



**Grant Thornton**

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**Grant Thornton New Zealand**  
Business risk survey 2012/2013

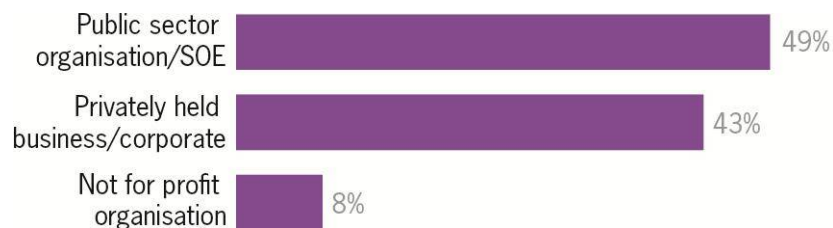
**Murray Chandler**  
Partner, Business Risk



# Agenda

- Survey Background
- Budget
- Value Delivered
- Approach Attributes

# The survey participants: Organisation type

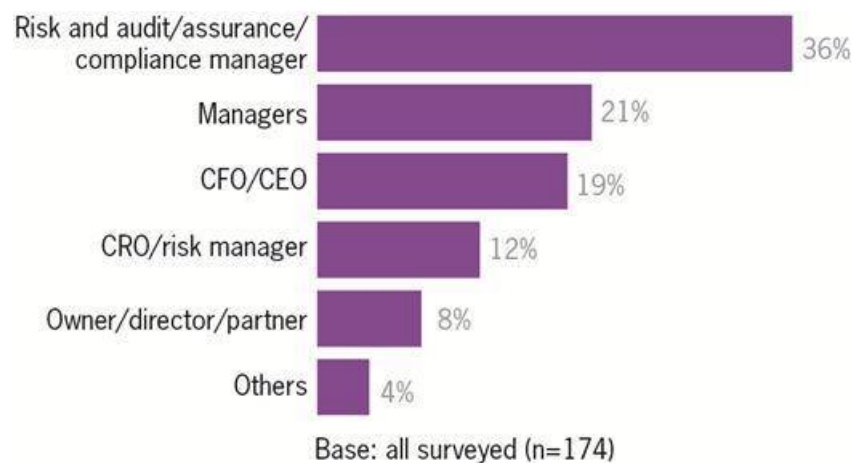


Base: all surveyed (n=174)

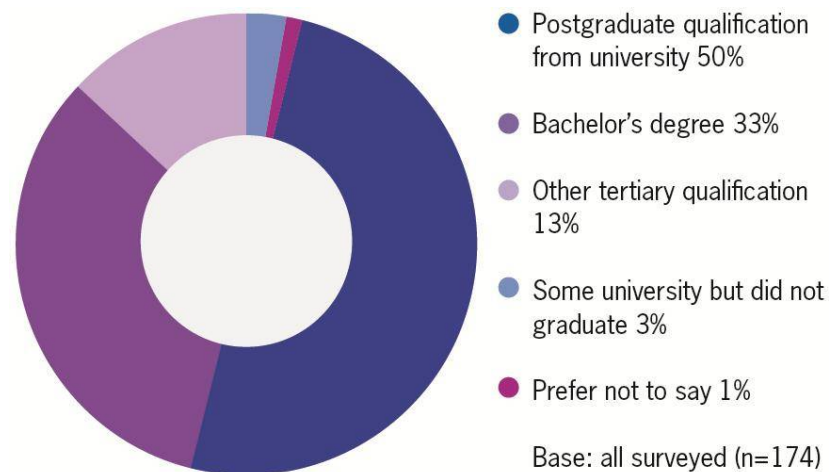
Sector	Behind	Starting out	Leaders
Public	33%	25%	42%
Private	20%	33%	47%
Not for profit	28%	72%	0%

# The survey participants

## Title

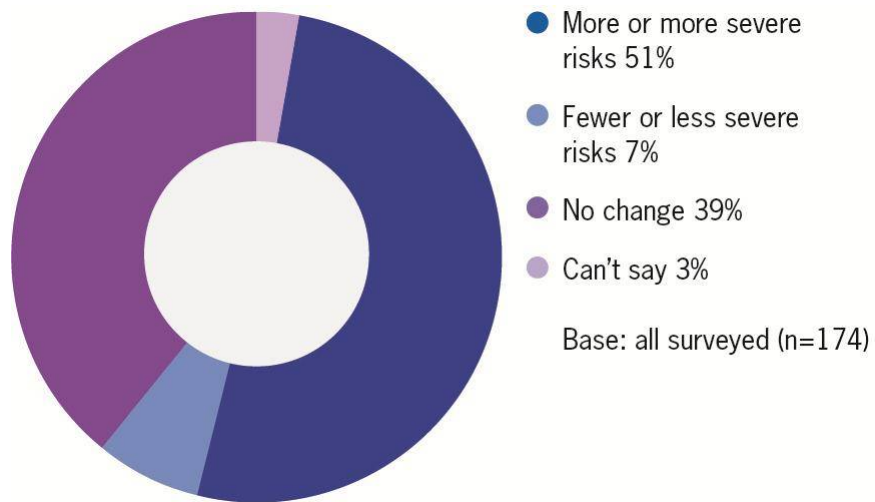


## Education

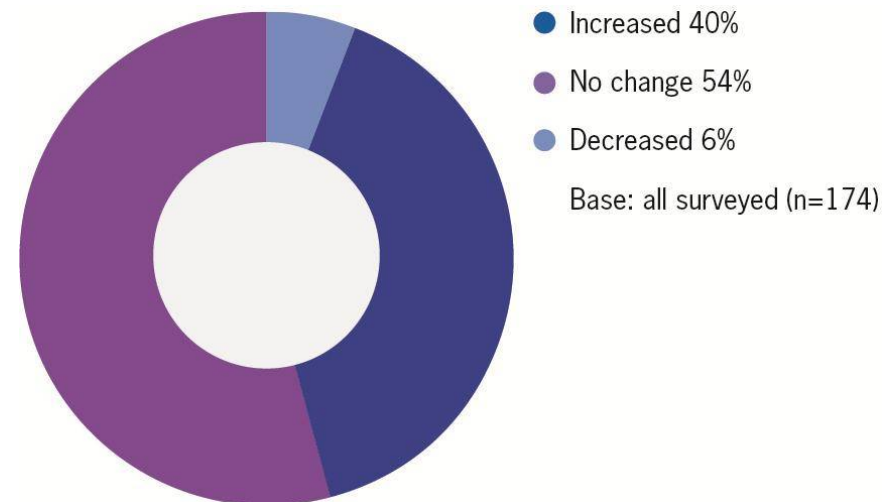


# Organisations' perceived risks v budget

## Perceived Level of Risk

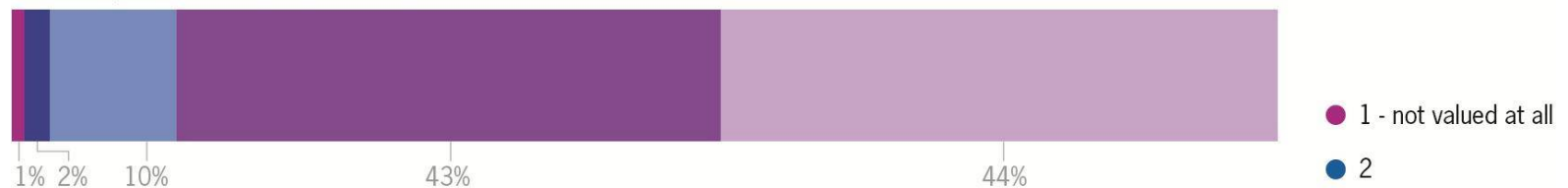


## Budget

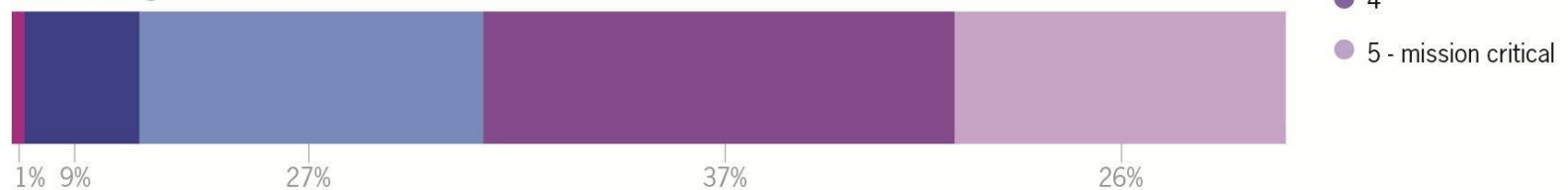


# Perceived value of risk management in organisation

The board/audit committee (mean 4.3)



Senior management (mean 3.8)



Self assessed value of risk managers



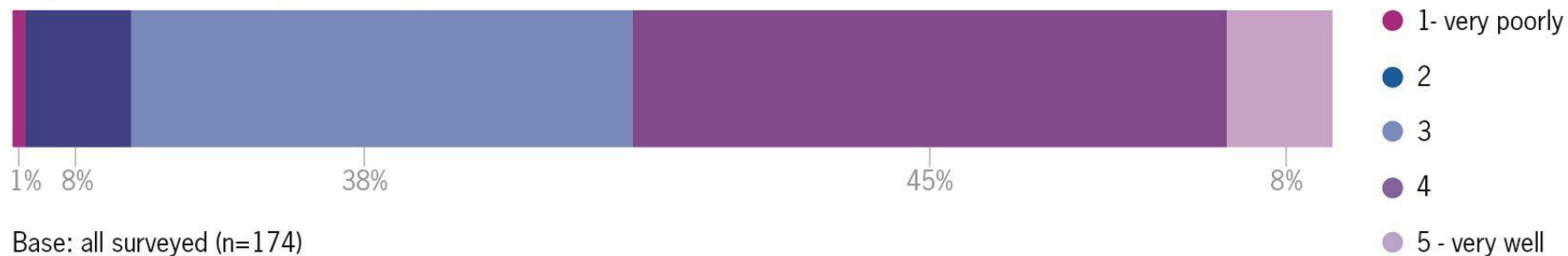
Base: all surveyed (n=174)

# Perceived value of risk management

		Public sector		Private sector		Not for profit sector	
Value		The board/ audit committee	Senior management	The board/ audit committee	Senior management	The board/ audit committee	Senior management
Low value	1 - not valued at all	0%	1%	3%	1%	0%	0%
	2	1%	11%	0%	5%	14%	14%
Low value sub-total		1%	12%	3%	6%	14%	14%
Neutral	3	9%	33%	12%	20%	7%	29%
High value	4	46%	35%	41%	40%	36%	36%
	5 - mission critical	44%	20%	44%	34%	43%	21%
High value sub-total		90%	55%	85%	73%	79%	57%

# Organisations' risk management ratings

Organisations' risk management rating (mean 3.5)

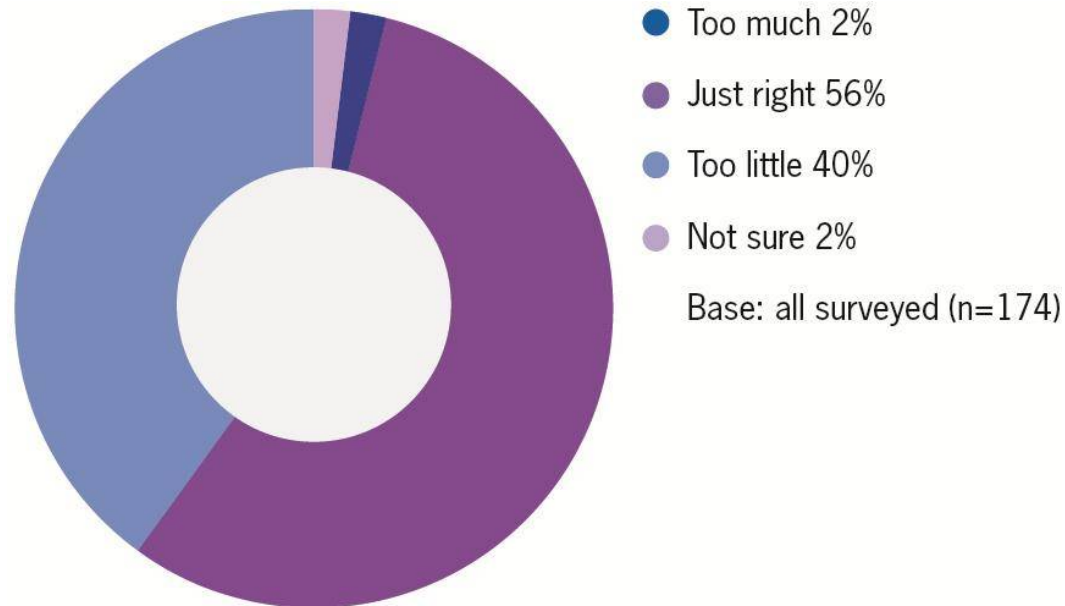


Self assessed value of risk managers





# Organisations' risk management levels

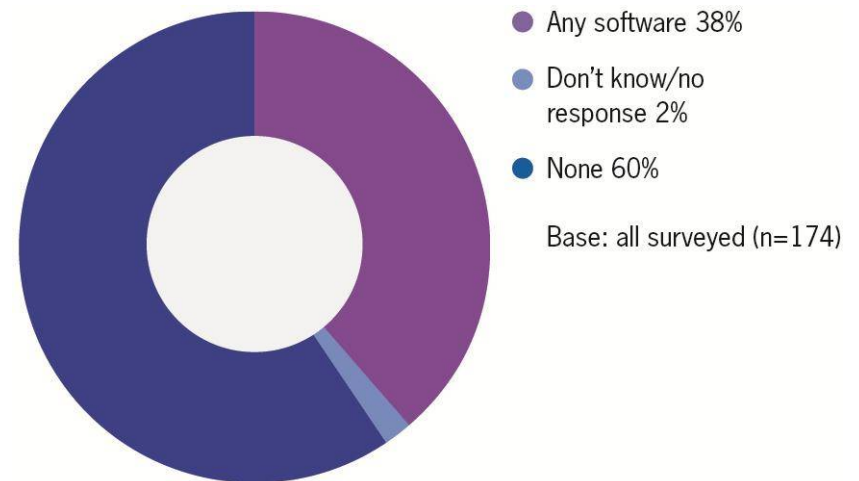


# Risk management segmentation: what is implemented?

	Behind		Starting out		Leaders	
	Yes	No	Yes	No	Yes	No
Risk standard	77%	20%	60%	38%	88%	9%
Software	27%	70%	17%	81%	61%	37%
KRIs	50%	50%	64%	36%	64%	36%
Quantitative analysis	23%	77%	26%	74%	36%	64%
Event analysis	82%	18%	92%	8%	84%	16%
External advisers	95%	5%	30%	70%	100%	0%
Risk profile usage	50%	50%	77%	23%	93%	7%

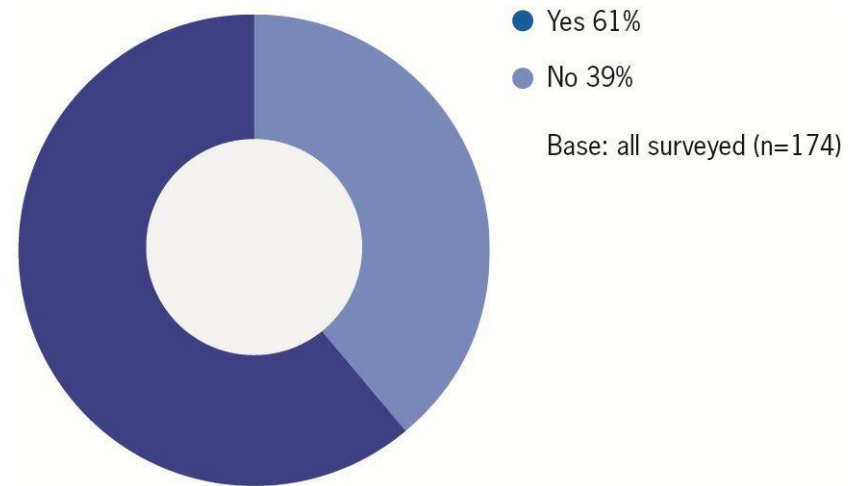
# Software use among organisations

Sector	Risk management software	None	Don't know/no response
Public	44%	55%	1%
Private	38%	59%	3%
Not for profit	7%	93%	0%



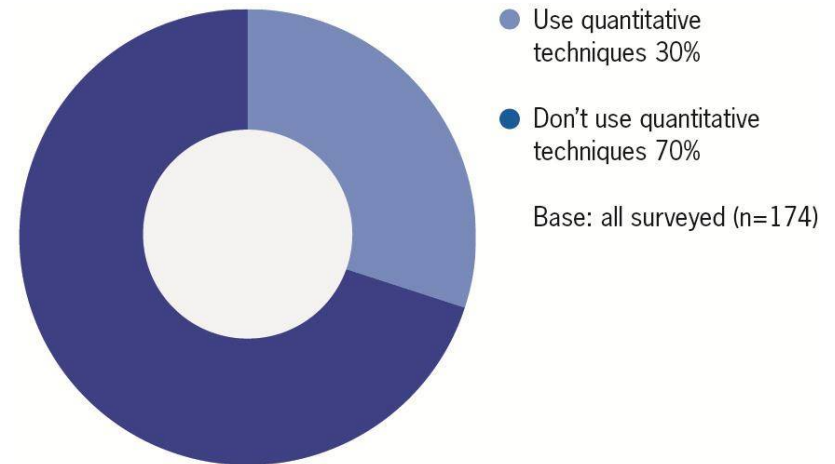
# KRI use among organisations

Sector	Use KRIs	Don't use KRIs
Public	58%	42%
Private	65%	35%
Not for profit	61%	39%



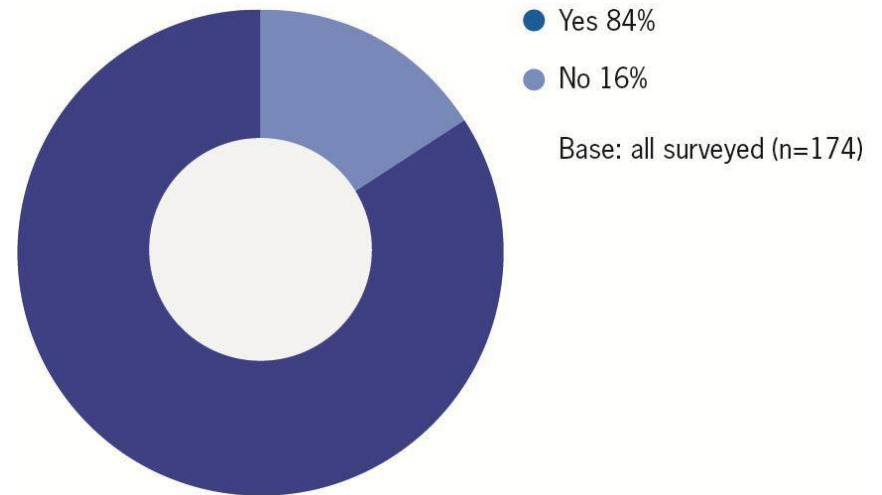
# Quantitative techniques used among organisations

Sector	Use quantitative techniques	Don't use quantitative techniques
Public	27%	73%
Private	37%	63%
Not for profit	14%	86%



# Event analysis in risk management

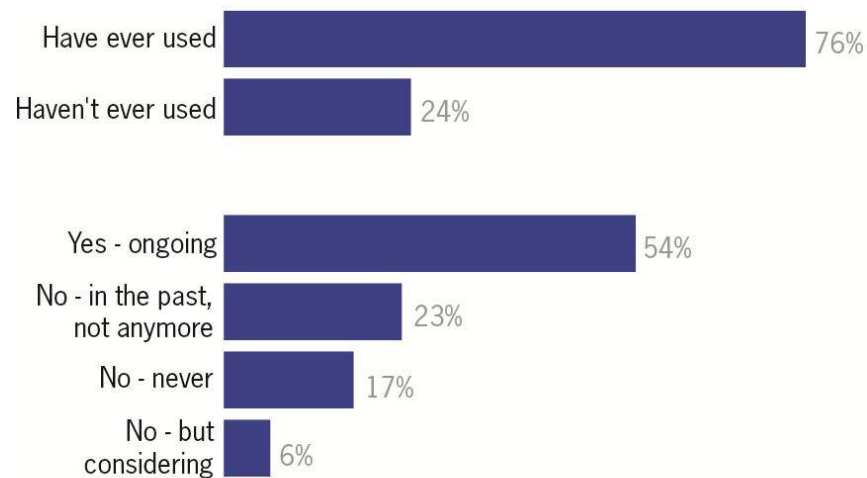
Sector	Yes	No
Public	84%	16%
Private	87%	13%
Not for profit	79%	21%



# External adviser use among organisations

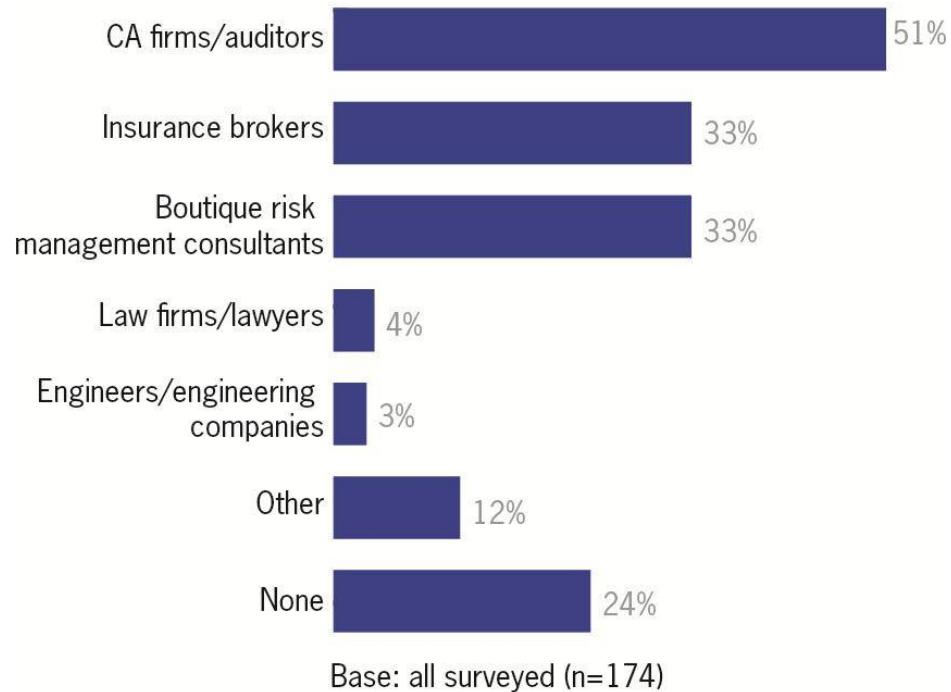
	Public sector	Private sector	Not for Profit sector
Have ever used	80%	76%	57%
Haven't ever used	20%	24%	43%

Yes ongoing	52%	60%	36%
No - in the past, not anymore	28%	16%	21%
No - never	14%	19%	29%
No - but considering	6%	5%	14%



Base: all surveyed (n=174)

# External support type



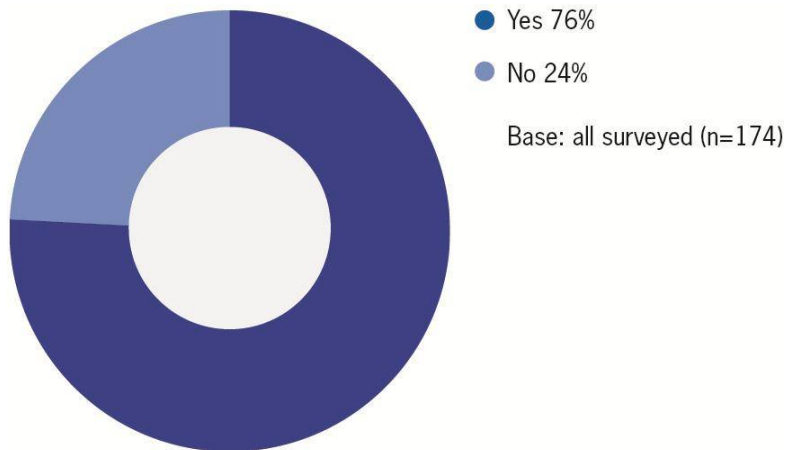


# External support type

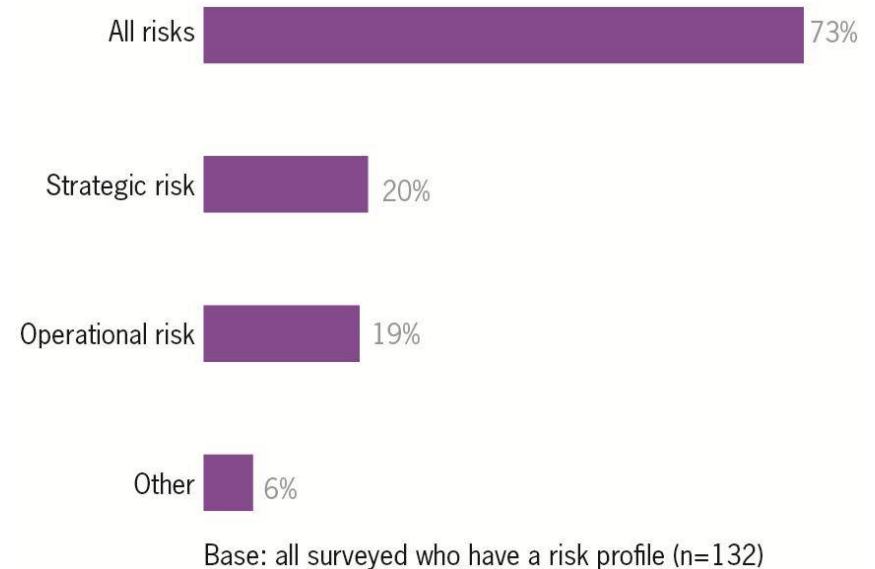
	Use chartered accountant		Use broker		Use boutique	
	Yes	No	Yes	No	Yes	No
Risk standard	73%	24%	74%	25%	82%	14%
Software	42%	58%	40%	58%	51%	46%
KRIs	65%	35%	67%	33%	65%	35%
Quantitative analysis	32%	68%	33%	67%	23%	77%
Event analysis	80%	20%	81%	19%	82%	18%
Risk profile usage	76%	24%	81%	19%	81%	19%

# Organisation-wide risk profile use

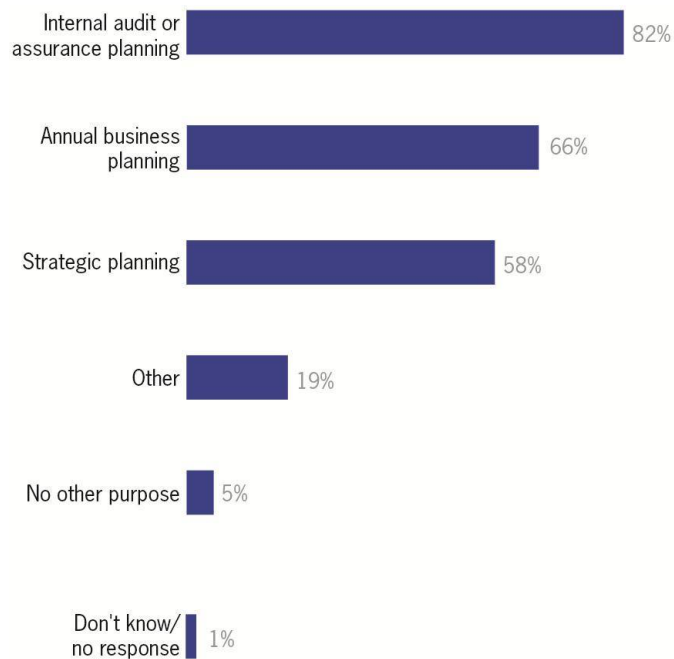
## Use a risk profile



## Make up of risk profile



# Risk profile additional usage



Base: all surveyed who have a risk profile (n=132)

	Public sector	Private sector	Not for profit sector
Internal audit or assurance planning (IA)	88%	73%	74%
Annual business planning (BP)	77%	51%	62%
Strategic planning (SP)	63%	53%	50%
Other	20%	19%	13%
No other purpose	1%	10%	12%

# Risk Reporting - Value

## Private sector

Risk type reported	Senior management high value (4 or 5)	Board high value (4 or 5)
Strategic risks	88%	88%
Operational risks	69%	92%
Project risks	74%	94%
Top/largest risks	81%	87%
New risks	73%	89%
Divisional risks	71%	92%
Risk remediation	73%	85%

## Public sector

Risk type reported	Senior management high value (4 or 5)	Board high value (4 or 5)
Strategic risks	58%	91%
Operational risks	53%	91%
Project risks	51%	94%
Top/largest risks	57%	90%
New risks	61%	94%
Divisional risks	61%	90%
Risk remediation	64%	93%

## Not for profit sector

Risk type reported	Senior management high value (4 or 5)	Board high value (4 or 5)
Strategic risks	43%	83%
Operational risks	29%	78%
Project risks	50%	75%
Top/largest risks	50%	82%
New risks	50%	80%
Divisional risks	40%	100%
Risk remediation	50%	82%

# Questions?