

# Ken Gibb, Grant Thornton

Learnings from their 2015 Risk  
Survey



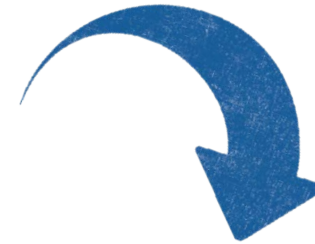
# Risk management

**Ken Gibb**

Associate Director, Operational Advisory

# Risk survey respondent sectors

	Private	Public	Not for profit
2012	43%	49%	8%
2015	46%	48%	6%



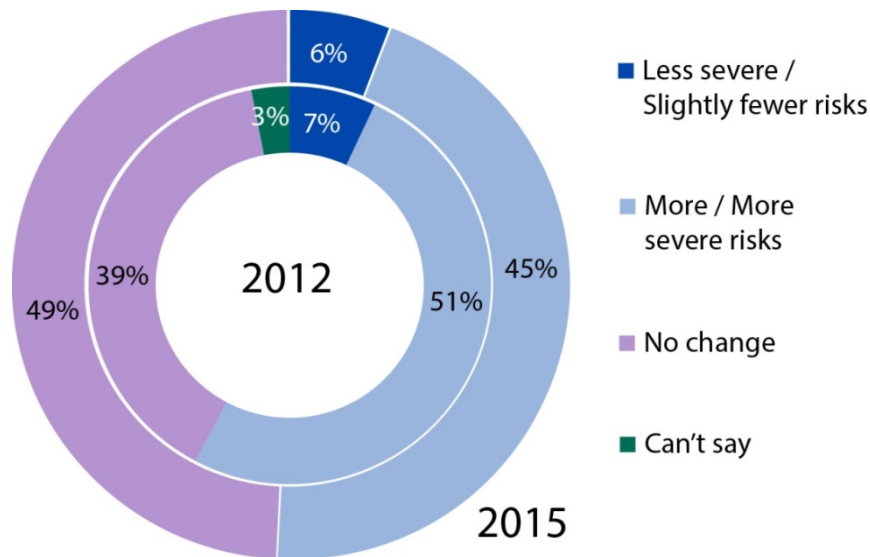
Sector	Behind		Starting out		Leaders	
	2015	2012	2015	2012	2015	2012
Public	35%	33%	36%	25%	29%	42%
Private	21%	20%	24%	33%	55%	47%
Not for profit	57%	28%	14%	72%	29%	0%

# Level of risks

## Organisations' perceived risks

Risks at broadly similar levels to 2012, but half feel they are facing greater risk now

Q22: Compared with 12 months ago, is your organisation facing either more risks / or more severe risks, or is it facing fewer risks and / or less severe risks?

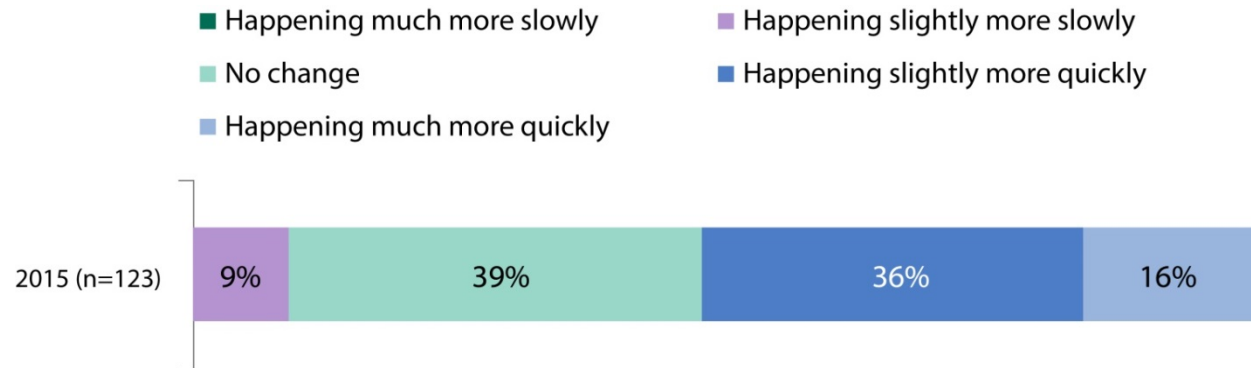


# Speed of risks

## Speed emerging risks materialising

52% of organisations believe risks are emerging faster than previously.

Q23: Compared to 12 months ago, is the speed of emerging risks materialising happening more quickly or more slowly?



# Risk techniques utilised

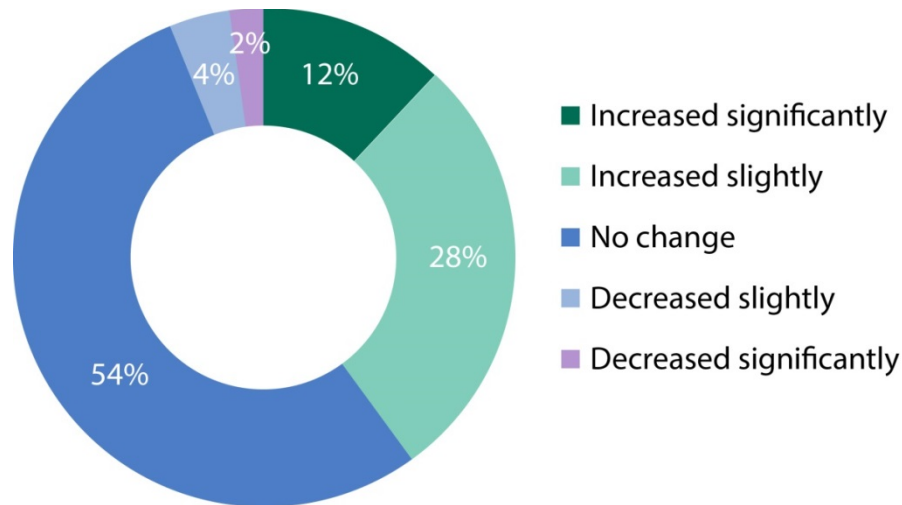
	Behind		Starting out		Leaders	
	Yes	No	Yes	No	Yes	No
Software	44%	56%	36%	61%	84%	16%
KRIs	59%	41%	45%	55%	78%	22%
Quantitative analysis	65%	35%	42%	58%	70%	30%
Event analysis	85%	15%	91%	9%	100%	-
External advisors	100%	-	36%	64%	96%	4%
Risk profile usage	79%	21%	73%	27%	88%	12%

# Risk budgets

## Risk management budget: past 12 months

94% of organisations are spending as much or more on risk

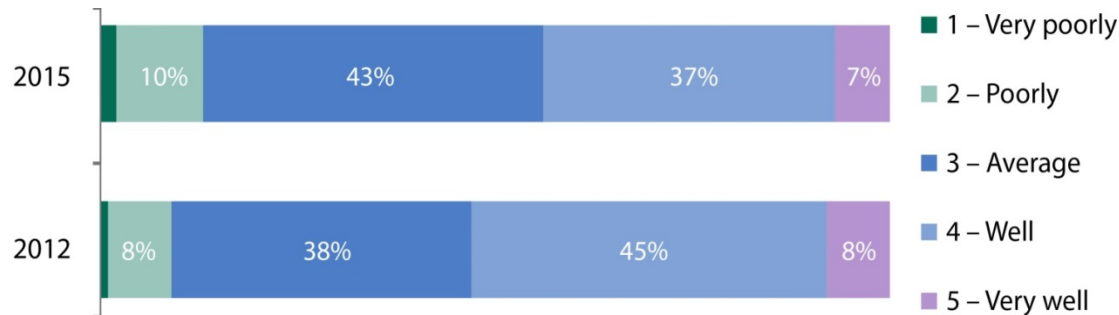
Q38: over the past 12 months, have risk management budgets and resources in your organisation generally increased or decreased?



# How well are we implementing risk management?

## Organisations' risk management ratings

We are less effective at risk management than we were.



**Q41: On a scale of 1-5 where 1 means very poorly and 5 means very well, how well do you feel your organisation manages risk overall?**

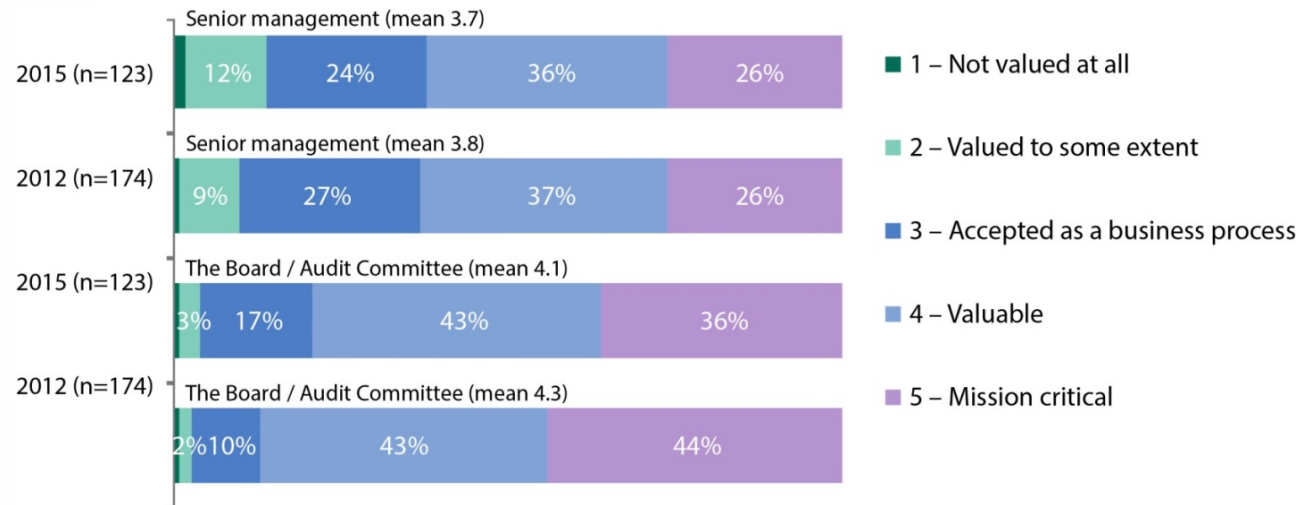


# Value of risk management

## Perceived value of risk management in organisations

Our boards are getting less value from their risk management spend.

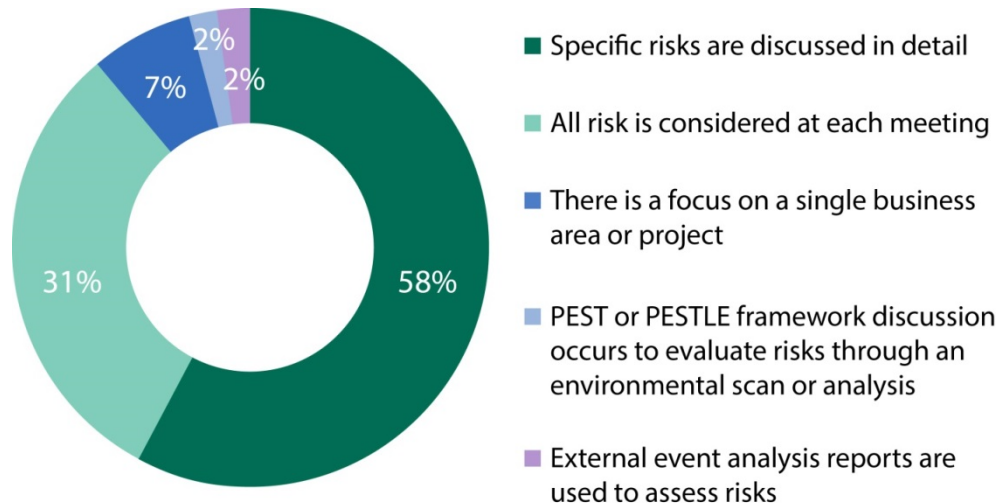
Q37: On a scale of 1-5 where 1 means risk management is not valued at all, and 5 means risk management is mission critical, to what extent do senior management and the Board or Audit Committee in your organisation value risk management?



# Grant Thornton's perspective: risk management creates information to provoke discussion to provoke action

## Level of risk discussion

If this does not happen, it is merely a record keeping exercise. So what are we discussing?



**Q34: Whenever your senior management and / or board discuss risk, which of the following would BEST describe the level of discussion?**

# So why implement risk management?

The fundamental questions have not changed, as a director:

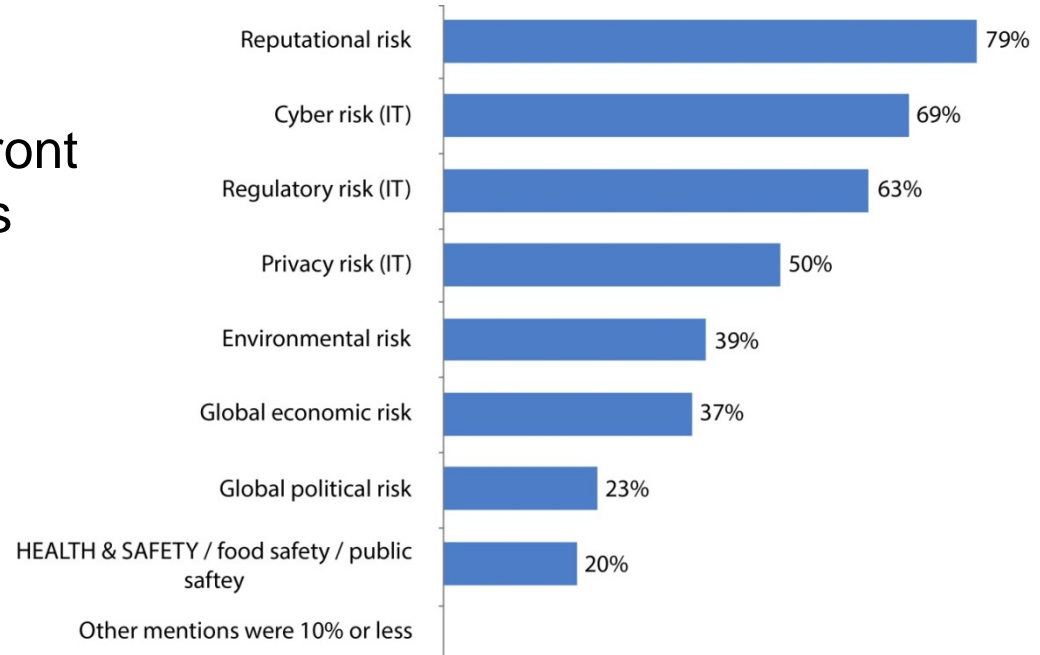
- Do you know what your **key risks** are and **what you are doing about them**?
- **Who** is currently making **risk decisions** in the organisation?
- Do all decision makers have a **consistent view** of your risk appetite?
- Is **enough effort** going into mitigating critical risks?



# Front of mind risks: reputation risk is still important but IT risk is increasing

## Front-of-mind risks

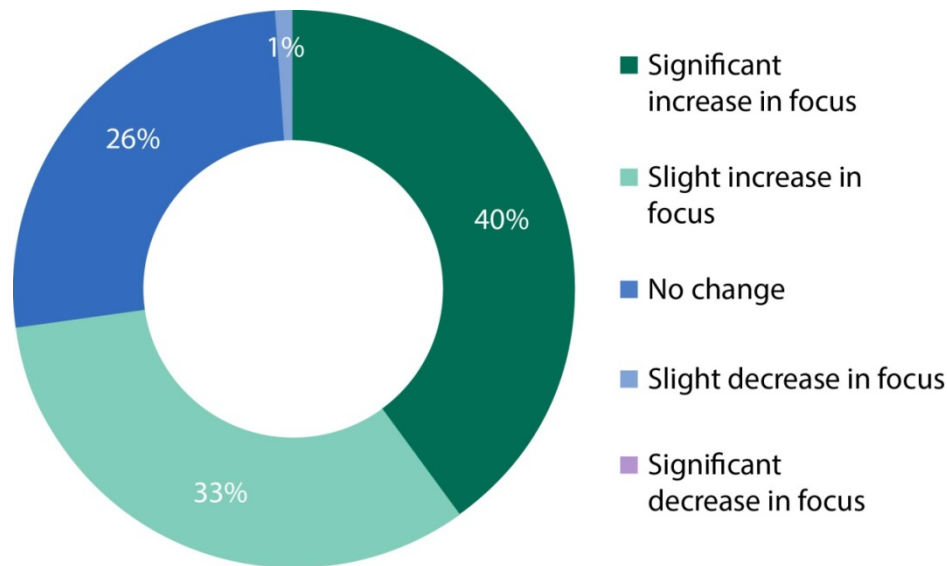
Q25: Over the next 12 months, which risks do you think will be front of mind for your senior managers and / or board?



# IT security increased focus

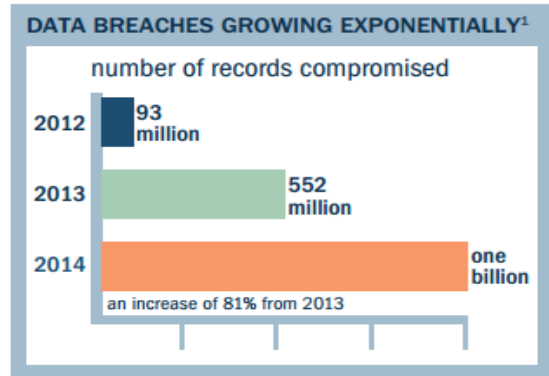
## Change in focus on IT security past 12 months

**Q19: Compared to 12 months ago, how much has your organisation increased or decreased its focus on IT (information technology) security given the increased risk to data security and the potential to organisational reputation?**

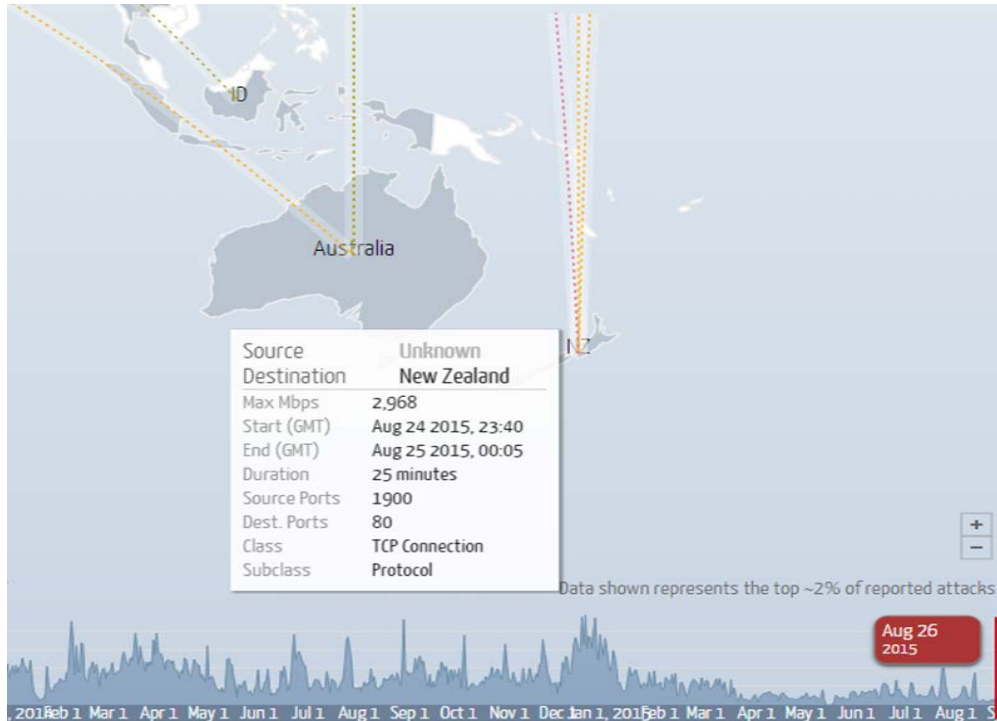


# Security events in New Zealand

National Cyber Security Centre (NCSC) saw a **30% increase** in reported incidents in 2013. Although data is not out, would expect substantial increases in 2014 and 2015.



# Security events in New Zealand

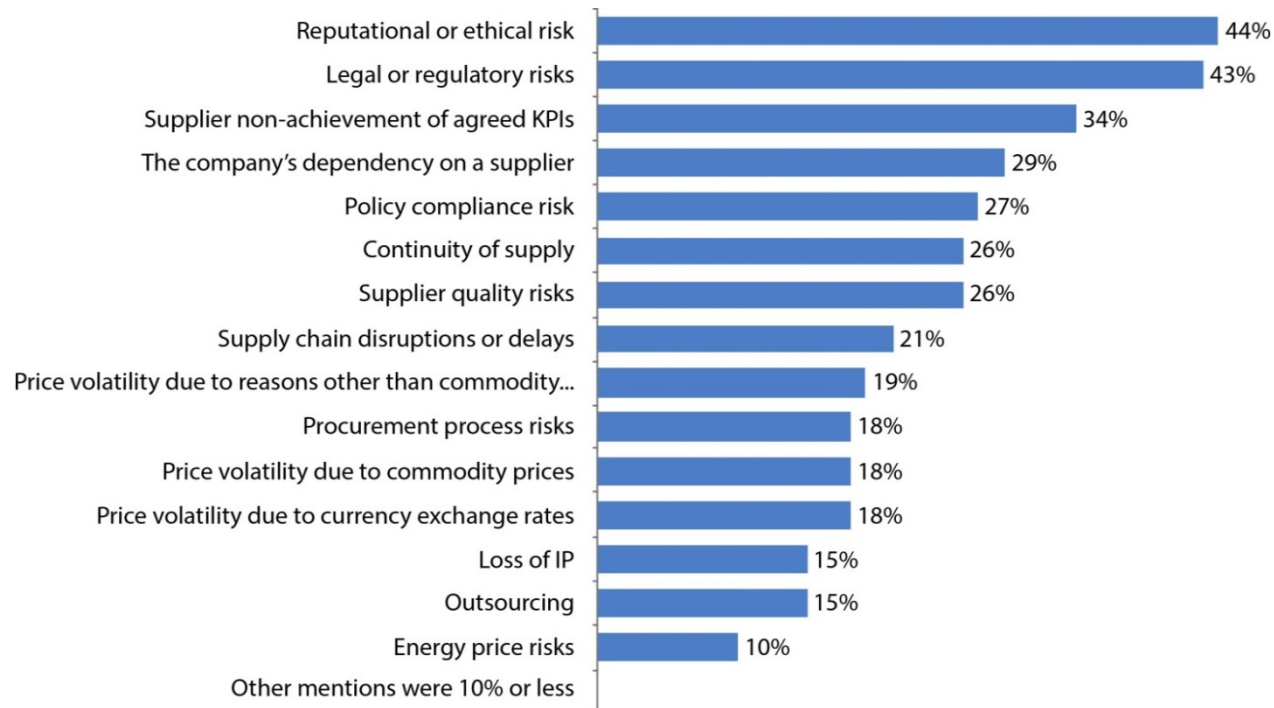


- Ransomware
- Spearfishing attacks
- Malware
- Hacktivist

# Changing supplier relationships are changing the risk profile

## Growing in importance

Q27: Which of the risks you just mentioned do you expect to be of growing importance in the next 12 months?





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