

Ongo Risk Management Framework

March 2026

Owner: Business Assurance & Risk Manager

<u>Version No.</u>	<u>Purpose/Changes</u>	<u>Approval Date</u>	<u>Approved By</u>	<u>Suggested Review Date</u>
V6	Annual review	24th March 2026	Ongo Homes Board	2026/2027
V5	Annual review	21/01/2025	Ongo Homes Board	March 26
V4.2	Risk Appetite Review	29 th March 2023	Group Common Board	March 25
V4.1	Update following Standing Order Change	15 th September 2022	Group Common Board	June 23
V4.0	Revision & Review	25 th January 2022 13 th Dec 2021 (appetite & framework)	Group Common Board Group Audit & Risk Committee	Jan 2023
V3.0	Annual Review	16 th Sept 2020 10 th June 2020	Group Common Board Group Audit & Risk Committee	Sept 2021
V2.0	Full Review	19 th Sept 2019 29 th July 2019	Group Common Board Audit & Risk Committee	Sept 2023
V1.0	New Framework	15 th June 2016	Ongo Homes Board	May 2017

1. Our policy is...

1.1 To ensure that Ongo has a clear and robust approach to managing risk, with the aim of successfully achieving our corporate plan, protecting our social housing assets, and complying with all relevant laws and regulation.

1.2 To follow Ongo's **Guarded** Risk Management Principles:

- **Governed** – Risk Management is integral to Governance and Leadership at Ongo, it is fundamental to how Ongo is directed and managed
- **Understood** – Risks are comprehensive, well-articulated and controls are understood by all
- **Aligned** – Risk Management is aligned with other business activities and is not a separate activity
- **Relevant** – Risks are relevant to objectives, and the management of risk is proportionate to the level of risk
- **Discussed** – Risk is communicated and discussed regularly at all levels of the organisation
- **Embedded** – Risk Management is part of everyday life, activities and decision making at Ongo
- **Dynamic** – The management and reporting of risk is responsive to change and can adapt and identify emerging risks quickly

2. It applies to...

2.1 Ongo Homes Ltd and all its subsidiary companies, including our Commercial companies; Ongo Roofing Ltd. (trading as Ashbridge Roofing Solutions), Ongo Heating and Plumbing Ltd. (trading as Hales & Coultas Heating and Plumbing Ltd) (the Group) and Trent Valley Electrical Services Ltd.

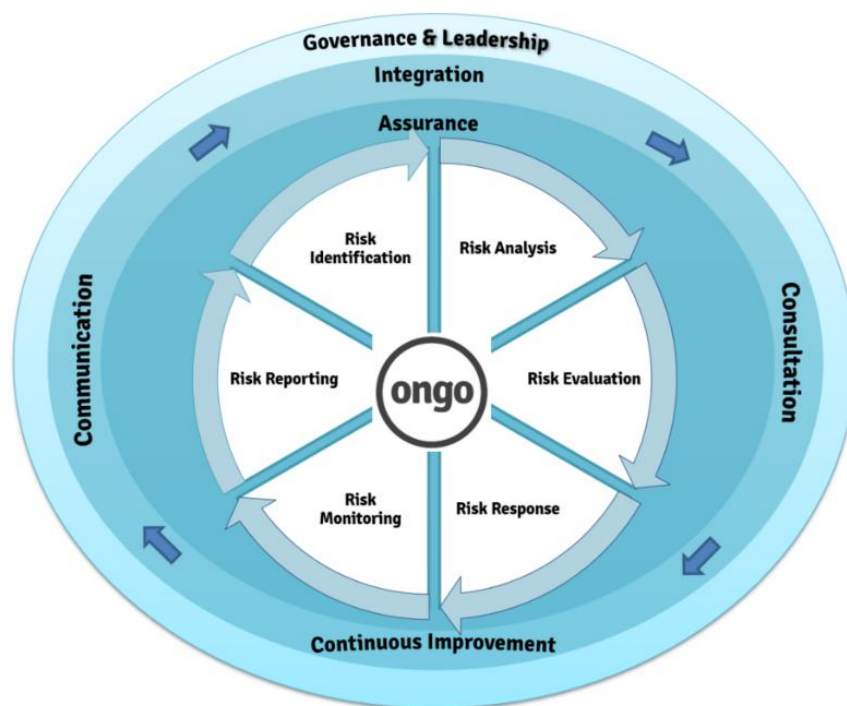
3. Because we want to...

3.1 The aims of this framework are to ensure:

- Ongo successfully achieves its objectives, both strategic and operational
- Ongo can identify and manage any threats or opportunities that may affect it achieving its objectives
- The level of uncertainty is at an acceptable level
- Compliance with all relevant laws and regulatory standards
- Compliance with Ongo's own policies and procedures
- Ongo protects people, assets, finances, and reputation
- Ongo make informed decisions and understand boundaries
- Ongo grows and remains a resilient organisation
- Provision of a robust internal control environment
- Assurance can be provided to our Board and other interested parties that risks are well managed

4. Risk Management Framework

- 4.1 Risk is the possibility of an event and the consequences it has on the achievement of objectives, at a strategic, operational and project level. Risk creates uncertainty which we must understand, control and monitor to reduce the uncertainty to an acceptable level.
- 4.2 This framework sets out our strategic approach for managing risk across Ongo and our risk appetite statements.
- 4.3 The framework covers specific risk management responsibilities, our risk assessment methodology, reporting process, and levels of assurance.
- 4.4 The graphic below provides a visual representation of our overall approach to risk management:



5. Roles and Responsibilities

- 5.1 All colleagues have responsibility for identifying new risks as appropriate and ensure that identified actions to control risk are carried out.

Role	Responsibilities
<p>Ongo Homes Board has ultimate responsibility for establishing and overseeing the risk management framework. In addition to specific Board responsibilities, it will:</p>	<ul style="list-style-type: none"> • Review and approve the Risk Management Framework • Set the Risk Appetite statements for Ongo • Seek assurance from the Audit and Risk Committee (A&RC) on the effectiveness of the Risk Management Framework • Own the Strategic Risk Register for Ongo Homes

Role	Responsibilities
	<ul style="list-style-type: none"> • Consider risk at every meeting and review the strategic risk register every other meeting and its implications on achieving the corporate objectives, seeking assurance on risks that are out of appetite • Ensure risk decisions protect the interest of Ongo Homes • Take the lead in identifying a range of scenarios to support robust stress testing of the business plan and agree appropriate mitigation strategies
<p>All Boards must ensure that they understand the relevant strategic risks, challenge the impact of risk on objectives, and seek assurance that risks are effectively managed. Specifically, each board will:</p>	<ul style="list-style-type: none"> • Determine the nature and extent of significant risks it is willing to take in achieving its strategic objectives • Review their strategic risk registers at least quarterly and assess effectiveness of internal controls • Ensure it understands the risk implications of strategic decisions and that it is satisfied with the control of risk • Identify and ensure mitigations are in place for any Intra- group risk that would impact another company • Request additional ‘deep dive’ analysis or assurance from Executive Management on an emerging risk or control effectiveness of an existing risk
<p>Audit and Risk Committee, has responsibility to ensure that the risk management framework is working effectively across the whole group, and advise Ongo Homes Board. Specifically, it will:</p>	<ul style="list-style-type: none"> • Review the Ongo Homes strategic risk register at each meeting, ensuring that risks out of appetite are appropriately reviewed and action is being taken, and that new/emerging risks are considered and added if necessary • Seek assurance that mitigations are in place for any Intra- group risk that would impact another company • Review the assurance map of the group wide strategic risk register on an annual basis • Request and review the outcomes of internal audits into key risk areas • Ensure that the internal audit plan is linked to the strategic risk register • Identify any improvements to the risk management process and ensure risk management is an integral part of Ongo’s Internal Control

Role	Responsibilities
	<ul style="list-style-type: none"> • Annually assess the risk management framework and report on its effectiveness to the Boards
<p>Executive Leadership Team will ensure that the risk management framework is followed, and that risk is effectively managed across Ongo. Specifically, they will:</p>	<ul style="list-style-type: none"> • Own the strategic risk(s) relevant to their Directorate, review monthly and review and discuss at ELT meetings bi-monthly • Review emerging strategic risks for consideration • Review Ongo’s strategic risk registers at least quarterly and assess effectiveness of internal control • Ensure that all strategic decisions have undergone a full risk assessment, identifying implications on the strategic risk registers and Corporate Plan • Ensure that risks to the business plan are integrated within the strategic risk registers and stress testing is undertaken at least annually
<p>Heads of Service will ensure risks are effectively managed within service areas. Specifically, they will:</p>	<ul style="list-style-type: none"> • Have a clear understanding of risks facing individual service areas and the impact on the delivery of the Corporate Plan • Own relevant risks register(s) specific to their service area • Identify and escalate any change or emerging risk within their service areas • Ensure that a risk assessment has been completed for any significant decision or project, and that risks are reviewed at an agreed frequency • Ensure that controls to mitigate risk are in place and effective • Review their service areas operational risk register at least every quarter to provide assurance that risks are being effectively managed • Be responsible for ensuring compliance risks are effectively managed in their areas
<p>Business Assurance & Risk team The Business Assurance Team is responsible for maintaining the risk management framework and co-ordinating assurance activity throughout Ongo. Specifically, they will:</p>	<ul style="list-style-type: none"> • Develop risk management processes and ensure that the risk management system is up to date and relevant • Provide advice and training on the risk management framework • Support the business with appropriate risk management processes and techniques

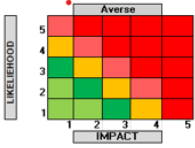
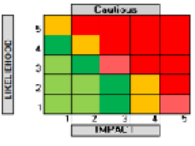
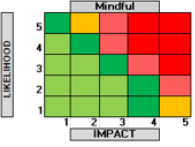
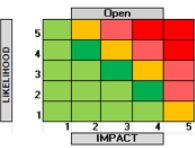

Role	Responsibilities
	<ul style="list-style-type: none"> • Co-ordinate the appropriate and timely delivery of risk management information • Provide Horizon Scanning reports to Board and Leadership team • Oversee all organisational risk registers and report status to HoST, ELT, Boards and A&RC • Monitor the application and effectiveness of risk management processes and escalates weaknesses to ELT • Develop and manage the annual assurance plan, including an annual assurance mapping exercise • Review the Risk Management Framework annually
<p>Managers are responsible for operational risks within their service areas. Specifically, they will:</p>	<ul style="list-style-type: none"> • Identifying operational risks to the delivery of their service • Monitor, review and manage operational risk registers and performance • Ensure that operational controls are in place and effective • Ensure that people are competent and have the resources required to manage risk • Identify emerging risks and escalate any risks that is out of appetite to HOS • Ensure compliance risks are effectively monitored and managed in their areas • Ensure risk is communicated and discussed with their teams to support a team approach to risk management
<p>Risk Owners. All identified risks have assigned risk owners. It is the responsibility of risk owners to ensure that their risks are managed within the agreed risk appetite. Specifically, they will:</p>	<ul style="list-style-type: none"> • Undertake risk assessments and understand the cause and consequence of the risk occurring • Understand the implications of the risk on stakeholders and communicates responsibilities • Design suitable internal controls to manage the risk • Ensure that any controls required to manage the risk are implemented in a timely manner • Identify and select appropriate risk indicators to effectively monitor the risk • Review the risk at agreed frequencies and update the relevant risk register • Assess events that may change the risk and escalate appropriately

6. Risk Appetite

6.1 Risk Appetite is the term used to describe how much risk an organisation is willing to accept in the pursuit of objectives. It is recognised that there is not one set appetite for risk, there are decisions / activities where we will be willing to take more risk than others.

6.2 Our risk appetite is reviewed and set by the Board, as high-level statements which sets the tone for risk taking. A detailed overview of what risk is acceptable and what is not can be found in **Appendix 1**. The appetite is a guide for decision making to ensure we do not take risks outside of our agreed boundaries.

6.3 Ongo use a 5 by 5 matrix to assess risk, it to the following appetites for taking risk:

Appetite	Descriptions
<p>Averse</p> 	<p>Primarily focused on avoiding uncertainty, prioritising compliance and control over all other considerations. We are very limited in our decisions/actions. Only minimal deviation tolerated aiming to eliminate any risk.</p>
<p>Cautious</p> 	<p>We recognise that there will always be an element of risk, but we will take a cautious approach. We aim to reduce uncertainty and have a preference for safe options as far as reasonably practicable.</p>
<p>Mindful</p> 	<p>We will consider all options and tolerate a modest amount of risk if the reward is demonstrated. We will balance the upside gains against the downside of the risk occurring. We are willing to accept a level of risk where any loss does not outweigh the gain.</p>
<p>Open</p> 	<p>There is a flexible approach to risk taking where we seek to balance successful delivery with optimised value for money. We are open to a higher level of risk in pursuit of identified benefits. The benefits go beyond a financial loss, and we can accept a level of uncertainty.</p>
<p>Bold</p> 	<p>We will embrace risk taking in pursuit of bold innovations and high reward opportunities. We can accept uncertainty and are able to take a higher level of loss in pursuit of opportunity and reward.</p>

6.4 Risk Appetite Statements

The following risk appetite statements were approved at Ongo Homes Board January 2026 and depict our appetite for taking risk in the following areas:

- **Financial Risks: (mindful risk appetite)**
We will ensure that we remain financially strong and will manage risks within our Golden Rules. We will take a balanced approach and seek to take risk only where the benefits outweigh potential costs.
- **Compliance Risks (cautious risk appetite):**
We understand our compliance obligations and have a cautious risk appetite for any action or decision that would result in a breach of our statutory or regulatory obligations. We have an averse risk appetite for any risk relating to our landlord safety obligations and we will work to eliminate risks that could cause harm.
- **People Risks (open risk appetite):**
We have an open risk appetite to empower and support our colleagues to make the right decisions. We will ensure those carrying out work have the relevant qualifications and competences. We will encourage a culture of learning and look to take risks where benefits can be justified, and any potential risks are managed.
- **Customer Risks: (mindful risk appetite):**
We will ensure that all those working on behalf of Ongo have a strong customer focus, we will listen to our customers and work together to ensure we have a balanced approach to risk.
- **Delivery Risks (mindful risk appetite):**
We will ensure that we meet all required standards and work together to ensure our services meet the needs of our customers, we will take a balanced approach to managing risk ensuring that benefits and costs are assessed. Although any compliance risks will be treated as cautious or averse based on the potential impact.
- **Governance (cautious risk appetite):**
We will ensure that our Governance structures are strong, and all decisions are risk based, we will not enter into any activity that puts our social assets at risk.
- **Growth Risks (open risk appetite):**
We are open to growth opportunities that align with our Corporate Objectives and will look at innovative ways of working and new technologies. Where the benefits can be demonstrated we will manage the risk.

6.5 Activities which could potentially have a major adverse impact on Ongo (regardless of any control mechanisms in place) will not be undertaken without

explicit approval by Ongo Homes Board (and once all the potential risks have been set out and fully explained).

- 6.6 The Risk Appetite Statements detailed within Appendix 1, set out the amount of risk we are willing to accept, to guide the amount of control we need for each risk. The risk appetite should be considered when assessing individual risks. If the risk score is above the required appetite, then further controls should be considered to either reduce the likelihood of the risk occurring or reduce the impact if the risk were to occur. Additional controls should be clear with achievable timescales. Implementation of the additional controls should be monitored by the risk owner to ensure they are implemented in a timely manner.
- 6.7 Where the risk cannot be brought into appetite then the risk must be escalated to the Head of Service for review. A decision is required on the overall response to these risks. The Boards and ELT will make the decision for Strategic Risks.
- 6.8 The Boards will set and review their risk appetite on an annual basis and may decide to amend its risk appetite in the light of actual scenarios / opportunities / decisions made. Risk Owners must decide on the classification of their risk based on impact (so where the biggest impact will be felt will determine the risk classification), to assign the relevant risk appetite (e.g., Financial, People, Customer, Compliance etc).
- 6.9 All Board reports must include an assessment of the risks to Ongo and identify where there may be an intergroup impact.

7. Risk Management Methodology

- 7.1 A risk must be well articulated with a cause and consequence so we can understand the likelihood and impact of the risk occurring. This understanding helps us identify the right controls to manage the risk.
- 7.2 Risks can be documented using a risk register, a blank template with guidance can be found in Appendix 2. All risk owners are required to update their risks at the appropriate time.
- 7.3 Any significant decisions at Ongo will be formally risk assessed to inform the outcome. The risk assessment should include:
- Stakeholder impact
 - Impact on Corporate Objectives
 - Impact on existing risks
 - Identified risks (threats and opportunities)
 - Controls/actions to be put in place.
- 7.4 Our risk assessment methodology contains 7 steps:

- i. **Understanding the objectives and context of the organisation** and the needs and expectations of stakeholders. Having a clear understanding of what we want to achieve (or comply with)
- ii. **Risk Identification:** identifying what threats, opportunities or uncertainty may exist that would help or hinder achievement of objectives
- iii. **Risk Analysis:** assessing how likely the risk is to occur and what impact would it have
- iv. **Risk Evaluation:** evaluate what controls we have in place to manage / mitigate the risk against the risk appetite
- v. **Risk Response:** agree on the response and any further controls / actions required to bring risk within appetite
- vi. **Risk Monitoring:** decide how often the risk should be assessed and what risk indicators are needed to monitor changes in risk score
- vii. **Risk Reporting:** agree where the risk should be reported and where to escalate any significant changes

7.5 Communication and consultation are essential components of a risk assessment. It is important that all stakeholders are identified and it is understood who may increase / decrease risk, be impacted by or help manage the risk.

8. Risk Scoring and Prioritisation

8.1 Each risk is analysed against the impact if the risk was to occur and the likelihood of the risk occurring. Both impact and likelihood are given a score of 1-5, and the two scores are then multiplied together to produce the risk score. Depending on the requirement of the risk, it may have three risk scores based on the impact the risk would have should it occur and the likelihood of the risk occurring:

- **The Original Risk** – the risk without any controls in place, this is set so we know what would happen if the controls failed
- **The Current Risk** – the risk with current controls in place – current status.
- **The Target Risk** - the risk with any additional controls implemented to bring it within risk appetite.

9. Scales used for measuring impact and likelihood can be found in Appendix 3. Where available (via Pentana Risk Management System) a heat map can be used to assess the score against risk appetite.

10. Risk Reporting and Monitoring

10.1 The table below sets a minimum standard. Risk review dates are scheduled on an individual basis and are the responsibility of the risk owner and not detailed below.

	Prepared by	Reviewed by
Quarterly		

	Prepared by	Reviewed by
Strategic Risk Register Update	Risk Owners/ELT	ELT / Boards / A&R Committee
Operational Risk Update	Managers	HOS
Progress with Internal Audit Recommendations (at each meeting)	Business Assurance & Risk team	A&R Committee
6 Monthly		
Core Control Assurance Report	Business Assurance & Risk team	ELT / A&R Committee
Horizon Scanning	Business Assurance & Risk team	Leadership / A&R Committee / Boards
Annual		
Strategic Risk Assurance Map	Business Assurance & Risk team / Internal Audit	ELT / Boards / A&R Committee
Review of Strategic Risk Registers	Risk Owners/ELT	ELT / Boards / A&R Committee
Review of Operational Risk Registers	Managers	HOS
Review of the Risk Management Framework	Business Assurance & Risk team / Internal Audit	A&R Committee
Approval of Risk Management Framework	Business Assurance & Risk team	Ongo Homes Board
Business Plan Stress Testing	Finance	ELT / Boards/A&RC
Asset and Liability Compliance Report	Business Assurance & Risk team	A&R Committee (with statement to Ongo Homes Board)
As scheduled		
Internal Audit Reports	Internal Audit	ELT / A&R Committee
Assurance Reports	Business Assurance & Risk team	ELT / HOST
Project risk register updates	Project Manager	Project Group

11. Risk Assurance

- 11.1 A Strategic Risk Assurance Map is produced annually; any gaps in assurance are reported to the A&R Committee, with recommendations for additional assurance sources / action. This information supports the annual review of the Risk Management Framework.
- 11.2 It is important to determine whether risk management processes are working effectively and whether internal controls are being managed within appetite. To help us measure assurance levels we follow our 4 lines of assurance:
- First line: Operational management
 - Second line: Corporate oversight
 - Third line: Independent assurance

- Fourth line: Customer experience

11.3 Assurance activities are co-ordinated and monitored by the Business Assurance & Risk team, further details can be found in the Controls Framework.

12. Making sure we do what we say...

12.1 The Internal Audit annual opinion and Assurance Map of strategic risks are used to inform the review of the effectiveness of the Risk Management Framework.

12.2 Any weaknesses identified in the annual review are assessed by A&R Committee and agreed actions set to strengthen the framework. Progress on these actions is monitored by ELT and A&R Committee to ensure they are successfully implemented and improvements made.

12.3 Internal Audit will undertake an assurance review of the risk management framework every three years to provide an independent assessment, to support the findings.

12.4 The Internal Audit programme provides a continuous assessment of Risk Management as part of each Internal Audit undertaken. The results and recommendations will be monitored by A&R Committee.

13. Other things to bear in mind...

- Controls Framework
- Asset & Liabilities Framework
- Health and Safety Policy
- Delegations Framework
- Fraud Management Framework
- Articles of Association
- Rules for Ongo Homes
- Standing Orders

14. We'll look at this again...

14.1 We will review the effectiveness of the Risk Management Framework on an annual basis. Ongo Homes Board will review their Risk Appetite on an annual basis, which will be reflected in this document.

15. What we mean...

Reference	Explanation
Risk Management	The process which helps us identify, understand, evaluate and take action on our risks with a view to increasing the probability of success.
Risk Appetite	The amount of risk we are willing to take. To achieve our objectives.
Risk Exposure	Level of risk to which the organization is actually exposed, either with regard to an individual risk or the cumulative exposure to the risks faced by the organization
Assurance Mapping	A tool that combines all assurance activities into one document to provide a visual representation of the control framework

Reference	Explanation
Matrix	Presentation of risk information on a grid or graph, also referred to as a risk map or heat map and often used to illustrate information from the risk register
Original Risk	Level of a risk before any control activities are applied, sometimes referred to as the 'gross level' or 'absolute level' of the risk
Current Risk	Existing level of risk taking into account the controls in place, sometimes referred to as 'net risk' or 'managed risk', but most frequently as 'residual risk'
Target Risk	The ultimate level of risk that is desired by the organisation (to achieve risk appetite) when planned additional controls have been implemented
Control	Is a measure that has been put in place to reduce, minimise or eliminate a risk e.g. a policy or procedure, a working practice, training provision, a reporting mechanism.
Risk Register	Record of the significant risks faced by an organization, the controls currently in place, additional controls that are required and responsibility for control activities
Management System	Documentation that includes all risk management policies, procedures, protocols and guidelines
Internal Control	Internal control is a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.
Horizon Scanning	A technique for detecting early signs of potentially significant risks through a systematic examination of potential threats and opportunities. The method calls for determining what is constant, what changes, and what constantly changes. It explores novel and unexpected issues as well as persistent problems and trends.
Stakeholder Map	Identification of all stakeholders needs and expectations in relation to the organisation and risk.
Stress Testing	An assessment of the financial impact of changing a specific 'underlying' variable or several 'underlying' variables, without regard to the likelihood of this change.