



**KINGDOM**  
Group

MORE THAN A HOME

# Risk Management Policy



HAPPY TO TRANSLATE

Approved: April 2021  
Next Review: April 2026

## RISK MANAGEMENT POLICY

### 1. Policy Statement

This policy applies to all companies within the Kingdom Group.

In line with our commitment to inclusion and diversity, this policy can be made available in a variety of formats including large print, translated into another language or other media. We will make any reasonable adjustments to assist you if you have a disability.

### 2. Introduction

Risk Management is a discipline for managing uncertainty. Proactive risk management will ensure the impact is kept to a minimum. To structure and formalise the risk management arrangements across all functions, Kingdom has developed a systematic and logical process of managing business risk within a framework to ensure it is managed effectively, efficiently and coherently across the organisation. The Group's adopted approach sets out the methodology for identification, evaluation and control of risk to ensure the continued financial and organisational well-being. Group wide ownership and accountability for managing risk is critical to the success of the organisation.

The approach is based on best practice industry standards including the International Standard in Risk Management – ISO: 31000 and guide 73 Risk Management – Vocabulary.

When implemented and maintained, the effective management of risk enables Kingdom to:

- Increase the likelihood of achieving its aims and delivering objectives
- Improve the identification of opportunities and threats
- Improve governance, stakeholder confidence and trust
- Establish a reliable basis for decision making and planning
- Effectively allocate and use resources to ensure risk controls are met
- Improve organisational resilience

As part of the Governance and Management of the Organisation the Board have an overall strategic risk management role. The Board will;

- review and agree strategic and business critical risks.
- set our risk appetite and targets.
- ensure the SMT implements the agreed control measures for managing risk



It is the role of the Senior Management Team (SMT) to provide support, guidance, advice and the necessary tools and techniques to enable Kingdom to take control of the risks that threaten delivery. The work of the SMT will be directed to effect the achievement of the following risk management objectives:

- Align the organisation's culture with the risk management framework
- Integrate and embed the risk management framework across the organisation
- Enable the organisation to recognise and manage the risks it faces
- Mitigate risk, reducing the likelihood of occurrence
- Minimise the cost and impact of risk
- Anticipate and respond to emerging risks, internal & external influences and a changing operating environment
- Implement a consistent method of measuring risk
- Ensure all employees with exposure to risk have been trained
- Ensure good corporate governance of risk to reflect the performance standards set by the Scottish Housing Regulator

### **3. Statement of Commitment**

Kingdom is committed to adopting best practice in its management of risk to ensure retained risk is of an acceptable and tolerable level in order to maximise opportunities and demonstrate it has made full consideration of the implications of risk to the delivery and achievement of aims and objectives.

The responsibility for managing risk belongs to everyone and there needs to be an appropriate level of understanding of the nature of risk by all stakeholders. The Group is obligated to protect its assets and to minimise its losses and liabilities. It recognises the need to equip its employees with the skills and expertise to manage risk on its behalf and provides the necessary resources to ensure this can be delivered. The Group's risk management objectives are a long term commitment, inherent to good governance practices.

We have dedicated risk management software that allows effective management and reporting of both Strategic and Operational Risk. It allows the SMT and Board(s) to manage and review risk appetite, risk maturity, risk controls and actions while increasing ownership and accountability for risk owners .

### **4. Risk Appetite Statement**

Risk appetite is best summarised as 'the amount of risk an organisation is willing to accept'. Kingdom aims to be risk aware, but not overly risk averse and to actively manage business risks to protect and grow the organisation. To deliver its corporate aims and objectives, the Board(s) recognise that it will have to manage certain business risks and will assess these on a case by case basis. Intolerable risks are those that could:



- Negatively affect the health, safety and wellbeing of employees or our customers/clients
- Have a damaging impact on our reputation
- Lead to breaches of laws and regulations
- Endanger the future operations of the Group
- Result in financial loss

Culture, strategy and competitive position all influence our risk appetite and defining it forces the debate and ensures our risks are made explicit.

## 5. New Projects and Initiatives

The SMT will be responsible for identifying risks from the initial business case stage in a programme/project and continued risk management throughout the project lifecycle to ensure the objectives can be achieved. Projects with high risk should be reported, discussed and agreed with the Board prior to pursuing the project to ensure this does not exceed the Board's risk appetite. All new project and new initiatives risks should be included in our risk management software.

## 6. Approach and Process

For risk management to be successful, it is imperative that there is a single approach for the management of business risk, adopted through all levels of the organisation. Kingdom's approach is that the discipline of effectively managing risk is integrated throughout the organisation and involves all key staff and Board Members. The Boards and SMT will be focussed on the strategic and business critical risks that could impact on the achievement of objectives or successful delivery of objectives. More detailed business operations risks will be the primary concern of the departmental managers who will be controlling and monitoring risks and escalating these to the necessary risk owner.

The Group Chief Executive will as standard report strategic risk status to the board quarterly . When strategic risks are escalated to serious or critical and operational to critical or new risks identified at the same residual status the Chief Executive will update the Board.

## 7. Risk Escalation

In the event that a single risk or group of risks exceed a pre-agreed threshold, then the risks should be escalated to a senior level via the pre agreed process. The Risk owner will initially be responsible for either deciding on a course of action or escalating the information to a senior level.

### **A risk may need to be escalated if:**

- The risk becomes too difficult to manage at the current level
- The risk rating cannot be controlled or contained within its current level
- The risk remains very high even after mitigations are implemented



- The risk will impact on more than one department/service if the risk event materialises
- Instinct tells the risk owner it is out of their control
- The risk moves outside the Board's risk appetite

## 8. Policy Review

This policy will be reviewed 5 years from the date of implementation or latest review, which will be the date approved by the Board of Management or earlier if deemed appropriate. In the event that this policy is not reviewed within the above timescale, the latest approved policy will continue to apply.

### Policy control and revision

**Policy written with reference to:  
Kingdom's Risk Management policy 2016**

*Policy written and reviewed by:  
Gary Haldane and Calum Kippen*

Approved by Policy by Policy Sub Committee: 9th Feb 2021

Approved by the Board of Management of KHA on 15th March 2021

Approved by the Board of Directors of KI on 20th April 2021

Approved by the Board of Directors of KSC on 11th Feb 2021

Next review date: No later than April 2026

