

# Risk Management and Internal control at Geneva public administration

Fabrizio Balda – Chief Risk Officer at Etat de Genève  
PEMPAL IACOP – Bern, March 21<sup>st</sup> 2023



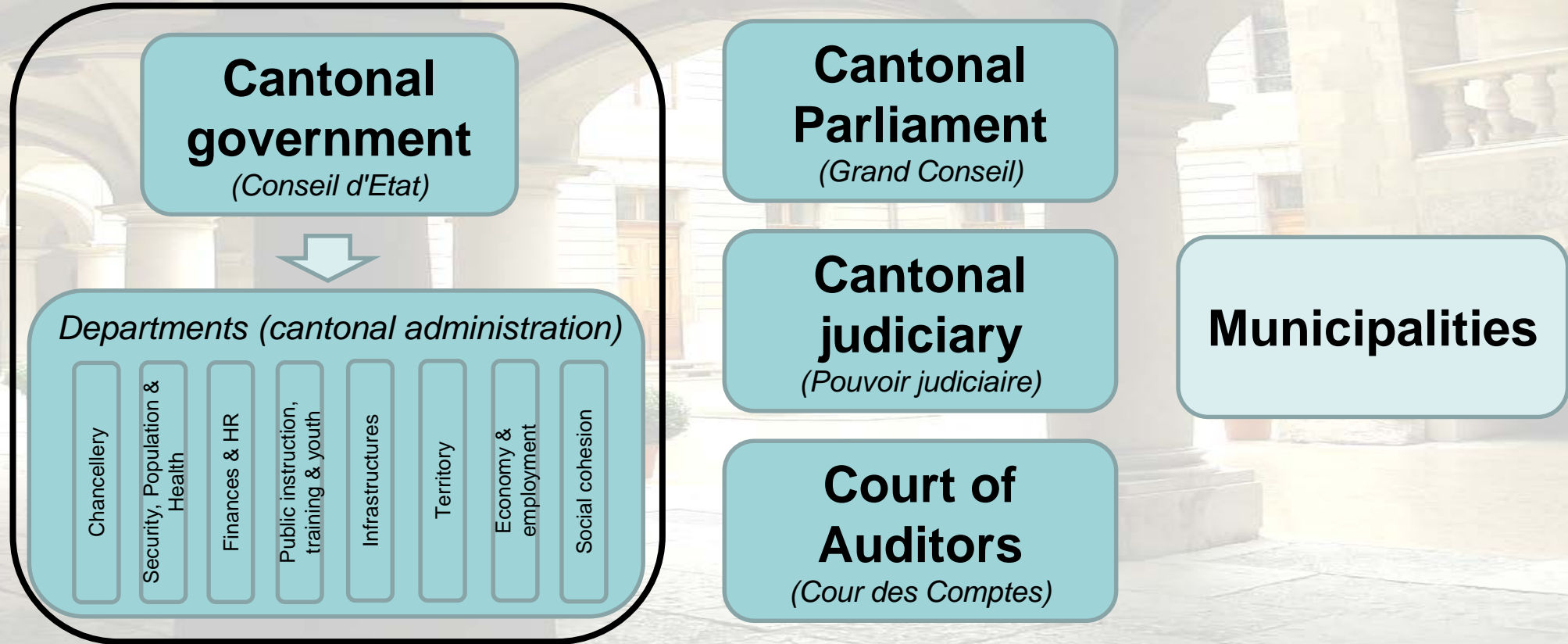
REPUBLIQUE  
ET CANTON  
DE GENEVE

POST TENEBRAS LUX

Chancellerie  
Gestion des Risques Etat

13/03/2023 - Page 1

# A multitude of entities



+ many others...



# Framework

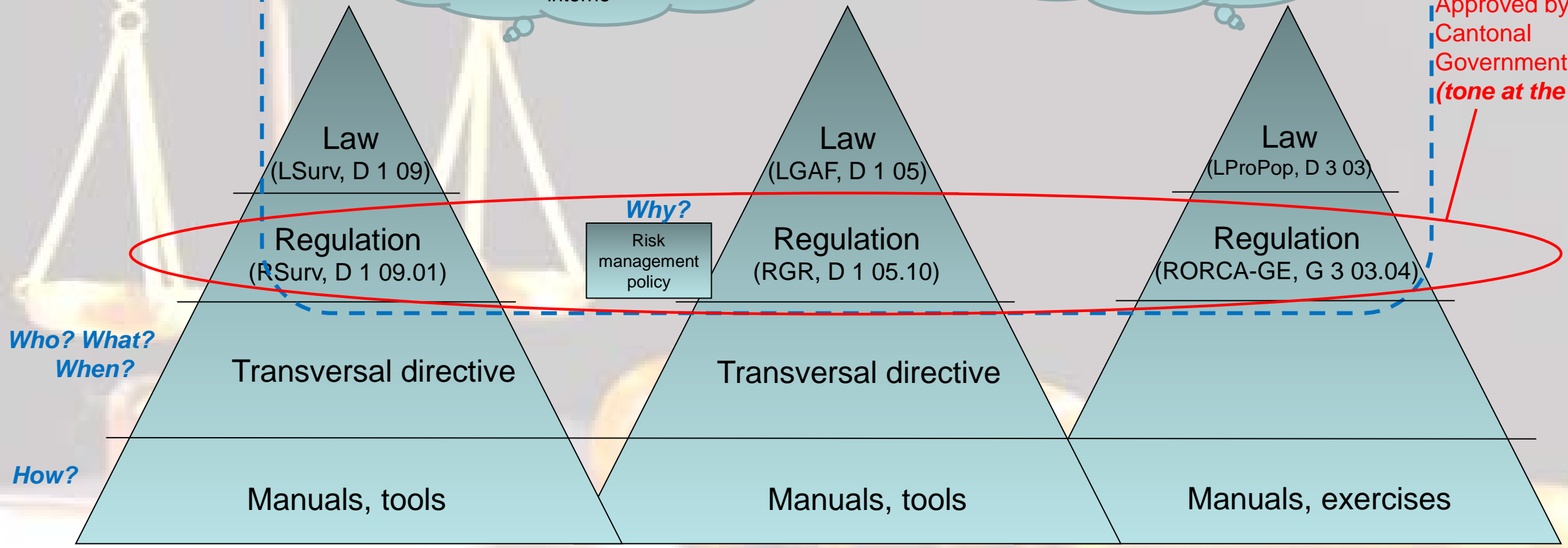
Legal reference  
and main rules



Constitution  
Art. 221 "Contrôle et audit  
interne"

Federal law on the  
protection of population  
and civil protection (LPPCi)

Approved by the  
Cantonal  
Government  
*(tone at the top)*



Who? What?  
When?


How?

**Surveillance**

**Risk Management**

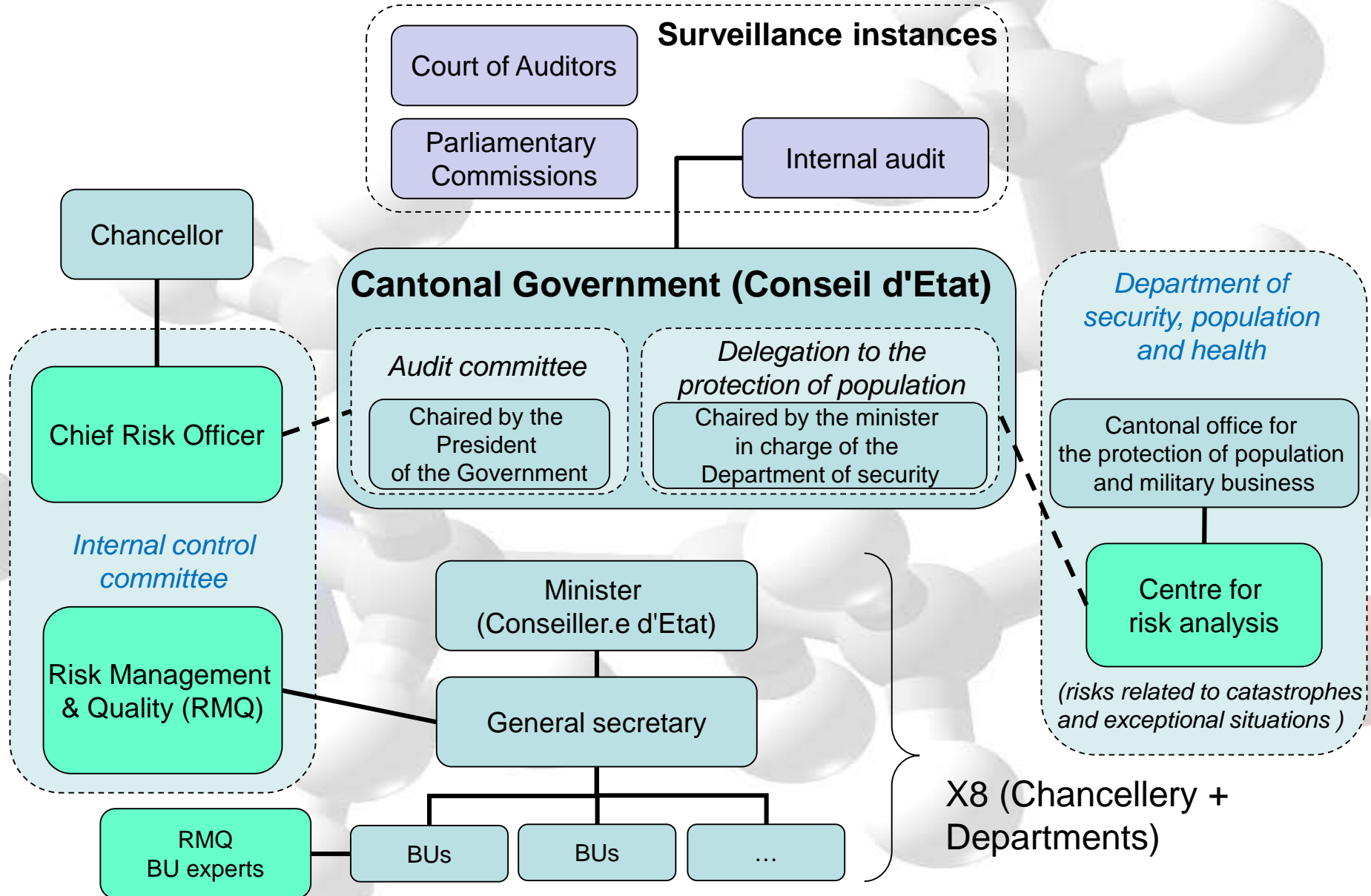
**Protection of population**



 Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra



# Risk management organizational structure



*(in some cases, according to size and risk exposure)*

# Internal control system...



...is a **set of tools and practices** aiming to provide **reasonable assurance** regarding the achievement of the **following objectives**:



Deliverance  
of public  
services



Provision of  
reliable financial  
information



Application and  
respect of laws  
and regulations



Protection of  
canton's resources  
and heritage



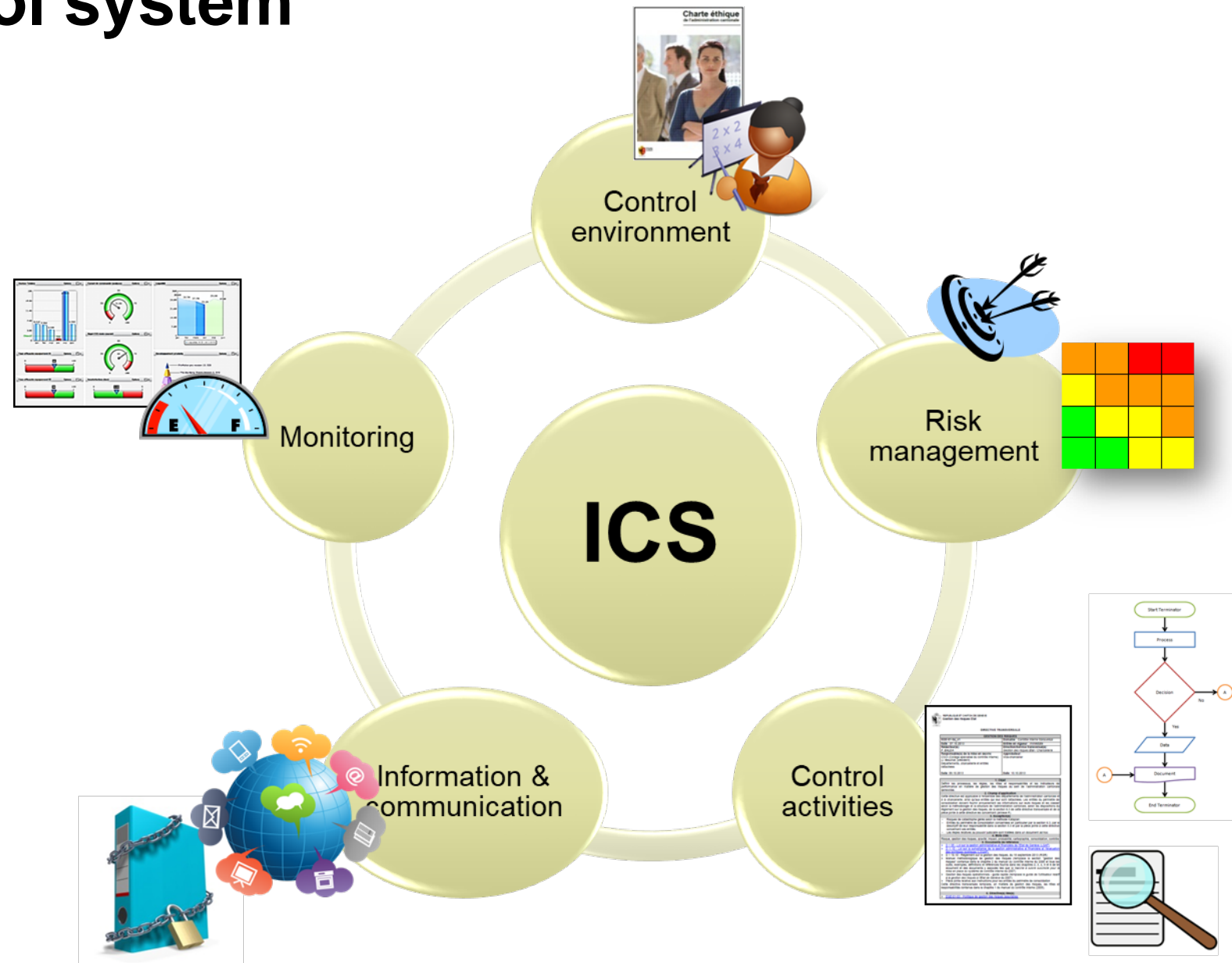
Avoidance or  
minimization  
of frauds and  
mistakes



## Risk management...

...is a **decision-making support tool** and internal control system's **engine**

# Internal control system structure



# Internal control system evaluation



20 criteria based on  
ICS pillars (examples)

Public  
administration

Public policies  
(12)

Public services  
(>200)

ICS element	Criteria	Evaluation
<b><i>Pillar 1: Control Environment</i></b>		
1. Company values	List of requirements	90%
2. Organizational structure	List of requirements	100%
3. Access to education & training	List of requirements	70%
<b><i>Pillar 2: Risk Management</i></b>		
4. Objectives setting	List of requirements	80%
5. Risk identification and evaluation	List of requirements	80%
6. Risk treatment	List of requirements	75%

*Averages by pillar, by public service, by public policies...*



# Internal control system reporting & follow-up

- ❖ KPIs on internal control system, audit recommendation follow-up and risk management
- ❖ Objectives, KPIs and target values for each public service
- ❖ Regular reporting to Government's audit committee as well as to parliamentary commissions



# Risk governance



## Top management

- Defines strategy and takes decisions on risks



## Middle management and staff

- Manage risks related to their activities based on the chosen risk treatment strategy



## RMQ experts and CRO

- Support entities throughout the risk management processes



## Surveillance instances

- Perform oversight on the appropriate application of the risk management framework

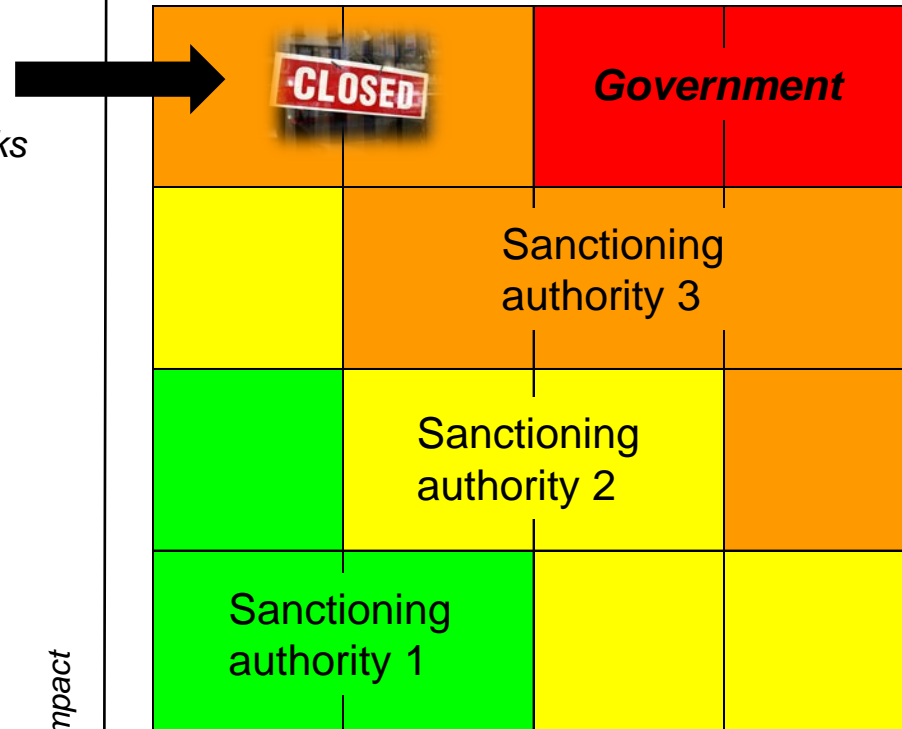


# Risk matrix and its usage

Major crises (e.g. pandemics, energy shortage)



Typical local business continuity risks

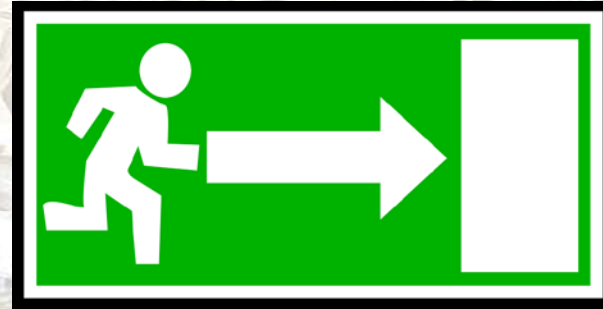


Likelihood (per year)

- ❖ A **governance** rather than just a graphical tool
- ❖ Allows **determining the hierarchical level** to whom risks have to be reported for decision-making
- ❖ Allows **filtering information** (>2000 risks documented, only 10 to 20 reported to the Government)
- ❖ Accepting even major risks is **possible**



# Risk assessment criteria



Risks at Etat de Genève

**Financial**

**Safety**

**Service  
delivery**

**Compliance  
/ legal**

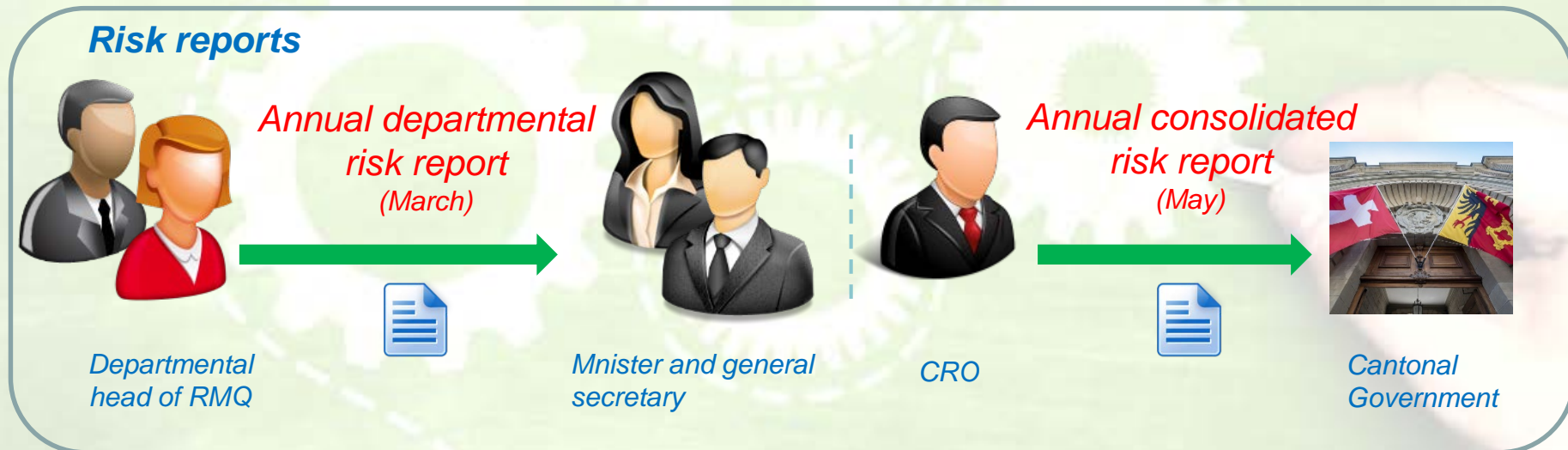
**Reputational**

**External**





# Risk reporting





# Business continuity: what is critical in a public administration?



*Prisons*

*Public instruction*

*Public health*

*Road and building maintenance*

*Police*

*Emergency  
phone numbers*

*Elections / votes*

***etc. . .***

*Government sessions*

*Medical and  
pedagogical activities*

*IT Datacentres*

*Civil protection*

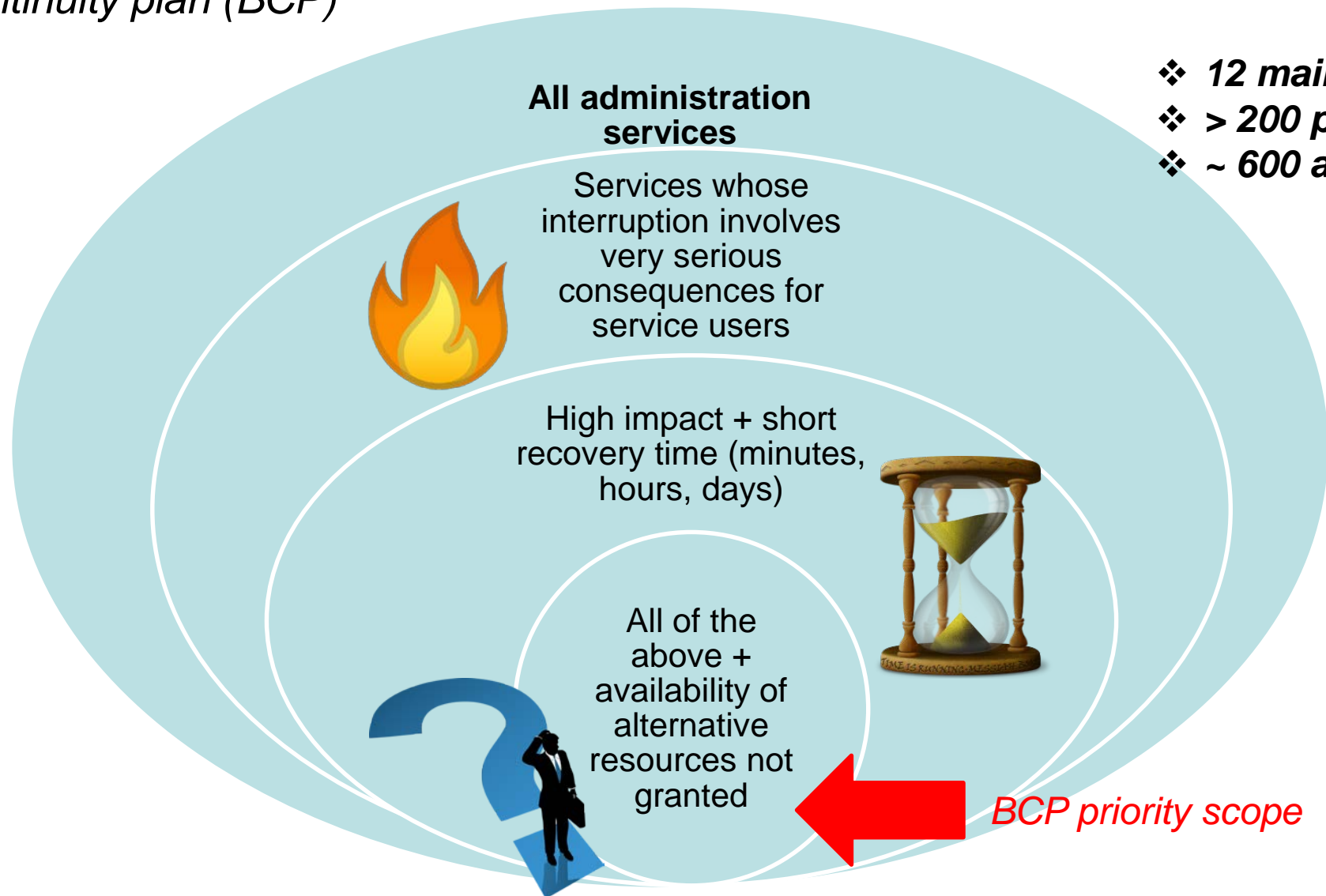
*Construction sites*



# For whom?

*Not everybody needs a business continuity plan (BCP)*

- ❖ **12 main public areas or "policies"**
- ❖ **> 200 public services**
- ❖ **~ 600 activities assessed**





# How many scenarios?

*A way to simplify the approach*

***BCP key resources-oriented rather than initiating event-oriented  
(BCP = crisis management + continuity measures modules)***

- ❖ Fire
- ❖ Flood
- ❖ Technical failures
- ❖ Pandemics
- ❖ Strike
- ❖ Earthquake
- ❖ Terrorism
- ❖ Cyberattack
- ❖ ...



- ❖ Unavailability of staff
- ❖ Unavailability of premises
- ❖ Unavailability of IT infrastructure or data
- ❖ Unavailability of external providers
- ❖ Unavailability of power supply
- ❖ Unavailability of business-specific resources



**Development of strategies in collaboration with the cantonal competence centres (IT Office, HR Office, Building Office, etc.)**



# Business Continuity & ORCA



***BCM purpose is ensuring the continuity of key operations and **excludes** managing exceptional situations where population, key infrastructure might be in danger (e.g. natural disasters, terrorist attacks, etc.). In such case, a dedicated structure is activated:***



ORGANISATION EN CAS DE CATASTROPHE  
ET DE SITUATION EXCEPTIONNELLE





WINTER IS ~~COMING~~

Here



**Power supply shortage risk  
2022/23, 2023/24, 2024/25...**



