



# RISK NZ

## WELCOME TO THE RISK NZ LUNCHTIME SEMINAR SERIES 2019

Website: [www.risknz.org.nz](http://www.risknz.org.nz) | LinkedIn: [www.linkedin.com/company/risknz/](http://www.linkedin.com/company/risknz/)

# RiskNZ would like to thank the support of our Sponsors and Hosts

PREMIER SPONSORS:  
SEMINAR SPONSORS:



LUNCHTIME SEMINAR SUPPORTERS - HOST VENUES:





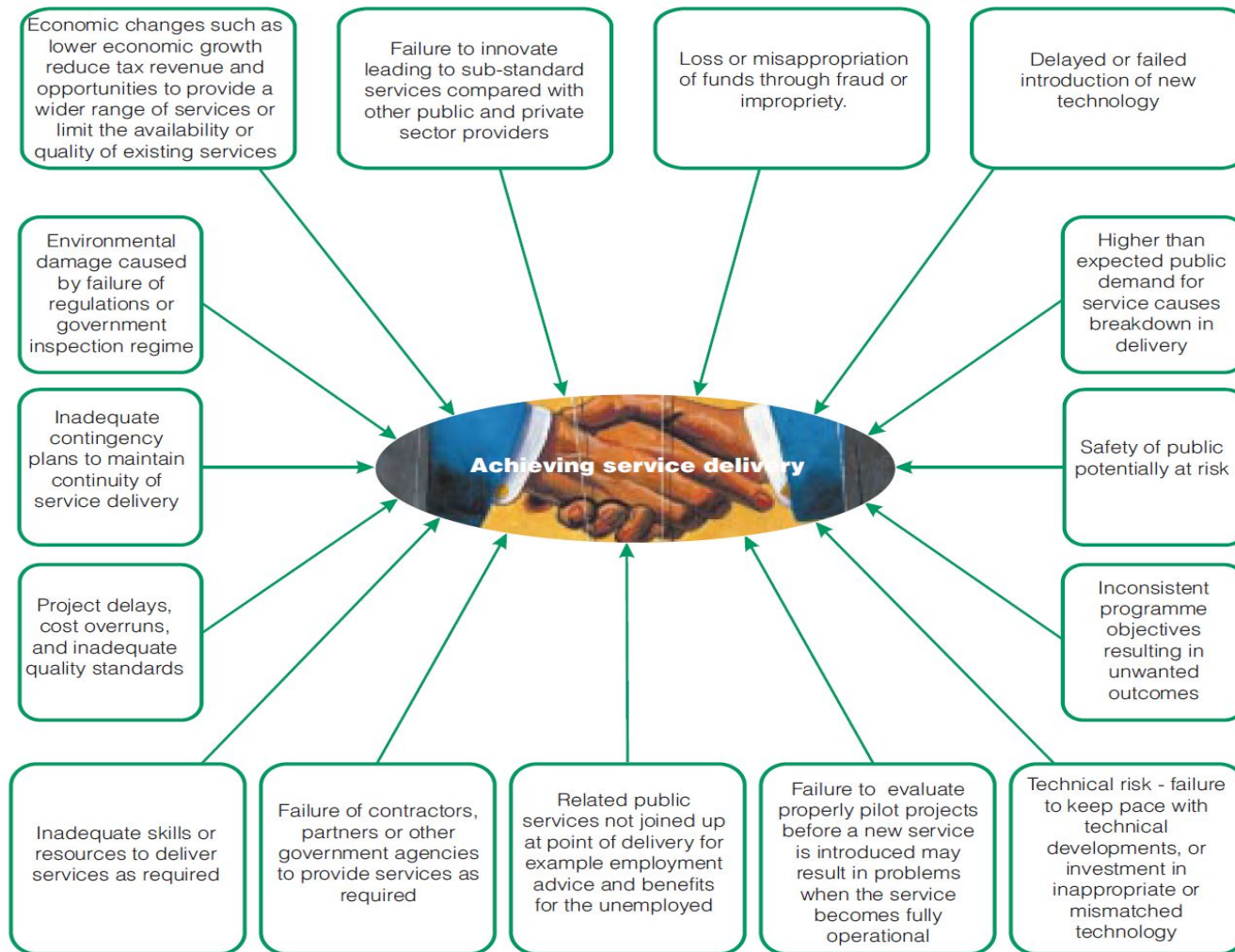
# Lifting enterprise risk management capability across government

*Claire Linskill, GM System Assurance,  
Department of Internal Affairs*

**RiskNZ Lunchtime Seminar  
7 May 2019**

New Zealand Government

# Risks faced by the public sector



Source: UK National Audit Office



# Impacts of low levels of risk maturity



Business as usual and change failures



A failure to realise benefits



A reluctance to innovate – missed opportunities



Loss of confidence from investors e.g. Ministers and the public





# Benefits of higher levels of risk maturity



Better service delivery



Managing change



More efficient use of resources



Better project management

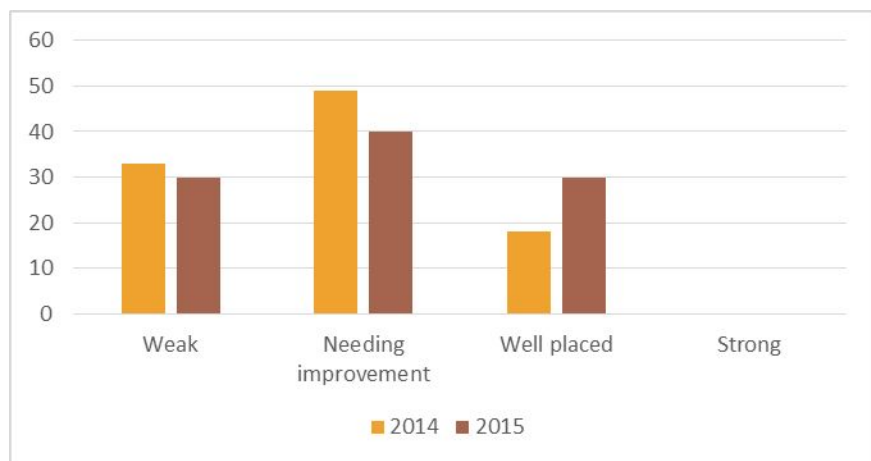


Innovation

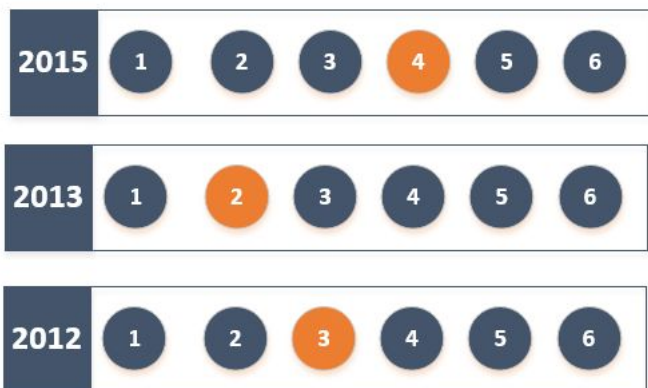
Source: UK National Audit Office



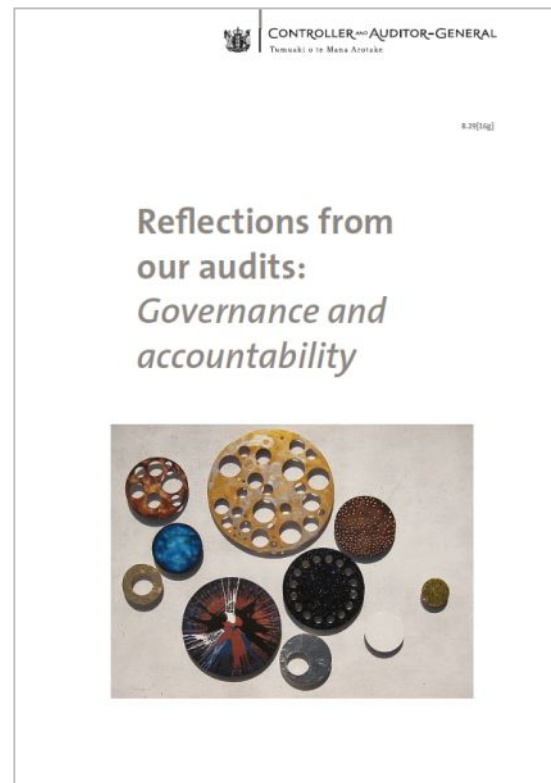
# Current risk management performance...



Agencies risk management ratings in the PIF – 2014 and 2015  
(source: SSC PIF Factsheet 5)



Risk and issue management ranking in New Zealand Gateway™ Reviews  
(Source: Lessons Learned Report 2015)



# Lifting risk management capability

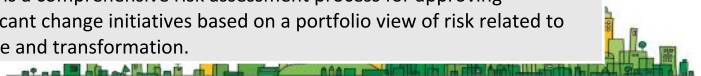
- The All-of-Government (AoG) Enterprise Risk Maturity Assessment Framework (gERMAF V3.0) enables agencies to assess their current level of risk maturity and identify improvement opportunities
- gERMAF is tailored for the New Zealand public sector to help agencies integrate risk management into business processes





# Core Expectations – What does good look like?

Element	Attribute	Key Question	Core Expectations – What does good look like?
Leadership & Direction	Governance, Policy & Accountabilities	<i>Is there clear accountability and authority for managing risk at the leadership level?</i>	There is a comprehensive governance framework in place that explicitly assigns individual roles and responsibilities for managing risks, including risks with core partners.
	Culture, Risk Appetite & Innovation	<i>Does leadership promote a culture of risk informed decision making based on a clear understanding acceptable and unacceptable risk?</i>	Organisational values and behaviours clearly support risk informed decision making and there is a comprehensive risk appetite statement in place that includes a common definition of innovation.
	Continuous Improvement	<i>Does leadership drive improvements in risk management?</i>	There is a regular formal review of risk management practices to identify improvements.
People & Development	Roles & Responsibilities	<i>Do staff clearly understand their roles and responsibilities for managing risk?</i>	Risk management roles and responsibilities are documented and communicated for all risk areas and are consistently reflected in position descriptions.
	Resources, Skills & Training	<i>Is resourcing sufficient and are staff adequately trained and experienced in risk management?</i>	Risk management activities are adequately resourced with assessment of skills and training undertaken on a regular basis.
Processes & Tools	Risk Assessment & Mitigation	<i>Are there effective processes in place for the identification, assessment and mitigation of risks?</i>	Risk assessment processes and templates are defined and applied consistently across the agency. Risk mitigation plans align to agreed tolerance levels.
	Assurance	<i>Is there an effective assurance framework in place?</i>	Assurance is consistently provided over change and operational areas including activities undertaken by core partners and is based on the risk profile of the agency.
	Risk Monitoring & Reporting	<i>Does risk monitoring and reporting support decision making and management action?</i>	The senior management team regularly receives risk information aligned to business outcomes to support decision making and management action.
Business Performance	Strategic Risk Management	<i>Is there effective anticipation and management of strategic risks?</i>	Strategic risks and opportunities are explicitly identified and documented in the agency's strategic plan together with planned responses.
	Managing Risk in Partnerships	<i>Are there effective arrangements for managing risk with partners?</i>	There is a comprehensive partnering policy that addresses how to identify, assess and manage risks, including arrangements for risk ownership and sharing of risk information.
	Business Resilience	<i>Are there effective mechanisms in place to monitor, respond, anticipate and learn from disruptive and extreme events?</i>	Disruptive and extreme events are comprehensively assessed on a regular basis and there are mechanisms in place to monitor, respond, anticipate and learn from these events.
	Change & Transformation	<i>Is there a portfolio approach to managing risk for significant change initiatives?</i>	There is a comprehensive risk assessment process for approving significant change initiatives based on a portfolio view of risk related to change and transformation.



# Online Self-Assessment Tool



New Zealand Government

## Welcome to the New Zealand Government Online Self-Assessment Portal

The Self-Assessment portal enables agencies to complete their annual self-assessments and other reporting requirements online in an efficient and effective manner. The benefits of the online portal for agencies include:

- Easy access to all of your assessments on one secure location
- Where applicable assessments are pre-populated with last year's data reducing time and effort to complete and improving consistency
- Improved version control through automated workflow and approval processes
- Access to benchmark and trend reporting providing additional insights into business performance.



LOGIN HERE

Login

[Forgotten your password?](#)

If you have forgotten your username or have any other issues, please [contact us](#).



# Easy access to all your assessments in one secure location

Tēnā koe, you have access to the following products:

## Risk Maturity Assessment

The All-of-Government (AoG) Enterprise Risk Maturity Assessment Framework enables senior business leaders to objectively measure their current level of risk maturity. Higher levels of maturity support risk informed decision making to better manage strategic risks and opportunities, optimise resource allocation and improve day-to-day management of operations.

## GCPO Privacy Self-Assessment

This report will assist Chief Executives to understand how they are progressing in building privacy capability; will help the GCPO to understand what further support agencies need; and will enable the GCPO to report annually on system-wide progress in building capability in privacy.

## Agency ICT Maturity Framework

Assesses your agency's maturity on Digital Services, Information, Technology, Investment, Leadership and Assurance. The results are used to inform the Government Chief Information Officer's (GCIO) agency engagement planning, the agency's own investment planning, and the GCIO's aggregate view of system maturity.

## Regulatory Stewardship System Assessment

Regulation provides an essential context for much of the work of government agencies. Stewardship requires us to analyse our environment, understand where the future might take us, and assess whether our regulatory systems are equipped to cope with that future. This assessment provides a snapshot of the health of a regulatory system.



# Individual self-assessment

All-of-Government Enterprise Risk Maturity Assessment Framework

IN CONFIDENCE

## Individual Risk Maturity Self-Assessment 2018-19

Save

5 of 12

### People & Development

#### 5. Resourcing, Skills and Training

*Is resourcing sufficient and are staff adequately trained and experienced in risk management?*

Level 1	Level 2	Level 3	Level 4	Level 5
<ul style="list-style-type: none"><li>• Limited resourcing is allocated to risk management activities.</li><li>• The agency has limited access to the skills and experience required to provide effective risk management.</li></ul>	<ul style="list-style-type: none"><li>• There are some gaps in the effectiveness of risk management activities due to insufficient resourcing.</li><li>• Risk management skills and experience are assessed at a high level for some key roles.</li><li>• Some ad hoc risk management training exists for key roles.</li></ul>	<ul style="list-style-type: none"><li>• Risk management activities are generally well resourced across the agency although some areas would benefit from additional resourcing.</li><li>• Risk management skills and experience are formally assessed for all key roles, including the senior leadership team.</li><li>• Structured risk management training is provided for all key roles.</li><li>• Risk management forms part of induction training for all management and staff.</li></ul>	<ul style="list-style-type: none"><li>• Resourcing is sufficient for the agency and supports some inter-agency, sector and AoG risk management outcomes.</li><li>• Risk management skills and experience for all key roles are regularly reviewed to ensure alignment with risk management outcomes and strategy.</li><li>• Risk management training needs are included in individual performance plans.</li><li>• There are mechanisms in place for keeping staff up to date with developments in risk management e.g. newsletters and other regular internal communications.</li></ul>	<ul style="list-style-type: none"><li>• Resourcing fully supports inter-agency, sector and AoG risk management outcomes.</li><li>• Risk management skills and experience are optimised and continually improved.</li><li>• There are mechanisms in place to measure the effectiveness of risk management training.</li></ul>

*Use the sliders to rate Current and Target Risk Maturity for your agency.*

Current



Target





# What is the right level of risk maturity for my agency?

- Agencies can assess the level of inherent risk in their operating environment to 'right size' risk maturity for their agency so that risk management practices are fit for purpose

Question	Answer	Score
<b>System Level</b>		
<b>System role</b>	Contributing agency to the delivery of inter-agency, sector or AoG outcomes	3
<b>External scrutiny</b>	Significant external scrutiny (e.g. regulatory, political, media or public interest)	5
<b>Criticality of services</b>	Limited number of critical services but with the potential to impact a wide group of users nationally	3
<b>Dependence on partners</b>	Some dependence on core partners to deliver business outcomes	3
<b>Agency Level</b>		
<b>Size of agency</b>	Annual spend (Opex and Capex) is greater than \$100m but less than \$500m	3
<b>Complexity of business</b>	Small range of business units and services operating from a single location	1
<b>Performance assessment</b>	Clearly articulated strategic direction with credible plans in place to deliver it (e.g. Well placed or Strong based on PIF rating)	1
<b>Level of change</b>	Some change initiatives underway or planned but not significant in the context of the wider business	3

## Recommended Maturity Level 3

Medium-sized agencies operating in more complex environments should have well defined and relatively sophisticated risk management practices in place. Consideration should be given to assessing the need for more mature risk management practices in specific areas such as managing risk in partnerships, organisational change, reputational risk, etc. In addition, a higher level of maturity would be expected if the agency plays an active role in contributing to sector-wide / AoG objectives and outcomes.

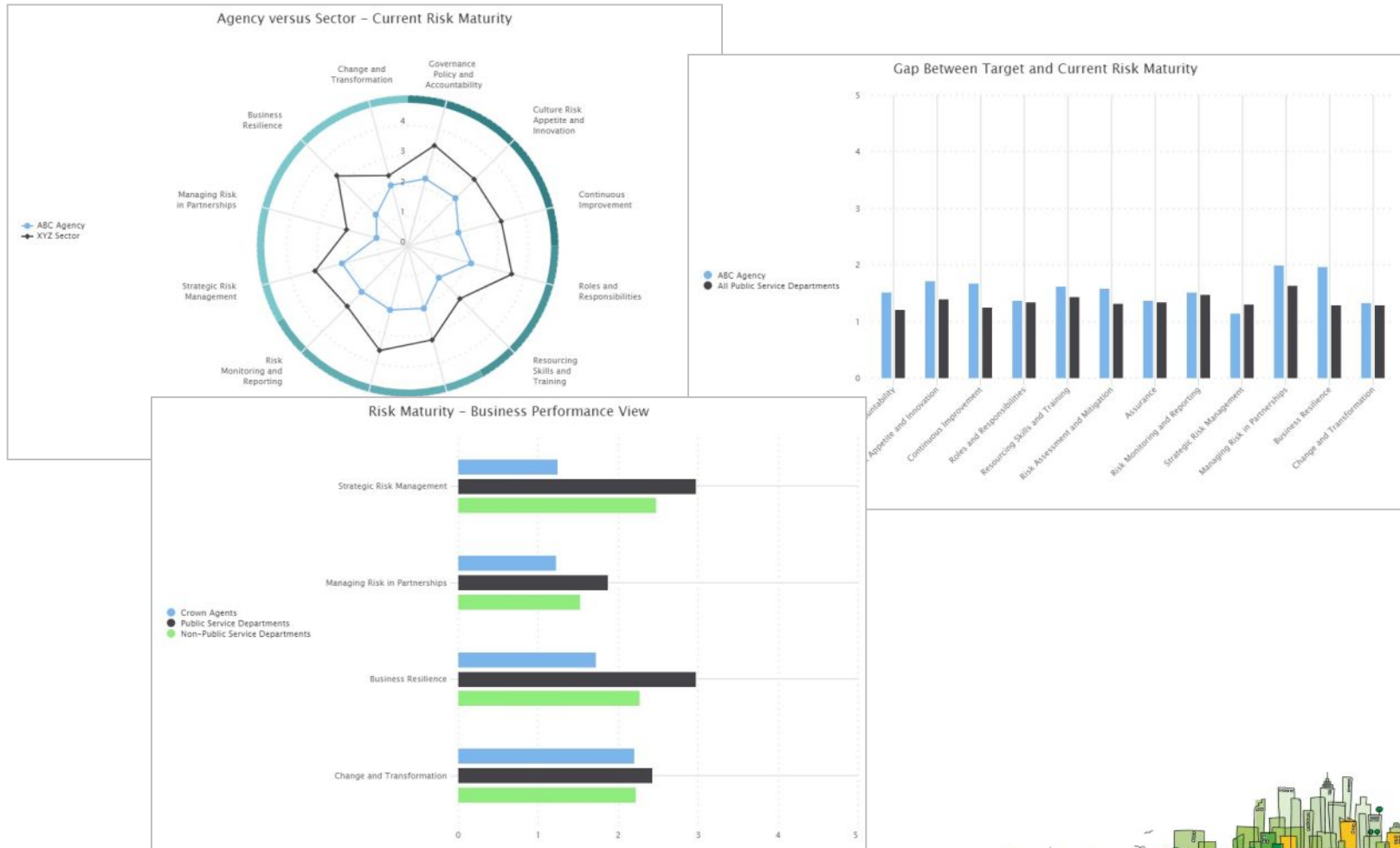




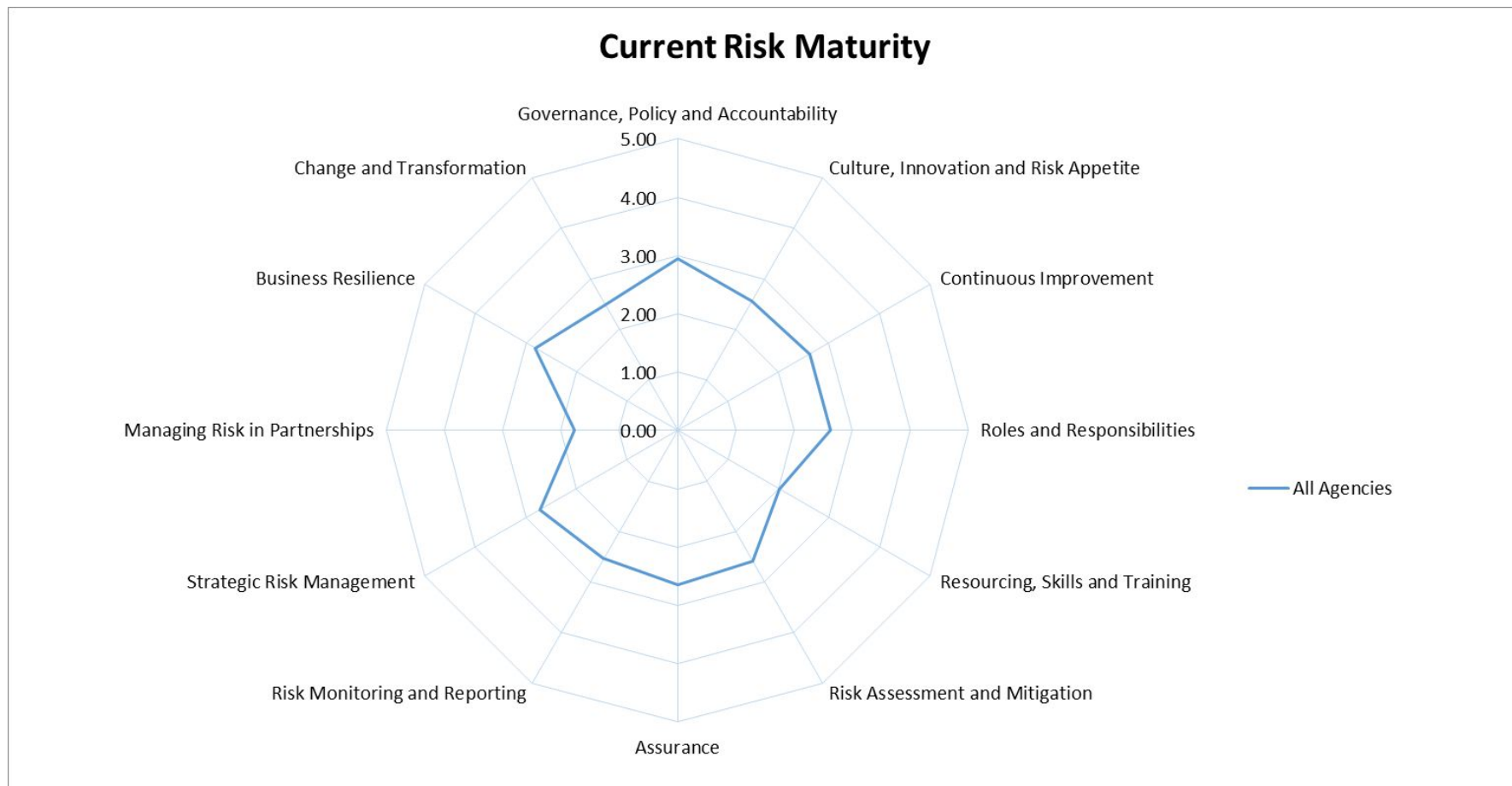
# Insights from Internal Benchmarking



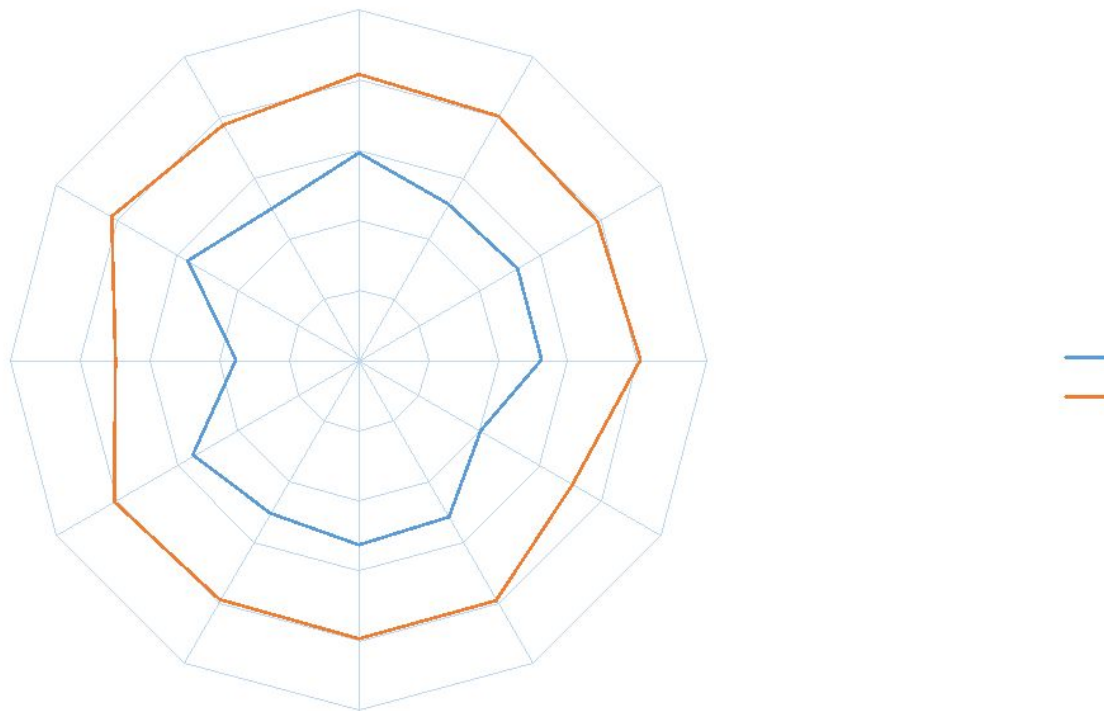
# Insights from External Benchmarking



# Aggregated results (all agencies)



# Aggregated results (all agencies)



# Questions for you to consider

- What do you find surprising about the results?
- What opportunities do you see to help your organisations to lift risk maturity in:
  - Managing risk in partnerships?
  - Culture, appetite and innovation?
- How can you support senior leaders in your organisations to manage risk in an environment of innovation?





# Benefits of gERMAF



Enables better conversations with senior business leaders



Helps 'right size' risk maturity to ensure risk management practices are fit for purpose



Helps identify and prioritise targeted improvement opportunities



Helps prepare for external assessments resulting in improved confidence by key stakeholders



Supports collaboration with other agencies, including opportunities to demonstrate system stewardship



# To find out more...

- Go to our website:

<https://www.digital.govt.nz/standards-and-guidance/governance/system-assurance/enterprise-risk-maturity/>

- Contact me:

[Claire.Linskill@dia.govt.nz](mailto:Claire.Linskill@dia.govt.nz)





# **RISK NZ**

**THANK YOU FOR  
ATTENDING OUR  
LUNCHTIME SEMINAR  
SERIES**

Website: [www.risknz.org.nz](http://www.risknz.org.nz) | LinkedIn: [www.linkedin.com/company/risknz/](http://www.linkedin.com/company/risknz/)