



Basingstoke
and Deane

RISK MANAGEMENT POLICY

Title	Risk Management Policy
Owner	Head of Audit, Fraud and Insurance
Version	7.0
Issue date	September 2025
Next revision due	September 2027

1. Introduction

- 1.1. Risk is a fact of life. The day to day management of an organisation and delivery of its services involves foreseeing and averting problems and maximising opportunities.
- 1.2. Basingstoke and Deane Borough Council recognises that risk management is an intrinsic part of Corporate Governance. It seeks to ensure that all members and employees, including agency staff and contractors, of the Council has regard for the management of risks throughout the organisation, from planning and decision making processes right down to day-to-day work situations, to ensure that the Council's resources our customers rely on are not wasted as a result of uncontrolled risk.
- 1.3. Our aim is to put dealing with risks and opportunities at the forefront of our process, rather than tie up resources in the management of a rigid supporting framework.
- 1.4. This document therefore sets out our approach to risk management, as determined by the Senior Leadership Team, and endorsed by the Audit & Accounts Committee. The approach will be spearheaded by the Head of Law and Governance and Monitoring Officer who is nominated as the Council's Risk Management Champion.
- 1.5. The definition of risk used by Basingstoke and Deane Borough Council is:

“Risk is the probability of an event occurring and its consequences”

- 1.6. A brief explanation of the key words used in this definition is given below:

Probability – the likelihood of an event occurring

Event – the occurrence of a particular set of circumstances

Consequences – outcomes arising from the event. There may be more than one consequence from the same event and consequences can be both positive and negative.

2. Objectives

- 2.1. The council recognises the need to identify and understand its key business risks and is committed to ensuring that appropriate arrangements are in place to enable informed risk decision taking, recognising that effective risk management seeks to optimise the balance between risk and reward.
- 2.2. An important part of the council's decision making process is to ensure that risks are identified. A risk assessment is required of all decision making reports that will highlight such issues to the decision maker.

2.3. The objectives of our risk management process are to:

- Strengthen our ability to achieve our objectives, priorities and commitments
- Enhance partnership and project delivery
- Inform decision making
- Help secure value for money and support innovation
- Improve the timely identification of threats and opportunities
- Anticipate and respond appropriately to changes in risk factors
- Effectively allocate and use resources in the treatment of risk
- Reduce injury, damage, losses and the cost of risks.

2.4. These should produce the added benefits of:

- Improved services and customer satisfaction
- Improved stakeholder confidence and trust
- Improved compliance with legal and statutory obligations
- Improved organisation resilience
- Increased control over insurance costs.

3. Risk Culture and Appetite

3.1. The Council accepts that some risks will always exist and can never be eliminated. It therefore seeks to balance the cost of risk reduction against the **risk exposure** posed by the likelihood and impacts of the risk being managed. Impacts can be financial and non-financial and include the non-achievement of objectives, environmental damage, personal injury or ill health, legal action and reputational damage.

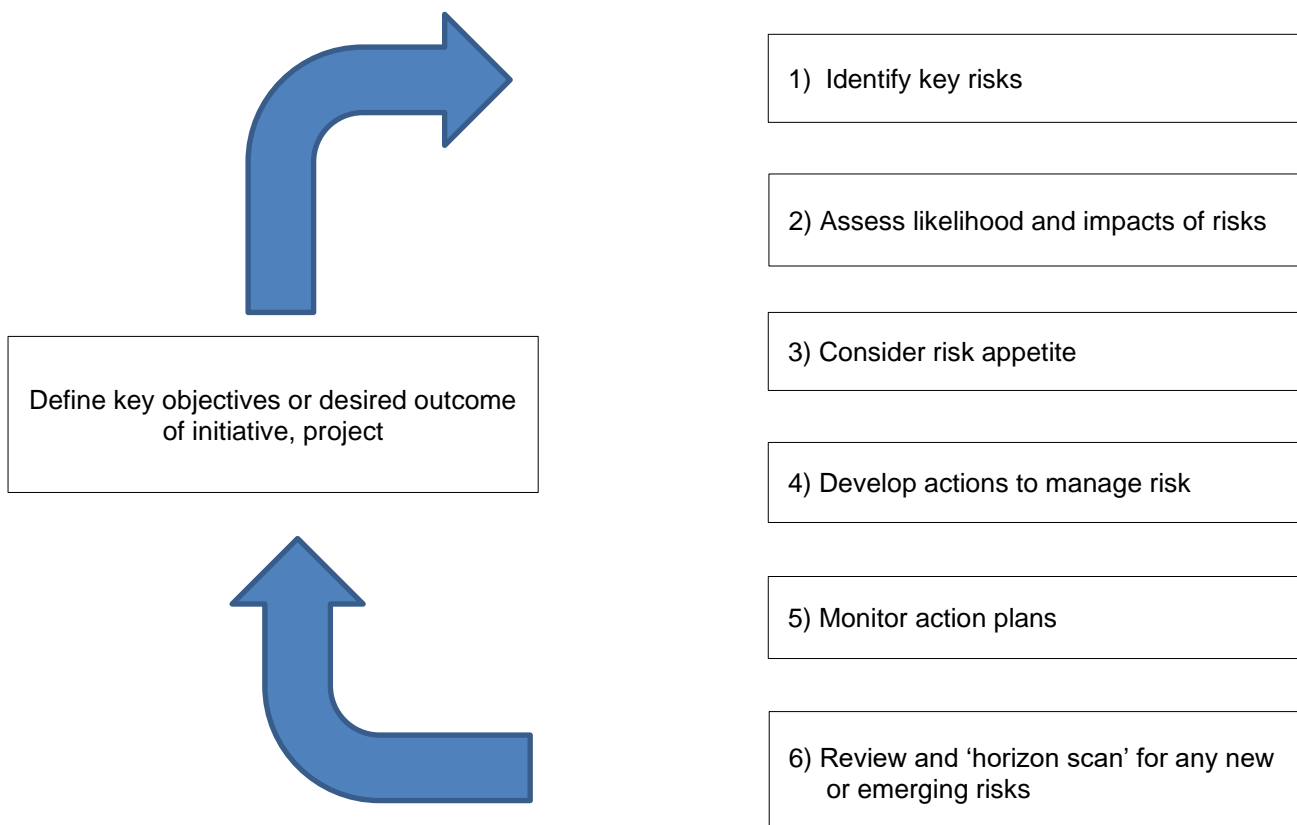
3.2. When assessing the potential financial impact of a risk it is recognised that the 'cost of risk' not only includes direct costs such as fines, infrastructure repairs and liability claims, but also indirect costs such as loss of officer time, loss of morale and productivity, lost opportunities, and increased insurance premiums.

3.3. The council's risk appetite is the level of risk that it is prepared to tolerate without putting in place further risk mitigation. Mitigation relates to the actions taken to control the risk by reducing the impact or the likelihood. Risk management at operational levels should not be overwhelmed by relatively minor operational risks. However it is also acknowledged that some high risks will remain high no matter what mitigating actions are taken, or that there are no mitigating actions that can be taken.

3.4. Risks therefore need to be evaluated to ensure that the risk exposure is acceptable in this context. In addition, any exposure is not considered acceptable where it can result in physical harm or non-compliance with legislation or government regulations.

4. Risk Management Process

- 4.1. In order to manage risk effectively it is necessary to develop a systematic approach to identifying, analyzing and managing risk.
- 4.2. Prior to undertaking any risk management exercise, it is first necessary to clearly identify the key objectives and desired outcomes of the project, service or activity in question. The achievement or otherwise of those objectives may depend upon:
- The organisation doing certain things and not doing others
 - The occurrence of (internally and externally caused) events that could affect the organisation, and
 - The circumstances in which the organisation finds itself.
- 4.3. The following diagram illustrates the risk management methodology adopted by the council:



- 4.4. The first step is to identify the key risks that could have a significant adverse effect or prevent key business objectives or outcomes from being met and/or prevent opportunities from being exploited.
- 4.5. The key risks need to be assessed in terms of likelihood or frequency (i.e. the probability of risk event occurring) and the severity (potential impact should the risk event occur).
- 4.6. Risk appetite' is defined as the amount and type of risk that the council, directorate, project board etc is prepared to accept, tolerate or seek. 'Risk appetite' can be illustrated via a 'risk matrix' which may be used to 'sense check' the assessment and assist in determining the appropriate level of response.

Risk Matrix

Likelihood	6	Low Risk	High Risk	High Risk	High Risk
	5	Low Risk	High Risk	High Risk	High Risk
	4	Low Risk	Medium Risk	High Risk	High Risk
	3	Low Risk	Medium Risk	Medium Risk	High Risk
	2	Low Risk	Medium Risk	Medium Risk	Medium Risk
	1	Low Risk	Low Risk	Medium Risk	Medium Risk
		I	II	III	IV
Impact					

- 4.7. The table below gives some examples of the types of 'impact' that would be classed as 'catastrophic', 'significant' and 'minor' as a guide to assist in determining the impact of the risk:

Impacts				
Category	Negligible (I)	Marginal (II)	Critical (III)	Catastrophic (IV)
Financial Impact	£0k - £50k	£50k - £3m	£3m - £10m	£10m plus
Service Provision	Minor deterioration in service	Service suspended for 1-2 days	Service suspended for 2-7 days	Service suspended for more than 7 days
Health & Safety	Bruising	Broken Bones	Permanent Disability	Death
Corporate Objectives	Employee objective not met	Team objective not met	Directorate objective not met	Council Plan objectives not met
Reputation	Short term local media attention	Sustained local media attention	Short term national media attention	Sustained national media attention

- 4.8. The table below should give guidance on how to measure 'likelihood'. This will enable a level of consistency in the approach across the organisation:

Likelihood	Probability
Almost Impossible (1)	Less than 5% chance
Low (2)	More than 5% chance but less than a 15% chance
Possible (3)	More than 15% chance but less than a 50% chance
Significant (4)	More than a 50% chance but less than 85% chance
High (5)	More than 85% chance but less than 95% chance
Very High (6)	More than 95% chance

4.9. The table below provides areas for consideration when identifying risks:

Risk Category	Description
Political	Those risks associated with delivering either local or central government policy.
Social	Those risks arising from the effects of demographic, residential or socio-economic trends.
Regulatory	Those associated with current or potential changes in national or European law.
Financial	Those affecting the ability of the Authority to meet its financial commitments. These include internal budgetary pressures, the failure to purchase adequate insurance, the consequences of proposed investment decisions or the loss of opportunity, lack of availability of capital investment, interest rate instability and inflation, etc.
Technological	Those affecting the capacity to deal with the pace and scale of technological change, or the ability to use technology to address changing demands. May also include the consequences of internal technological failures on the council's ability to deliver its objectives.
People	For example, recruitment/retention of qualified employee, over reliance on key officers or inability to implement change. Also, lack of clarity over roles and responsibilities.
Reputation	For example, bad publicity in local press over an extended period, items in the national press, matters raised in Parliament.
Information	Those associated with the security, accuracy, timeliness of any information held or given by the organisation.
Environmental	Risks relating to the environmental impact of our service delivery (e.g. energy efficiency, pollution, recycling etc). Risks associated with pollution, noise or the energy efficiency of on-going service operations.

5. Recording of Risks

- 5.1. The formal processes and documents that are used are detailed below and presented diagrammatically in appendix 1.
- 5.2. Corporate Risk Register
 - 5.2.1. The Corporate Risk Register maintained by the Council consists of the generic risk themes and are profiled in terms of High (**Red**), Medium (**Amber**) and Low (**Green**) risks.

5.2.2. Each corporate risk is assigned to a member of the Senior Leadership Team as the manager of that risk. They are known as the Risk Owner. See appendix 2 and 3 for an example of an entry in the Corporate Risk Register.

5.3. Service Risks

5.3.1. Each service identifies their own service risks which supports their 'Leading Council Improvement Plan and service objectives. Each service risk is given a 'residual' risk category profiled in terms of High (**Red**), Medium (**Amber**) and Low (**Green**).

5.3.2. Each service risk is to be assigned a member of the Departmental Management Team (DMT) as the manager of that risk.

5.3.3. If a service risk warrants entry into the Corporate Risk Register, the Head of Service is to bring this to the attention of the relevant Risk Owner and the Corporate Risk Register will be updated accordingly.

5.4. Project Risks

5.4.1. Project risks should feed into the relevant service plans on a high level basis, with the detailed risk assessment being held within the project working papers. Further information on project risk can be found in the [CPMO Charter and Framework](#) on Sinbad.

6. Risk Assessments

6.1. For each entry in the Corporate Risk Register a supporting Corporate Risk Sheet will need to be completed which provides a detailed analysis of the risk. This is to be carried out by the assigned risk owner. See appendix 3 for a copy of the corporate risk sheet.

6.2. Risks are given a 'residual' risk category from a 3 point scale of High (**Red**), Medium (**Amber**) or Low (**Green**), based on the assigned risk owners perception of the exposure posed by the risk's likelihood and highest impact.

6.3. The completed Corporate Risk Sheet should be passed to Internal Audit who will enter the details of the risk into the Corporate Risk Register.

6.4. The assigned risk owner needs to regularly review the Corporate Risk Sheet to ensure that it remains up to date.

6.5. Service risks are recorded within the relevant services 'Leading Council Improvement Plan'. The template for key service risks can be found within the 'Leading Council Improvement Plan'. See appendix 4 for an example.

- 6.6. Reliance is placed on the Council's project management process to provide regular feedback on the status of the risks associated with the delivery of corporate projects. Further information can be found on the council's [CPMO page](#) on Sinbad (intranet).
- 6.7. For each decision making report to committee or the Senior Leadership Team, the risk management section of the report must be completed highlighting the risk implications of the decision.

7. Monitoring of the Risks

- 7.1. The individual risks on the Corporate Risk Register are managed by their assigned risk owner and progress is monitored in one to one discussions with the relevant manager/s.
- 7.2. The full Corporate Risk Register is reviewed by the Senior Leadership Team every six months and presented to the Audit and Accounts Committee.
- 7.3. Service risks identified in Leading Council Improvement Plan are to be continuously monitored to ensure that the risks are kept up to date.
- 7.4. The risk management process and each corporate risk and mitigations will be reviewed by internal audit as part of the annual internal audit plan and reported to Audit and Accounts Committee.

8. Roles and Responsibilities

- 8.1. It is the responsibility of all members and employees to have regard for risk when carrying out their duties, recognising that such risk, if uncontrolled, can result in a drain on resources that could better be directed to front line service provision, and to achieving the Council's objectives.
- 8.2. The table below contains details of the roles and responsibilities at all levels of the council:

Individual or Group	Roles and Responsibilities
Audit & Accounts Committee	Monitor the effectiveness of the council's risk management arrangements as part of the governance arrangements. Approve the council's Risk Management Policy.
Cabinet Members	To ensure that there is an appropriate consideration of risk in relation to the decision making process.

	To be aware of the council's strategic risks and those relating to their respective portfolios.
All Members	<p>Be aware of the council's risk culture and appetite.</p> <p>Consider risk implications when making or evaluating decisions.</p> <p>Scrutinise the adequacy of controls or additional actions taken to mitigate risks identified.</p>
Risk Management Champion	<p>Spearhead the Risk Management in the organisation.</p> <p>Endorse employee compliance with the Risk Management Policy.</p>
Senior Leadership Team	<p>Determine the Risk Management Policy and practices for the council and create the environment and structures for them to work effectively.</p> <p>Lead in identifying and managing risks and opportunities faced by the council.</p> <p>Ensure that key business risks within directorate service plans are kept up to date.</p> <p>Analyse the cost and benefits of risk reduction activity undertaken.</p> <p>Ensure that risk management is considered in all decision making reports.</p>
Statutory Officers Group	Maintain awareness of the most significant risks facing the council.
Risk Owner	<p>Maintain an assessment of risk exposure, controls and assurance processes for any risks assigned.</p> <p>Identify and implement any additional mitigation actions needed.</p> <p>Report promptly any perceived change in the risk exposure.</p>
Internal Audit Team	<p>Maintain the council's Risk Management Policy, as determined by Senior Leadership Team.</p> <p>Provide an annual opinion on the adequacy of risk management arrangements for the Annual Governance Statement.</p> <p>Carry out an audit of the effectiveness of the risk management process.</p>

	<p>Provide support to managers and employees involved in risk management processes.</p> <p>Maintain the corporate risk register on behalf of the Senior Leadership Team</p>
Managers and Supervisors	<p>Adequately promote risk awareness and communicate responsibilities to employees.</p> <p>Maintain awareness of the risks which fall into their areas of responsibility. Utilise and develop appropriate controls to mitigate the risks and indicators to identify any problems that may require intervention.</p> <p>Maintain channels of communication to encourage bottom up reporting of risks and control failures.</p> <p>Report promptly to Head of Service any perceived new risks or significant failures in existing controls.</p> <p>Ensure an adequate risk assessment has been completed to support any decision making and option analysis.</p>
All Employees including agency staff and contractors	<p>Have regard for risks, opportunities and risk management as part of the day to day delivery of their service.</p> <p>Be aware of risks they are not empowered to take.</p> <p>Comply with controls that have been set up to mitigate risk and identify where they can be strengthened.</p> <p>Report promptly to their manager any perceived new risks or failures in existing controls.</p> <p>Assist with the assessment of risk and the implementation of new risk actions.</p>

9. Training and Embedding

9.1. All members and employees should be clear about their responsibilities in relation to risk management. This will be achieved by a combination of the following:

- New members induction training
- Members training, as appropriate
- Induction sessions of new employees with their manager covering any specific risks and mitigations that affect their area of work.
- General discussions at Departmental Management Team (DMT) meetings and other service team meetings.
- Discussions at agenda planning meetings and committee meetings concerning the risks arising from committee reports.

- Risk identified by outside parties, e.g. insurance providers, which are relevant to the authority will be brought to the attention of the relevant manager.
- Corporate Risk Register reviewed every six months by Senior Leadership Team
- Support and guidance provided by Internal Audit.

10. Review of Risk Management Policy

- 10.1. The Risk Management policy will be reviewed every two years by the Head of Audit, Fraud and Insurance. Any major changes will be reviewed by the Senior Leadership Team and approved by the Audit & Accounts Committee.

EXAMPLE FOR DEMONSTRATION PURPOSES ONLY

CORPORATE RISK REGISTER

Risk Ref	Risk Description	Risk Owner	Latest Risk Sheet (Date)	Controls	Current Status	Current Risk Score	Date last considered by SLT
RR1							
RR2							
RR3							
RR4							
RR5							
RR6							
RR7							
RR8							
RR9	<p>Fraud Failure to deter, address or identify fraud and other related activities.</p> <p>Fraudulent activity is not identified due to:</p> <ul style="list-style-type: none"> - Changing structures/resources - Opportunity created due to financial pressures - Council are reactive to fraud 	Executive Director of Corporate Services and Assets	Aug-23	<p>The following is in place that aids the effectiveness of the fraud service:</p> <ul style="list-style-type: none"> - Anti-Fraud and Corruption Strategy - Anti-Fraud and Corruption Policy - Whistleblowing Policy - Anti-Money Laundering Policy - Anti-Bribery Policy - Sanction Policy - Fraud publicity on the council website and social media - Dedicated Anti-fraud page on Sharepoint - Fraud investigators dedicated email address and hotline - Relationships with external bodies - Dedicated highly skilled fraud employees - Highly skilled internal audit team in place who test the council's control environment and recommend improvements to deter fraud 	<p>Pro-active action plan in place</p> <p>Housing Benefit fraud investigations now carried out by Department of Works and Pensions (DWP) but a data sharing agreement is in place to assist the DWP with their investigations.</p> <p>Joint working capabilities now in place with the Department for Work and Pensions</p> <p>Protecting the Public Purse bi-annual report presented to Audit & Accounts Committee – 28 November 2022 and 31 July 2023</p> <p>International Fraud Awareness Week November 2022</p> <p>Mandatory Fraud Awareness e-learning module currently live</p> <p>Re-active fraud caseload</p>	<p>MEDIUM RISK</p> <p>Likelihood – Possible (3)</p> <p>Impact – Marginal (2)</p>	30-Aug-23

				<ul style="list-style-type: none"> - Adoption of the Fighting Fraud and Corruption Locally initiative. - Participate in the National Fraud Initiative and other data matching exercises - Continuous programme for raising awareness of fraud (incl. Fraud Awareness Week, Mandatory E-learning module, various targeted team sessions and catch up email articles) - Fraud Risk Register in place. - Reports to Audit and Accounts Committee - Chair Hampshire Fraud Group and regional contact for the Fighting Fraud & Corruption Locally Board (FFCL) - Member of National Anti-fraud Network (NAFN) 	<p>News release titled "Taking Action on Fraud to Protect the Council's Budget" – August 2023</p> <p>Targeted fraud awareness team sessions – December 2022, February 2023, April 2023 and July 2023</p>		
RR10							

EXAMPLE FOR DEMONSTRATION PURPOSES ONLY

CORPORATE RISK REGISTER – RISK SHEET

Risk: Fraud

RISK OWNER	Executive Director of Corporate Services and Assets	Corporate Risk Register Reference Number: RR 9
DESCRIPTION AND CONSEQUENCE	<p><u>Description</u> Failure to deter, address or identify fraud and other related activities.</p> <p>Fraudulent activity is not identified due to:</p> <ul style="list-style-type: none"> - Changing structures/resources - Opportunity created due to financial pressures - Council is reactive to fraud <p><u>Consequences</u></p> <ul style="list-style-type: none"> - Loss of financial resource - Limited funds to provide the services required to fulfil the councils priorities - Reputation of Council impacted/adverse media attention 	
CONTROLS	<p>The following is in place that aids the effectiveness of the fraud service:</p> <ul style="list-style-type: none"> - Anti-Fraud and Corruption Strategy - Anti-Fraud and Corruption Policy - Whistleblowing Policy - Anti-Money Laundering Policy - Anti-Bribery Policy - Sanction Policy - Fraud publicity on the council website and social media - Dedicated Anti-fraud page on Sharepoint - Fraud investigators dedicated email address and hotline - Relationships with external bodies - Dedicated highly skilled fraud employees - Highly skilled internal audit team in place who test the council's control environment and recommend improvements to deter fraud - Adoption of the Fighting Fraud and Corruption Locally initiative. - Participate in the National Fraud Initiative and other data matching exercises - Continuous programme for raising awareness of fraud (incl. Fraud Awareness Week, Mandatory E-learning module, various targeted team sessions and catch up email articles) - Fraud Risk Register in place. - Reports to Audit and Accounts Committee - Chair Hampshire Fraud Group and regional contact for the Fighting Fraud & Corruption Locally Board (FFCL) - Member of National Anti-fraud Network (NAFN) 	

ASSOCIATED REFERENCES TO CORPORATE PROJECTS AND/OR BUSINESS UNIT SERVICE PLANS	B/U SERVICE PLAN REFERENCE	RISK OWNER	DESCRIPTION	CURRENT STATUS																																										
	IA04	Chief Internal Auditor	Unable to provide an adequate pro-active fraud service	Protecting the Public Purse reports presented to Audit & Accounts committee on 28 November 2022 and 31 July 2023.	LOW																																									
	IA05	Chief Internal Auditor	Unable to participate in the National Fraud Awareness scheme	NFI matches progressing	LOW																																									
CURRENT STATUS	<p>Pro-active action plan in place Housing Benefit fraud investigations now carried out by Department of Works and Pensions (DWP) but a data sharing agreement is in place to assist the DWP with their investigations. Joint working capabilities now in place with the Department for Work and Pensions Protecting the Public Purse bi-annual report presented to Audit & Accounts Committee – 28 November 2022 and 31 July 2023 International Fraud Awareness Week November 2022 Mandatory Fraud Awareness e-learning module currently live Re-active fraud caseload News release titled “Taking Action on Fraud to Protect the Council’s Budget” – August 2023 Targeted fraud awareness team sessions – December 2022, February 2023, April 2023 and July 2023</p>																																													
ADDITIONAL ACTIONS REQUIRED AND TARGET DATE	<p>Fraud Risk Register continuously reviewed. Protecting the Public Purse report to Audit and Accounts Committee – November 2023 Review matches from the National Fraud Initiative biennial exercise – Throughout 2023 Participate in International Fraud Awareness Week scheduled for November 2023 Fraud and corruption policies to be reviewed – September 2023</p>																																													
RISK LEVEL	<table border="1"> <tr><td rowspan="7">Likelihood</td><td>6</td><td>Green</td><td>Red</td><td>Red</td><td>Red</td></tr> <tr><td>5</td><td>Green</td><td>Red</td><td>Red</td><td>Red</td></tr> <tr><td>4</td><td>Green</td><td>Yellow</td><td>Red</td><td>Red</td></tr> <tr><td>3</td><td>Green</td><td>Yellow*</td><td>Yellow</td><td>Red</td></tr> <tr><td>2</td><td>Green</td><td>Yellow</td><td>Yellow</td><td>Yellow</td></tr> <tr><td>1</td><td>Green</td><td>Yellow</td><td>Yellow</td><td>Yellow</td></tr> <tr><td></td><td>I</td><td>II</td><td>III</td><td>IV</td></tr> <tr><td colspan="2"></td><td colspan="3">Impact</td></tr> </table>		Likelihood	6	Green	Red	Red	Red	5	Green	Red	Red	Red	4	Green	Yellow	Red	Red	3	Green	Yellow*	Yellow	Red	2	Green	Yellow	Yellow	Yellow	1	Green	Yellow	Yellow	Yellow		I	II	III	IV			Impact			<p><u>Likelihood</u></p> <p>6 – Very High 5 – High 4 – Significant 3 – Possible 2 – Low 1 – Almost Impossible</p>	<p><u>Impact</u></p> <p>IV – Catastrophic III – Critical II – Marginal I – Negligible</p>	<p>Date reviewed by SLT</p> <p><u>30 August 2023</u></p>
Likelihood	6	Green		Red	Red	Red																																								
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EXAMPLE FOR DEMONSTRATION PURPOSES ONLY

Leading Council Improvement Plan – Key Risks

Leading Council Improvement Plan – 2025/26													
Key Risks													
Risk No	Service Area	Title	Description	Category	Mitigation	Likelihood	Impact	Gross (L&I)	Risk Level	Date Identified	Commentary	Owner	Status
4	Fraud	Unable to provide an adequate pro-active fraud service	Fraudulent activities can have a substantial impact on residents, businesses and vulnerable individuals within the local area. Losses attributed to fraud and corruption will reduce the finances available to provide services and may have an impact on the wellbeing of our residents.	Threat	<p>Regular monitoring meetings between the Head of Audit, Fraud and Insurance and the Monitoring Officer.</p> <p>1:2:1 progress meetings between the Head of Audit, Fraud and Insurance and Fraud staff.</p> <p>Monthly Fraud Team meetings. Fraud action plan in place.</p> <p>Highly skilled team in place who tests the council's control environment and put pro-active measures in place to deter fraud.</p> <p>Training budget in place.</p> <p>Participate in the Cabinet Office ran National Fraud Initiative exercise.</p> <p>Continuous programme for raising awareness of fraud (including participation in the International Fraud Awareness Week).</p> <p>Update report presented to Audit & Accounts Committee twice a year.</p>	2	2	4	Medium	22-Feb-18	Protecting the Public Purse reports presented to Audit & Accounts committee on 25 November 2024 and 23 June 2025.	Head of Audit, Fraud and Insurance	Green