

KEY RISKS AFFECTING SANCTUARY SCOTLAND as at June 2023

Business / Operations Overview

Sanctuary Scotland Housing Association Limited (Sanctuary Scotland) owns over 8,000 lettable properties and 1,300 garages across 11 local authority areas, with particular concentrations in City of Glasgow, Dundee City, Renfrewshire, Cumbernauld town, Aberdeen City and Aberdeenshire. It also provides factoring services to some 2,500 properties primarily in Cumbernauld, Glasgow and Aberdeen. It has an on-going and large development programme comprising a combination of regeneration projects and mainstream development projects. Grant rates for social housing development remain at a positive level in Scotland but significant levels of private borrowing are still required to support new developments. Private finance is accessed at competitive rates through on-lending arrangements with Sanctuary Group (the Group), which remains supportive of further growth and development in Scotland.

Sanctuary Scotland's governing body and governance structure continues to thrive with the Board of Management, ("The Board"), displaying a strong strategic focus. This is supported by two area committees with remitted responsibility for operational performance overview.

Key themes for 2023/24 will be supporting our customers to sustain their homes and tenancies given the challenges within the economy, continued improvement to operational performance with a focus on customer experience and satisfaction, reviewing the operating model to ensure we are delivering excellent customer service and maximising the benefits of the One Sanctuary IT system with particular emphasis on continuous improvement.

Housing Objectives

Our mission

Building affordable homes and sustainable communities where people choose to live.

Our Values:

Ambition	Can do
Inclusion	Value difference
Integrity	Do the right think
Quality	Focus on high performance
Sustainability	Thinking long term

Our Objectives

The key objectives or themes that will influence our activities in 2023/2024 are:

- Growth
- Supporting tenancy sustainment in the challenging economic climate
- Realising the efficiencies and benefits of the OneSanctuary technology
- Improving our levels of operational performance with a focus on customer experience and satisfaction;
- Working with our colleagues to deliver an Asset Management Strategy that invests in and improves our stock, improves customer satisfaction and delivers the requirements of the Energy Efficiency Standards in Social Housing.
- Developing the key themes from our Investors in People and Your Say staff survey outcomes

Risk Map Key:

Risk Owners :

Title	Abbreviation
Director – Sanctuary Scotland Executive Committee	DSS
Chief Information Officer	EC CIO

Risk Types :

Type	Description
Strategic	Key matters for the Group Board that impinge on the whole Group.
Financial	Threats to the financial viability of the Group.
Reputational	Loss of existing or potential business because the Group's character or quality has been called into question.
Operational	Threat to continuance of operations / risks to assets and staff.
Compliance	Failure to comply with statutory, regulatory or legal requirements.

Key Abbreviations :

Title	Abbreviation
Scottish Housing Regulator	SHR
Department for Work and Pensions	DWP
Scottish Federation of Housing Associations	SFHA

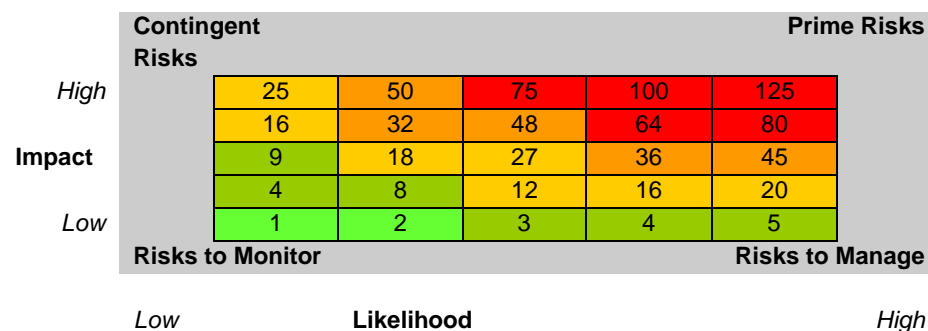
Areas of current and future focus (completion date)

This section identifies specific areas of focus, or actions, that are being taken by management to ensure that any changes to the external environment are being fully considered and responded to as appropriate.

Risk Assessments :


Rating	Likelihood	Impact
1	Rare	Insignificant
2	Unlikely	Minor
3	Possible	Moderate
4	Probable	Material
5	Very Likely	Significant

Risk Ratings : (Calculated as Likelihood x Impact x Impact)





Future controls (completion date)


This section identifies any new controls that are currently being put in place or still to be fully established in order to reduce the level of Residual risk. New controls are typically identified where a Residual risk score is greater than the Target risk score.


Risk Details	Current Controls		Control Owner															
<p>1. Rental income and collection</p> <p>Event: Reduction in income collected.</p> <p>Cause: Failure to effectively manage Income processes and support tenants in arrears.</p> <p>Consequence(s): Increase in arrears, reduction in service delivery or reinvestment activities and increase in evictions.</p> <p>Comment: Welfare Reform, Local Authority spending reviews and government cutbacks affects income streams.</p> <table border="1" data-bbox="205 722 619 852"> <thead> <tr> <th></th> <th>I</th> <th>L</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Gross Risk</td> <td>5</td> <td>5</td> <td>125</td> </tr> <tr> <td>Residual Risk</td> <td>4</td> <td>3</td> <td>48</td> </tr> <tr> <td>Target Risk</td> <td>4</td> <td>3</td> <td>48</td> </tr> </tbody> </table> <p>Residual Risk Score Movement: </p> <p>Timeframe: 2023 - 2026</p> <p>Type: Strategic</p> <p>Risk Owner: DSS</p>		I	L	Score	Gross Risk	5	5	125	Residual Risk	4	3	48	Target Risk	4	3	48	Joint working with DWP is in place to support residents to prepare for customer migration onto Universal Credit.	DSS
		I	L	Score														
	Gross Risk	5	5	125														
	Residual Risk	4	3	48														
	Target Risk	4	3	48														
	Business Information data is collected and Key Performance Indicators monitored by Senior Management Team (SMT).	DSS																
	The annual Scotland Operations Plan sets performance targets for income. Performance is reviewed each month at SMT meeting and cascaded through My Performance.	DSS																
	The automated Collections Management module ensures that weekly account escalations occur for unpaid rent and service charges prior to the notice stage.	CIT																
	OneSanctuary reports support performance monitoring and decision making in respect of tracking trends for cases impacted by welfare reform.	DSS																
	The Welfare Rights Service supports tenants and assists with income maximisation	DSS																
Policies and Procedures contain controls to ensure the delivery of tactical and operational requirements	DSS																	
Welfare Reform action plan and collections management are reviewed on an on going basis to identify mitigating actions of adverse effects on tenants and our business.	DSS																	
A focus on customer experience and proactive communication to support tenancy sustainment	DSS																	
Housing and Community Connector posts focusing on eviction prevention using trauma informed service delivery and post holders with lived experience	DSS																	
<p>Areas of current and future focus (June 2023): Introduction of a balanced score card and performance management system</p>		<p>Action Owner: DSS</p>																
<p>Future Controls (Completion): No future controls planned at this time</p>		<p>Control owner n/a</p>																


Risk Details	Current Controls		Control Owner																
2. Maintenance Service and long term investment	The Sanctuary Group Asset Management Strategy approved by Group Board in 2022 will support long term investment in stock.		DSS																
Event: Lack of investment in housing stock	The Board specifies maintenance and reinvestment levels within the annual budget and financial projections		DSS																
Cause: Failure to deliver cost effective in house maintenance service, failure to deliver Energy Efficiency Standard for Social Housing	The Board approved an options appraisal for the Cumbernauld stock		DSS																
Consequence(s): Reputational damage, reduction in customer satisfaction levels, and regulatory intervention	The five year re-investment plan addresses the outstanding work required in residents homes		DSS																
<table border="1" data-bbox="205 727 619 846"> <thead> <tr> <th></th> <th>I</th> <th>L</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Gross Risk</td> <td>5</td> <td>4</td> <td>100</td> </tr> <tr> <td>Residual Risk</td> <td>4</td> <td>2</td> <td>32</td> </tr> <tr> <td>Target Risk</td> <td>4</td> <td>2</td> <td>32</td> </tr> </tbody> </table>		I	L	Score	Gross Risk	5	4	100	Residual Risk	4	2	32	Target Risk	4	2	32	Area Committees have delegated responsibility to ensure oversight of Maintenance performance and highlight areas for improvement		DSS
	I	L	Score																
Gross Risk	5	4	100																
Residual Risk	4	2	32																
Target Risk	4	2	32																
<table border="1" data-bbox="205 852 619 938"> <thead> <tr> <th></th> <th>I</th> <th>L</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Gross Risk</td> <td>5</td> <td>4</td> <td>100</td> </tr> <tr> <td>Residual Risk</td> <td>4</td> <td>2</td> <td>32</td> </tr> <tr> <td>Target Risk</td> <td>4</td> <td>2</td> <td>32</td> </tr> </tbody> </table>		I	L	Score	Gross Risk	5	4	100	Residual Risk	4	2	32	Target Risk	4	2	32	The customer satisfaction improvement plan recognises the repairs and maintenance service and re-investment in homes as top priorities of our residents and actions have been identified to support this		DSS
	I	L	Score																
Gross Risk	5	4	100																
Residual Risk	4	2	32																
Target Risk	4	2	32																
Residual Risk Score Movement:	Analysis of customer complaints to ensure lessons learned are applied to service delivery		DSS																
Timeframe: 2020 - 2025	The transactional surveys carried out on satisfaction with completed repairs gives on going insight into our customers views		DSS																
Type: Reputational	The delivery of re-investment transfer promises made to residents in Toryglen will be monitored and reported to the Board of Management and the Scottish Housing Regulator.		DSS																
Risk Owner: DSS	The introduction of One Property, will improve property services processes and customer accessibility to service information improving customer experience		DSS																
Areas of current and future focus (Completion Date): The introduction of One Property,			Action Owner: n/a																
Future Controls (Completion Date): No future controls planned at this time			Control owner n/a																


Risk Details	Current Controls	Control Owner																
<p>3. Cost and Income pressures</p> <p>Event: Reduction in cash flows and surpluses Cause: Increased operating costs Consequence(s): Rents rising to unaffordable levels and reputational damage.</p> <table border="1" data-bbox="205 540 619 667"> <thead> <tr> <th></th> <th>I</th> <th>L</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Gross Risk</td> <td>5</td> <td>4</td> <td>100</td> </tr> <tr> <td>Residual Risk</td> <td>4</td> <td>3</td> <td>48</td> </tr> <tr> <td>Target Risk</td> <td>3</td> <td>3</td> <td>27</td> </tr> </tbody> </table> <p>Residual Risk Score Movement: </p> <p>Timeframe: 2023 - 2026</p> <p>Type: Financial</p> <p>Risk Owner: DSS</p>		I	L	Score	Gross Risk	5	4	100	Residual Risk	4	3	48	Target Risk	3	3	27	The Board approves the Annual Business Plan which specifies the cost control and rent increases.	DSS
		I	L	Score														
	Gross Risk	5	4	100														
	Residual Risk	4	3	48														
	Target Risk	3	3	27														
	The Board approves Annual Financial Projections prior to submission to the SHR with scenario modelling on sensitivity of income and costs using multi-variant assumptions.	DSS																
	The Director and senior staff work within budget parameters and monitor this via KPIs	DSS																
	Financial modelling on the affordability of rent levels using SFHA affordability tool is presented to the Board as part of the annual rent increase process.	DSS																
	Financial performance is monitored monthly via the production and review of Management Accounts.	DSS																
	Customer Satisfaction results are used to inform a comprehensive improvement plan, views on rent providing value for money and affordability.	DSS																
The annual performance review and detailed benchmarking against peer Registered Social Landlords is utilised to deliver performance improvement.	DSS																	
The long term assumptions for rent increases within the financial projections are reviewed annually prior to submission to the SHR.	DSS																	
The rent increase consultation provides residents with more information on how their money is spent and offers rent increase options to give feedback.	DSS																	
Exceptional items such as the addition of Toryglen, the financial effects of Covid 19 and the cost of living crisis on cash flow monitored closely to manage adverse impact.	DSS																	
<p>Areas of current and future focus (Completion Date): No further areas planned at this time</p>	<p>Action Owner: n/a</p>																	
<p>Future Controls (Completion Date): No future controls planned at this time</p>	<p>Control owner n/a</p>																	


Risk Details	Current Controls	Control Owner																
<p>4. Governance</p> <p>Event: regulatory intervention due to failure to meet high governance standards Cause: governance, risk and audit systems poorly implemented Consequence(s): significant reputational consequences.</p> <table border="1" data-bbox="205 570 619 695"> <thead> <tr> <th></th> <th>I</th> <th>L</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Gross Risk</td> <td>5</td> <td>3</td> <td>75</td> </tr> <tr> <td>Residual Risk</td> <td>3</td> <td>2</td> <td>18</td> </tr> <tr> <td>Target Risk</td> <td>3</td> <td>2</td> <td>18</td> </tr> </tbody> </table> <p>Residual Risk Score Movement: </p> <p>Timeframe: 2020 - 2025 Type: Compliance Risk Owner: DSS</p>		I	L	Score	Gross Risk	5	3	75	Residual Risk	3	2	18	Target Risk	3	2	18	Governance requirements for Group businesses and operations are specified in standing orders, policies and procedures.	DSS
		I	L	Score														
	Gross Risk	5	3	75														
	Residual Risk	3	2	18														
	Target Risk	3	2	18														
	Reviews of the governance arrangements and the skill sets of the Board and Committees takes place at least annually.	DSS																
	Established risk management and audit frameworks, policies and procedures are reviewed at set, or more frequent, intervals as appropriate to ensure governance arrangements are properly supported.	DSS																
	Senior staff and governance stakeholders remain abreast of political and sector-wide issues which could affect the operation's strategy.	DSS																
An assessment of the effectiveness and outcomes of the governance structure is reviewed regularly.	DSS																	
The regulatory framework published by the SHR is being adhered to including submitting an Annual Assurance Statement.	DSS																	
SMT review the Assurance Statement mapping prior to submission to the Board for approval and this work is viewed as a tool for continuous improvement.	DSS																	
Areas of current and future focus (Completion Date): No further areas planned at this time		Action Owner: n/a																
Future Controls (Completion Date): No future controls planned at this time		Control owner n/a																


Risk Details	Current Controls	Control Owner																
<p>5. Management and Operational overstretch</p> <p>Event: Loss of operational or financial control or regulatory breach Cause: Significant changes to operating model, rapid growth or diversification Consequence(s): Reputational damage, regulatory breach or financial penalty.</p> <table border="1" data-bbox="205 662 619 787"> <thead> <tr> <th></th> <th>I</th> <th>L</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Gross Risk</td> <td>5</td> <td>5</td> <td>125</td> </tr> <tr> <td>Residual Risk</td> <td>4</td> <td>3</td> <td>48</td> </tr> <tr> <td>Target Risk</td> <td>4</td> <td>3</td> <td>48</td> </tr> </tbody> </table> <p>Residual Risk Score Movement: </p> <p>Timeframe: 2023 - 2026 Type: Reputational Risk Owner: DSS</p>		I	L	Score	Gross Risk	5	5	125	Residual Risk	4	3	48	Target Risk	4	3	48	Development staff conduct appraisals of potential developments prior to acquisition to ensure they meet financial sustainability requirements.	DSS
		I	L	Score														
	Gross Risk	5	5	125														
	Residual Risk	4	3	48														
	Target Risk	4	3	48														
	The Board approves site acquisitions and tender acceptance and monitors progress of the development programme at every Board meeting.	DSS																
	The Director considers and reviews the strategic and operational requirements against the operating model to ensure it is fit for purpose.	DSS																
	The Board of Mid Market Rent subsidiary, Sanctuary Homes Scotland, monitors performance reporting to ensure scrutiny and enable increased knowledge of product and customer requirements.	DSS																
Internal Audit review housing management processes including handover points with central services.	DSS																	
Internal Quality Assurance exercises on all operational areas identify areas for improvement.	DSS																	
The senior staffing structure was reviewed in 2021 with an additional Head of Housing role and permanent Project Manager roles approved and recruited.	DSS																	
Areas of current and future focus (Completion Date): No further areas planned at this time		Action Owner: n/a																
Future Controls (Completion Date): No future controls planned at this time		Control owner n/a																


Risk Details	Current Controls	Control Owner																
<p>6. Private Finance</p> <p>Event: Restriction of growth ambitions and inability to preserve the asset base</p> <p>Cause: Failure to source private finance on acceptable terms to fund development and re-investment</p> <p>Consequence(s): Reputational damage, loss of customer satisfaction and no growth</p> <table border="1" data-bbox="205 670 619 797"> <thead> <tr> <th></th> <th>I</th> <th>L</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Gross Risk</td> <td>4</td> <td>5</td> <td>80</td> </tr> <tr> <td>Residual Risk</td> <td>4</td> <td>1</td> <td>16</td> </tr> <tr> <td>Target Risk</td> <td>4</td> <td>1</td> <td>16</td> </tr> </tbody> </table> <p>Residual Risk Score Movement: </p> <p>Timeframe: 2020 - 2025</p> <p>Type: Compliance</p> <p>Risk Owner: DSS</p>		I	L	Score	Gross Risk	4	5	80	Residual Risk	4	1	16	Target Risk	4	1	16	<p>The Group provides access to the Group Treasury vehicle ensuring forward funding has been secured through participation in bond issues and new funding facilities.</p> <p>The Board monitors forward cash/funding requirements through its monthly management accounts and participate in the approval process of new funding facilities.</p>	<p>DSS</p> <p>DSS</p>
	I	L	Score															
Gross Risk	4	5	80															
Residual Risk	4	1	16															
Target Risk	4	1	16															
<p>Areas of current and future focus (Completion Date): No further areas planned at this time</p>	<p>Action Owner: n/a</p>																	
<p>Future Controls (Completion Date): No future controls planned at this time</p>	<p>Control owner n/a</p>																	


Risk Details	Current Controls	Control Owner																
<p>7. Technology Platform</p> <p>Event: Failing to realise benefits of One Sanctuary platform and modern working opportunities. Cause: Leadership failure to motivate employees and managers. Consequence: Poorer services, missed efficiencies and reputational damage.</p> <table border="1" data-bbox="205 602 619 727"> <thead> <tr> <th></th> <th>I</th> <th>L</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Gross Risk</td> <td>4</td> <td>5</td> <td>80</td> </tr> <tr> <td>Residual Risk</td> <td>2</td> <td>1</td> <td>4</td> </tr> <tr> <td>Target Risk</td> <td>2</td> <td>1</td> <td>4</td> </tr> </tbody> </table> <p>Residual Risk Score Movement: </p> <p>Timeframe: 2020 - 2025</p> <p>Type: Reputational</p> <p>Risk Owner: ODH</p>		I	L	Score	Gross Risk	4	5	80	Residual Risk	2	1	4	Target Risk	2	1	4	Project plans are maintained for key projects and where appropriate, supported by project risk maps.	DSS
		I	L	Score														
	Gross Risk	4	5	80														
	Residual Risk	2	1	4														
	Target Risk	2	1	4														
	The Director and senior staff set programs to ensure the system is rolled out effectively across Scotland, with improvements and system change requests identified and monitored in accordance with Group processes.	DSS																
	Resourcing requirements are considered in the preparation of the annual operations plan and annual budget.	DSS																
	Dedicated Human Resource (“HR”) professionals assigned to Scotland to provide advice on HR matters.	DSS																
	The changes implemented to the operating model have aligned Scotland with Group central services to ensure maximisation and consistent use of systems across the Group.	DSS																
The outcomes of the Your Say Survey in relation to tools are included as a key area for development in the Yours Say and Investors in People action plan.	DSS																	
The Revised Group IS Strategy, ‘The Modern Workplace’ supports system enhancement and delivers operating model objectives.	DSS																	
The Integration Plan for Thistle Housing Association contained data, system and training actions and ensured the effective transfer from 1 March 2021.	DSS																	
The mobile working action plan is reviewed regularly to maximise the benefits of field and home working	DSS																	
<p>Areas of current and future focus (Completion Date): No further areas planned at this time</p>	<p>Action Owner: n/a</p>																	
<p>Future Controls (Completion Date): No future controls planned at this time</p>	<p>Control owner n/a</p>																	


Risk Details	Current Controls		Control Owner															
<p>8. Legislative/Regulatory/political</p> <p>Event: Breach of legislation, regulatory intervention or deterioration of relationships with third party partners</p> <p>Cause: Failure to comply with a legal or regulatory requirement or to correctly interpret the external political environment</p> <p>Consequence(s): Reputational damage, legal challenge or financial penalty.</p> <table border="1" data-bbox="205 691 619 818"> <thead> <tr> <th></th> <th>I</th> <th>L</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Gross Risk</td> <td>5</td> <td>5</td> <td>125</td> </tr> <tr> <td>Residual Risk</td> <td>3</td> <td>2</td> <td>18</td> </tr> <tr> <td>Target Risk</td> <td>3</td> <td>2</td> <td>18</td> </tr> </tbody> </table> <p>Residual Risk Score Movement: </p> <p>Timeframe: 2020 - 2025</p> <p>Type: Compliance</p> <p>Risk Owner: DSS</p>		I	L	Score	Gross Risk	5	5	125	Residual Risk	3	2	18	Target Risk	3	2	18	The delivery of and compliance with legislative and regulatory requirements are embedded in day to day operations as evidenced by the Assurance Statement mapping.	DSS
		I	L	Score														
	Gross Risk	5	5	125														
	Residual Risk	3	2	18														
	Target Risk	3	2	18														
	The Director and the Governance Team review and consider the proposals for draft bills and updates the board with any associated implications.	DSS																
	The Board provides annual assurance to the SHR that the Development team in Scotland have the resources required to meet the stated development programme.	DSS																
	Requirements for legislative adherence are specified in Group policies and procedures.	DSS																
	Annual membership of the SFHA who provide policy and legislative briefings.	DSS																
	Key Performance Information is prepared at set intervals to enable management to review compliance and take action where appropriate.	DSS																
All staff undertake mandatory training in key compliance requirements.	DSS																	
Freedom of Information requirements successfully deployed for 11 November 2019 and effective processes have ensured continued compliance.	DSS																	
SMT review the Assurance Statement mapping prior to submission to the Board for approval and this work is viewed as a tool for continuous improvement.	DSS																	
Developments in relation to a second Independence Referendum are being monitored.	DSS																	
The Housing to 2040 Strategy aligns with the Groups Environmental Strategy; pathways document in place and watching brief on external development that will require action	DSS																	
Areas of current and future focus (Completion Date): No further areas planned at this time		Action Owner: n/a																
Future Controls (Completion Date): No future controls planned at this time		Control owner n/a																


Risk Details	Current Controls		Control Owner															
<p>9. Health and Safety</p> <p>Event: Regulatory intervention due to failure to meet required H&S standards.</p> <p>Cause: Failure to adhere to H&S or compliance standards.</p> <p>Consequence(s): Reputational damage, legal challenge or financial penalty.</p> <table border="1" data-bbox="205 602 619 727"> <thead> <tr> <th></th> <th>I</th> <th>L</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Gross Risk</td> <td>5</td> <td>5</td> <td>125</td> </tr> <tr> <td>Residual Risk</td> <td>3</td> <td>3</td> <td>27</td> </tr> <tr> <td>Target Risk</td> <td>3</td> <td>3</td> <td>27</td> </tr> </tbody> </table> <p>Residual Risk Score Movement: </p> <p>Timeframe: 2020 - 2025</p> <p>Type: Compliance</p> <p>Risk Owner: DSS</p>		I	L	Score	Gross Risk	5	5	125	Residual Risk	3	3	27	Target Risk	3	3	27	Compliance checks are conducted at local sites by Housing and Maintenance in line with Group procedure, details are recorded in logbooks and checked randomly by managers.	DSS
		I	L	Score														
	Gross Risk	5	5	125														
	Residual Risk	3	3	27														
	Target Risk	3	3	27														
	The annual Operations Plan sets performance targets for Compliance. Performance is reviewed monthly by the Senior Management team and cascaded through My Performance processes.	DSS																
	All Housing employees undertake mandatory compliance plus Health and Safety training which is monitored by Success Factors.	DSS																
	Group Health and Safety policies and procedures are written and reviewed by the Group Head of Health and Safety.	DSS																
	Mandatory compliance training records are reviewed for all employees through their My Performance meetings with line managers and as part of their annual appraisal.	DSS																
	Risk assessments are written and agreed by Health and Safety Managers and reviewed by the Housing Health and Safety Forum before implementation.	DSS																
Fire Risk Assessment site action performance is monitored and discussed with Housing Managers every month, exceptions are reviewed and resolved.	DSS																	
Significant Incident Management Procedures are applied in the event of a compliance concern and a senior manager oversees remedial actions.	DSS																	
Health, Safety and Compliance remains a standing item on all meeting agendas to ensure effective control of all risks.	DSS																	
<p>Areas of current and future focus (Completion Date): No further areas planned at this time</p>		<p>Action Owner: n/a</p>																
<p>Future Controls (March 2023): Ensuring understanding of expected future building safety legislation and its implications</p>		<p>Control owner DSS</p>																

Risk Details	Current Controls	Control Owner																
<p>10. Fraud</p> <p>Event: A material fraud arises from an internal or external source.</p> <p>Cause: Failure to implement adequate controls.</p> <p>Consequence(s): Reputational damage and loss of resources.</p> <table border="1" data-bbox="205 540 619 667"> <thead> <tr> <th></th> <th>I</th> <th>L</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Gross Risk</td> <td>3</td> <td>3</td> <td>27</td> </tr> <tr> <td>Residual Risk</td> <td>2</td> <td>1</td> <td>4</td> </tr> <tr> <td>Target Risk</td> <td>2</td> <td>1</td> <td>4</td> </tr> </tbody> </table> <p>Residual Risk Score Movement: </p> <p>Timeframe: 2020 - 2025</p> <p>Type: Reputational</p> <p>Risk Owner: DSS</p>		I	L	Score	Gross Risk	3	3	27	Residual Risk	2	1	4	Target Risk	2	1	4	Suspected fraud incidents are reported to the Group's Fraud and Incident Manager in line with the Group's policies, procedures, standing orders and financial regulations.	DSS
		I	L	Score														
	Gross Risk	3	3	27														
	Residual Risk	2	1	4														
	Target Risk	2	1	4														
	Procedures promote the benefits of non-cash and electronic payments such as DD and payment card to avoid cash handling and banking. DD take up rates are a KPI.	DSS																
	Housing staff undertake quality assurance on operational processes to reduce the risk of fraud	DSS																
	E-Learning for fraud prevention and anti-money laundering is mandatory training for completion by all staff in the Group.	DSS																
	An annual Fraud risk assessment is carried out on operations and approved by the Board	DSS																
	Employees duties and system permissions are segregated to prevent incidents of fraud occurring.	DSS																
Bi-annual cash handling refresher training is provided to all Housing employees.	DSS																	
Management of valuable items and payments are provided for within operating procedures and work instructions and controlled through levels of authorization.	DSS																	
Employment references are taken up for all successful candidates prior to appointment.	DSS																	
A Cyber Security Champion has been identified for Sanctuary Scotland and a higher profile given to the risks	DSS																	
<p>Areas of current and future focus (Completion Date): No further areas planned at this time</p>	<p>Action Owner: n/a</p>																	
<p>Future Controls (Completion Date): No future controls planned at this time</p>	<p>Control owner n/a</p>																	

Risk Details	Current Controls	Control Owner																
<p>11. Development</p> <p>Event: The development programme is not built to schedule, quality or budget</p> <p>Cause: Failure to effectively manage the development programme</p> <p>Consequence(s): Significant financial and reputational damage.</p> <table border="1" data-bbox="205 602 619 727"> <thead> <tr> <th></th> <th>I</th> <th>L</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Gross Risk</td> <td>5</td> <td>5</td> <td>125</td> </tr> <tr> <td>Residual Risk</td> <td>4</td> <td>3</td> <td>48</td> </tr> <tr> <td>Target Risk</td> <td>4</td> <td>3</td> <td>48</td> </tr> </tbody> </table> <p>Residual Risk Score Movement: </p> <p>Timeframe: 2020 - 2025</p> <p>Type: Compliance</p> <p>Risk Owner: DSS</p>		I	L	Score	Gross Risk	5	5	125	Residual Risk	4	3	48	Target Risk	4	3	48	The Board considers and approves the financial performance of development and the investment to be committed to this activity within the financial business plan and management accounts.	DSS
		I	L	Score														
	Gross Risk	5	5	125														
	Residual Risk	4	3	48														
	Target Risk	4	3	48														
	The Board receives development update reports at every meeting.	DSS																
	More detailed reporting on individual sites is provided to the Board by the Development team to ensure clarity of risk and spend.	DSS																
	Delegated authority from Group Board includes financial targets that are confirmed by Group Treasury teams that the appraisal shows these targets can be met before proceeding with a site purchase.	DSS																
	A dedicated Development Appraisals team within Development Finance review each appraisal to ensure compliance with financial targets and reject if non-compliant.	DSS																
	The Group Development function is subject to a separate risk map.	DSS																
A procurement exercise has been completed that provides a new contractor and supplier framework.	DSS																	
All contractors are procured via public procurement processes.	DSS																	
The Board provides annual assurances to the SHR that the Development team in Scotland has the resources required to meet the ambitious development programme.	DSS																	
The effects of Brexit, Covid 19 and inflation on the development programme, income and cash flow has been modelled and budgets reviewed to reflect expected rental income levels	DSS																	
<p>Areas of current and future focus (Completion Date): No further areas planned at this time</p>	<p>Action Owner: n/a</p>																	
<p>Future Controls (Completion Date): No future controls planned at this time</p>	<p>Control owner n/a</p>																	

Risk Details	Current Controls	Control Owner																
<p>12. Information Security and Availability</p> <p>Event: Loss of or no access to, data or systems Cause: Failure to protect the Groups Technology, data and assets against unauthorised access. Consequence(s): Prosecution, significant financial loss and reputational damage.</p> <table border="1" data-bbox="205 662 619 792"> <thead> <tr> <th></th> <th>I</th> <th>L</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Gross Risk</td> <td>5</td> <td>5</td> <td>125</td> </tr> <tr> <td>Residual Risk</td> <td>4</td> <td>3</td> <td>48</td> </tr> <tr> <td>Target Risk</td> <td>4</td> <td>3</td> <td>48</td> </tr> </tbody> </table> <p>Residual Risk Score Movement: </p> <p>Timeframe: 2023 - 2026</p> <p>Type: Financial/Reputational</p> <p>Risk Owner: CIO</p>		I	L	Score	Gross Risk	5	5	125	Residual Risk	4	3	48	Target Risk	4	3	48	The Groups Technology team specify requirements for information security which are contained in Group-wide policies and procedures	CIO
		I	L	Score														
	Gross Risk	5	5	125														
	Residual Risk	4	3	48														
	Target Risk	4	3	48														
	Access to premises and systems is controlled to enable the secure transfer of information for legitimate business purposes, including identity protection which detects unusual behaviour, such as unusual login activity, protecting user accounts from cloud compromise	CIO																
	All staff are required to read and accept the Group's Unacceptable usage policy and procedure and undertake mandatory training	EC																
	The Groups Technology team deploy technical resources to automatically eliminate, as far as possible, attacks such as spam or "phishing", including recently replaced anti-malware tools. This is backed by information campaigns followed up with simulated phishing emails to measure the effectiveness of staff awareness	CIO																
Regular penetrative tests of existing controls are undertaken.	CIO																	
Sanctuary Scotland has designated Officers for Data Protection to support the business in complying with data protection requirements.	EC																	
The Group has a dedicated strategy for dealing with potential ransomware attached and the Executive Committee has undergone a ransomware simulation.	CIO																	
Multifactor authentication is in place across the Group.	CIO																	
<p>Areas of current and future focus (Completion Date): none at present</p>	<p>Action Owner: n/a</p>																	
<p>Future Controls (Completion Date): No future controls planned at this time</p>	<p>Control owner n/a</p>																	

Risk Details	Current Controls			Control Owner														
<p>13. Staffing risk</p> <p>Event: Sanctuary Scotland fails to achieve its strategy or suffers operational or service delivery failure.</p> <p>Cause: Failure to recruit, train and retain a workforce with the appropriate knowledge, skills and experience at all levels.</p> <p>Consequence(s): Significant financial loss, reputational damage or impact to customer's welfare.</p> <table border="1" data-bbox="205 699 619 824"> <thead> <tr> <th></th> <th>I</th> <th>L</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Gross Risk</td> <td>5</td> <td>4</td> <td>100</td> </tr> <tr> <td>Residual Risk</td> <td>3</td> <td>2</td> <td>18</td> </tr> <tr> <td>Target Risk</td> <td>3</td> <td>2</td> <td>18</td> </tr> </tbody> </table> <p>Residual Risk Score Movement: </p> <p>Timeframe: 2022-2025</p> <p>Type: Operational</p> <p>Risk Owner: DSS</p>		I	L	Score	Gross Risk	5	4	100	Residual Risk	3	2	18	Target Risk	3	2	18	Existing terms and conditions are regularly reviewed by the Group with advice from internal and external Human Resources (HR) professionals with the market in Scotland such as Employers in Voluntary Housing considered and understood.	DSS
		I	L	Score														
	Gross Risk	5	4	100														
	Residual Risk	3	2	18														
	Target Risk	3	2	18														
	Regular reports are made to the SMT identifying key staffing indicators such as turnover, profiles and sickness.	DSS																
	HR policies relating to recruitment, training, discipline and conditions for staff set the Group's requirements of all staff/managers.	DSS																
	Dedicated HR professionals assigned to each operation provide advice on specific HR matters.	DSS																
Staff are recruited based on a competency framework to ensure they have the right skills for the job. Training arrangements are put in place when these are identified via 1-2-1 discussions and 'My Performance' relating to ongoing performance appraisals.	DSS																	
A core brief cascade system and 1-2-1 meetings are in place to ensure appropriate levels of communication exist.	DSS																	
The Group is Investors in People accredited and has a staff council arrangement to allow views to be conveyed to management and vice versa. There is a dedicated Learning and Development Team.	DSS																	
Your Say survey results used to assess level of staff engagement and action items identified for development.	DSS																	
<p>Areas of current and future focus (completion date):</p> <p>To assess the Group's planned 2023/2024 pay increase in the context of competitors' pay and the wider inflationary environment (January 2023).</p>	<p>Action Owner: EC</p>																	
<p>Future controls (completion date):</p> <p>None at present.</p>	<p>Control Owner: n/a</p>																	

Risk Details	Current Controls	Control Owner																
<p>14. Climate change</p> <p>Event: Climate change adversely affects or threatens the continuity of business operations and service delivery. Alternatively, increased costs associated with climate events or mitigating/adaptions.</p> <p>Cause: Failure to effectively transition to a low-carbon economy and/or adapt to changes to climate.</p> <p>Consequence(s): Reputational damage due to inaction, cost increases or income reductions, assets become unviable, and potential breach of legal or regulatory requirements.</p> <table border="1" data-bbox="205 816 619 938"> <thead> <tr> <th></th> <th>I</th> <th>L</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Gross Risk</td> <td>4</td> <td>4</td> <td>64</td> </tr> <tr> <td>Residual Risk</td> <td>4</td> <td>3</td> <td>48</td> </tr> <tr> <td>Target Risk</td> <td>4</td> <td>3</td> <td>48</td> </tr> </tbody> </table> <p>Residual Risk Score Movement: </p> <p>Timeframe: 2022-2026</p> <p>Type: Strategic</p> <p>Risk Owner: DSS</p>		I	L	Score	Gross Risk	4	4	64	Residual Risk	4	3	48	Target Risk	4	3	48	A Group-wide Environment Strategy is in place identifying and monitoring key environmental workstreams.	DSS
		I	L	Score														
	Gross Risk	4	4	64														
	Residual Risk	4	3	48														
	Target Risk	4	3	48														
	Frequent engagement with key external stakeholders about forthcoming environmental policy.	DSS																
	Joint working and collaboration with external parties and other Housing Associations supports sharing knowledge and resources.	DSS																
	The potential costs of retrofitting properties for energy efficiency over the next ten years have been calculated and incorporated within asset management planning.	DSS																
	Available funding is accessed to support the decarbonisation of the Group's assets.	DSS																
	A programme is in place to support all of the Group's social housing properties to reach EPC band C by 2028 where reasonably practicable.	DSS																
Regular communications to staff provide progress updates, supporting talent retention and maintaining a positive reputation.	DSS																	
A range of asset decarbonisation innovation pilots are underway to understand opportunities and shape future strategy.	DSS																	
The Sustainability Team monitor UK and Scottish Government environmental policy and targets and assess the Group's capability to meet them.	DSS																	
A central Sustainability team monitors performance and changes to external environmental policies and regulation.	DSS																	
<p>Areas of current and future focus (completion date): None at present</p>	<p>Action Owner: n/a</p>																	
<p>Future controls (completion date): No further controls planned at this time.</p>	<p>Control Owner: n/a</p>																	

