

GOVERNANCE INSTITUTE OF AUSTRALIA'S RISK MANAGEMENT SURVEY 2020

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The Governance Institute of Australia's (GIA) Risk Management Survey 2020 was conducted online over March 2020 with feedback from 393 respondents.

It provides some insight into the place and status of risk management in Australian organisations, a summary of which is provided below for the reference of fellow risk practitioners. It should be noted that COVID-19 was not a feature as such.

Survey respondents represented a broad range of industry sectors across Not-for-Profits and Government organisations (mainly) as well as businesses. Just under half have a role spanning governance and risk with 45% classified as senior leaders or leaders in risk management teams. 40% have formal risk management qualifications. In terms of risk structure, Audit & Risk Committees are the most common risk function with the majority meeting on a monthly basis.

On the whole, risk management is considered to be highly valued (84% agree). A majority of respondents (54%) agree that their organisation has a robust risk appetite statement in place (26% disagree) and also that risk management is widely understood within their organisation (63% agree, 26% disagree). The most commonly cited ways for improving risk culture are better reporting tools and raising the voice of risk, followed by board leadership and clarity of purpose.

On the topic of risk reporting: only 17% say it is very effective, with 49% rating it quite effective and 25% not effective. This result appears to be influenced by whether the company has a risk department or dedicated risk committee.

Staff conduct, legislative change and regulatory change are rated as the best managed risk issues. Talent risk, disruption risk/failure to innovate and environment or economic shock are the issues with the highest fair/poor rating. Brand/reputation damage is the most commonly cited risk in the next three years, ahead of regulatory/legislative change and cybercrime.

Other areas of note:

- 55% of organisations run scenario testing although this is more likely to be 'occasionally' rather than 'frequently'. This appears to be dependent on the organisation having a separate risk department.
- Just over half the organisations risk frameworks include whistle blower protection with a further 26% have it included elsewhere.

REFERENCE:

<https://web.governanceinstitute.com.au/advocacy/survey-reports/risk-management-survey-2020/>

SUE TREZISE

Sue Trezise has over 12 years experience providing risk expertise and advice for government and organisations on strategic, enterprise and operational risk management. An experienced facilitator, Sue assists communication between technical experts and non-technical stakeholders and makes managing risk practical and effective.