for major breach with limited opportunity for settlement out of court	Major intrusion into Staff's time.	Police investigation launched; operational data or control systems may be compromised.	Between £25,000 and £100,000	Potential intervention by lead regulator. Significant changes to industry	Significant reduction in service quality experienced
MAJOR	5	Potential to cause one or several fatalities. H&S breach causing serious fine, investigation, legal fees and possible stop notice.	Tenants / Third parties suffer major loss or cost.	Governmental or comparable political repercussions. Loss of confidence by public.	Action brought against North View Housing for significant governance failings Forced merger	Action brought against North View Housing for significant breach.	Major effect on Staff lives.	Major successful fraud; prosecution brought against North View Housing and Management for significant failure; Systems totally compromised.	Over £100,000	Major complex changes to industry Intervention on behalf of the Lead regulator	Complete Failure of Services

Rating	Rating Scale	Likelihood	Example of Loss event Frequency
RARE	1	This will probably never happen / recur	2 years or less frequently
UNLIKELY	2	Do not expect it to happen / recur but it is possible it may do so	Potentially once a year
POSSIBLE	3	Might happen or recur occasionally	Once every 6months
LIKELY	4	Will probably happen /recur but it is not a persisting issue	Once every 2 Months
ALMOST CERTAIN	5	Will undoubtedly happen /recur, possibly frequently	At least Monthly

Risk Scores	Overall Risk Rating	Review
20 - 25	A	Monthly
15 - 19	B	Quarterly
11 - 14	C	Every 3-6 Months
7 - 10	D	Every 6-9 Months
1 - 6	E	Every 12 Months

APPENDIX C – Example Board Assurance Report

Risk Ref	Risk Title	Cause & Effect	Risk Level should nothing be done	Risk Control	Control Assurance (1st Line)	Control Assurance (2nd Line)	Control Assurance (3rd Line)	Assurance Level	Current Risk Level	Action Required	Progress Notes
OP1.1	<p>RENTAL INCOME - Ineffective at maximising income and collecting rent</p> <p>Risk Owner: Alison Main</p> <p>Day to day overseen by:</p> <p>Last Updated: 12 Jul 2018</p>	<p>Cause</p> <p>C1) System ineffective</p> <p>C2) Team not encouraged to collect arrears</p> <p>C3) No payment arrangements</p> <p>C4) Fail to deal with outstanding arrears</p> <p>C5) Fail to offer different payment methods to suit tenant's lifestyle</p> <p>C6) Team Resources</p> <p>C7) Limited working with partners and other 3rd sector organisations</p> <p>C8) Policy / procedures inadequate</p> <p>Effects</p> <p>E1) Reduction in income</p> <p>E2) Additional workload / Colleague's morale</p> <p>E3) Residents in arrears / former tenant arrears / sharing owners</p> <p>E4) Restrictions in resident's ability to move</p> <p>E5) Prioritisation of resources at the detriment of other teams.</p> <p>E6) Reputation damage</p> <p>E7) Financial ratings potentially downgraded</p>	I = 4 L = 4 21	<p>C1) Effective System</p> <p>- Castleton IT system in place which monitors all transactions</p> <p>- System performs relevant calculations</p> <p>Control Owner: Alison Main</p>	<p>Housing Manager inputs Housing Benefit entitlement information and finance staff process all rent payments</p>	<p>Finance Manager uses system to carry out monthly checks prior to rent debit</p>	<p>Castleton system updates are installed as required</p>	Substantial	I = 3 L = 3 13	<p>Review Rent Arrears Policy</p> <p>Person Responsible: Alison Main</p> <p>To be implemented by: 17 Sep 2018</p>	
				<p>C2) Team encouraged to collect arrears</p> <p>- Regular meetings between Housing Manager and Housing Officers to discuss arrears</p> <p>- Monthly Team Meetings have a set agenda and includes discussion on performance and</p> <p>Control Owner: Alison Main</p>	<p>Housing Manager reviews rent arrear cases with Housing Officers on a monthly basis and rent arrears performance against target discussed at monthly team meetings</p>	<p>Performance against the rent arrears target is reported to Management Committee each month. More detailed information on arrears performance is reported to the Housing Management Sub-Committee on a quarterly basis</p>	Substantial				
				<p>C3& 5) Payment arrangements and payment methods to suit tenant's lifestyle</p> <p>- Flexible and realistic payment options to suit individual circumstances</p> <p>- Regular monitoring</p> <p>- All pay, standing order or cash on occasion are available</p> <p>Control Owner: Alison Main</p>	<p>Rent accounts are monitored regularly by the Housing Officers and discussed with Housing Manager on a monthly basis which would highlight spike or sudden changes</p> <p>Survey feedback monitored by</p>	<p>Feedback reported to Management Committee every two years</p>	<p>Comprehensive Tenants Satisfaction Survey seeks feedback from tenants in relation to rent payment methods and if there is another method of paying that they would like to see introduced</p>	Adequate			
				<p>C4) Dealing with outstanding arrears</p> <p>- Housing Officers are responsible for arrears within their stock area</p> <p>- Welfare Rights Officer in post to assist with benefit claims</p> <p>- Arrears are reported to Housing Management Sub-Committee on a quarterly</p> <p>Control Owner: Alison Main</p>	<p>Housing Officers use the Castleton IT system to record that rent accounts are being monitored and to show any repayment arrangements in place</p> <p>Welfare Rights Officer uses AdvicePro IT system to record assistance provided to tenants with benefit claims</p>	<p>Reports on rent arrears are provided to Housing Management Sub-Committee on a quarterly basis</p> <p>Reports on financial outcomes for tenants generated by the Welfare Rights Service are reported to the Housing Management Sub-Committee on a quarterly basis</p>	Substantial				

APPENDIX D – Risk Management Reporting Cycle

The table below sets out the risk management reporting cycle:

Risks	The Committee	Audit & Risk Committee	Management
NVHA's strategic risks	Every Quarterly	Each meeting Quarterly	N/A
Strategy and Annual Review	Annually	Annually	N/A
Operational risks which are classified as A	Each meeting	Each meeting	Senior Staff Team Meetings Monthly
Operational risks which are classified as B	Each meeting	Each meeting	Senior Staff Team Meetings Quarterly
Operational risks which are classified as C	N/A	3-6 Months	Department Team Meetings every 3 – 6 months
Operational risks which are classified as D	N/A	Annually	Department Team Meetings every 6 – 9 months
The remaining operational risks that are classified as E	N/A	Annually	Annually

APPENDIX E – Glossary of Terms

Assurance	An opinion based on evidence gained from the review of NVHA's governance, risk management and control framework that risk assessments and control responses are appropriate, adequate and achieving the effects for which it has been designed.
Cause	The reason for the risk exposure – why would a risk occur
Control Owner	The person responsible for ensuring the risk control activities are effective and provide an appropriate level of assurance
Effect	The impact for the risk exposure – what would be the impact if the risk materialised
Exposure	The consequences that arise from the realisation of a risk.
Inherent risk priority / Score	The classification NVHA gives to a risk, based on its likelihood and potential impact and BEFORE the application of a risk response and controls.
Impact	The effect that a risk would have on us if it occurred.
Likelihood	The probability of a risk occurring.
Risk Owner	The person responsible for ensuring the risk is properly managed and monitored
Current risk priority/score	The classification given to a risk AFTER considering the quality of risk responses and controls.
Risk	The threat or possibility that an action or event will adversely or beneficially affect an organisations ability to achieve its objectives.
Risk appetite	The level of risk NVHA is prepared to accept or tolerate before considering action necessary.
Risk assessment	The process by which NVHA identifies and assesses the risks associated with its activities within each level of NVHA.
Risk management	“Risk Management is the process which aims to help NVHA understand, evaluate and take action on all our risks with a view to increasing the probability of our success and reducing the likelihood of failure”.
Risk register	A document for capturing valuable information about each risk NVHA identifies.
Risk response	An action or process that NVHA currently has in place to either reduce a risk to an acceptable level or increase the probability of a desirable outcome