

# Insights into Risk Management Maturity across PEMPAL Countries

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# IACOP PEMPAL Survey Info

## □ Overview

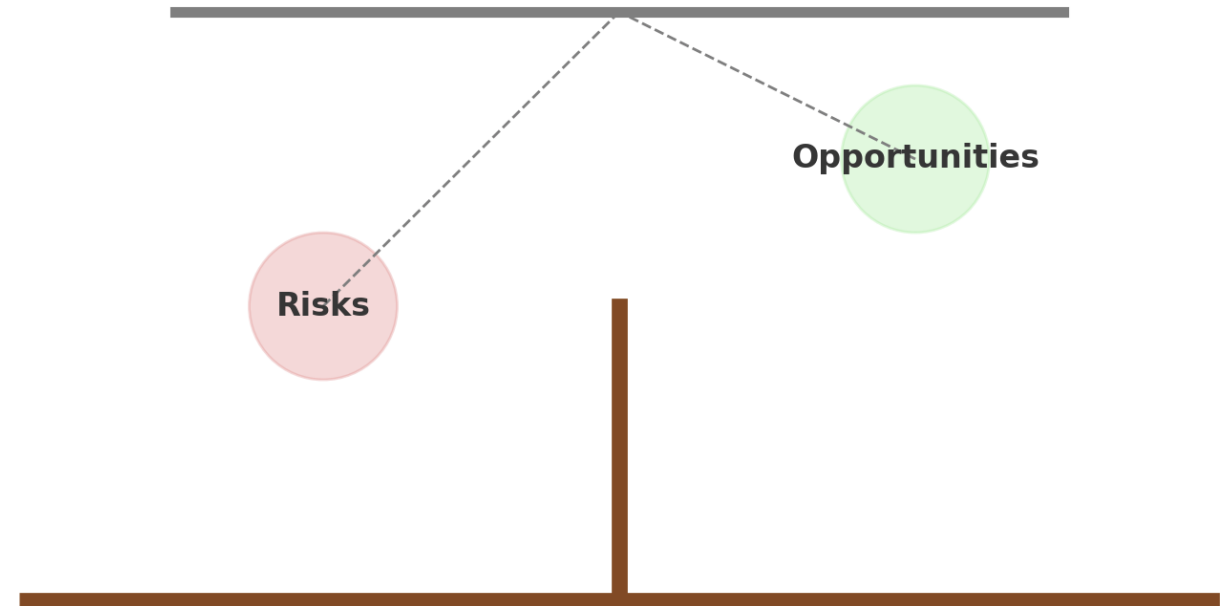
- Comprehensive survey to evaluate the maturity of risk management across member countries

## □ Execution

- 20.09.2023 – 03.10.2023, capturing insights from all 23 member countries, through a 12-question format

## □ Respondents' Profile

- Multifaceted pool of insights with contributions Directors, Heads of Departments, and Senior Advisors



# Risk Management Policy Assessment

## Well-Documented Policies

- 8 countries reported having well-documented risk management policies, while 9 others indicated that they are more documented than not

## Communication

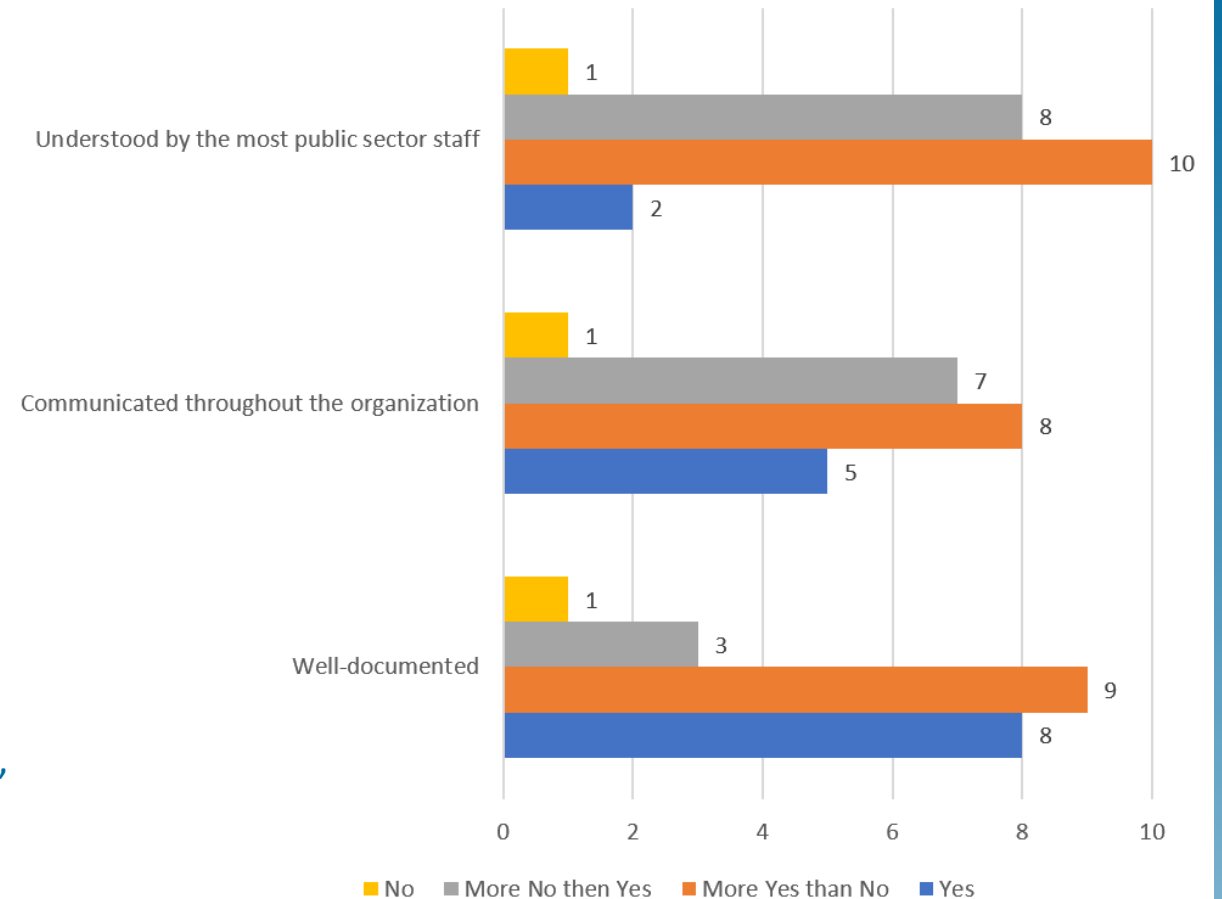
- Policies are effectively communicated throughout the organizations in 5 countries, with 8 more leaning towards effective communication

## Understanding

- In 10 countries, the policies are more understood by public sector staff than not, with 2 countries reporting full understanding

- Notable diversity** in level of documentation, communication, and understanding of risk management policies, highlighting areas of strength and opportunities for improvement

*Risk management policies and procedures*



# Risk Management Methodologies and Processes

## ❑ Dedicated Teams

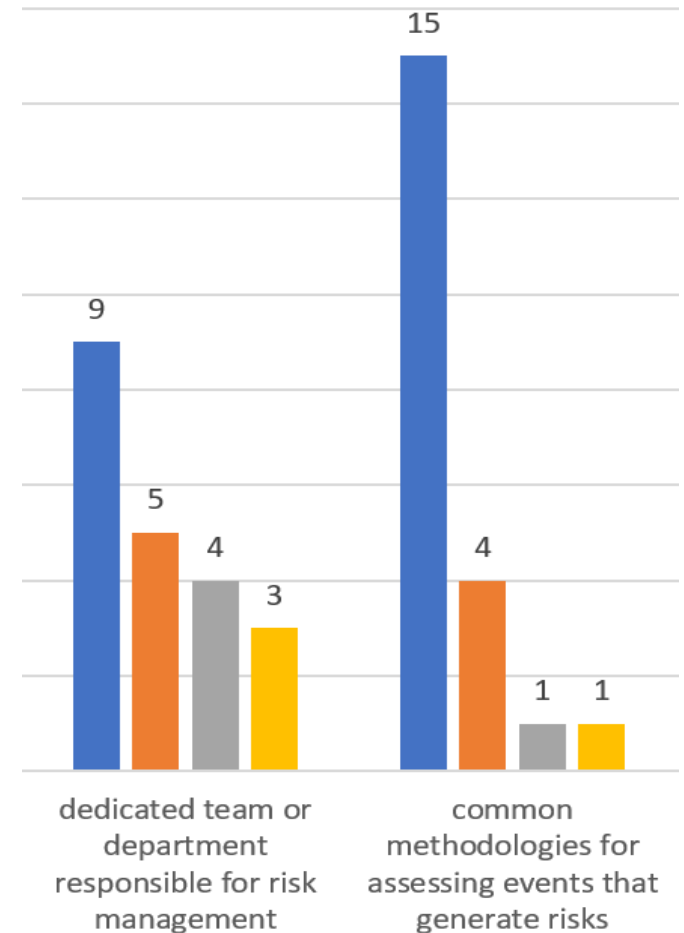
- ❑ 9 countries have established teams, 5 are progressing, and 3 have no dedicated teams

## ❑ Common Risk Assessment Methodologies

- ❑ A majority (15 countries) have adopted common methodologies for risk assessments

- ❑ The data reveals a stronger consensus on the adoption of common risk assessment methodologies than the establishment of dedicated RM teams

- ❑ A dedicated focus on enhancing structural and procedural elements of RM is evident, with room for growth in organizational embedding



# Risk Prioritization, Integration, and Mitigation Analysis

## ❑ Prioritization

- ❑ 17 countries prioritize risks based on likelihood and impact

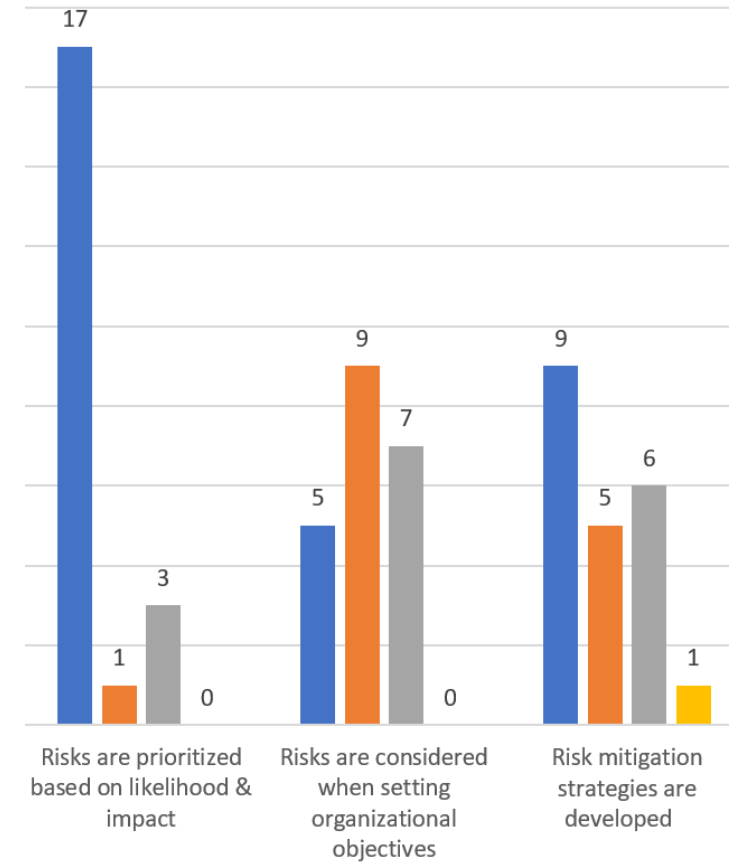
## ❑ Integration with Organizational Objectives

- ❑ Integration is prominent in 5 countries, while 9 others are in the process of alignment. 7 countries indicated potential for development in integrating risks into organizational planning

## ❑ Development of Risk Mitigation Strategies

- ❑ 9 countries have solid strategies to manage priority risks, with 5 others progressing. One disagreed, highlighting a focus area for strengthening risk response mechanisms

- ❑ Significant number of countries are adept at-risk prioritization, but face challenges in fully integrating risks into organizational objectives and developing comprehensive mitigation strategies



# Training and Risk Identification

## □ Employee Training

- 11 countries have formal training programs in risk management, ensuring staff competency. 5 countries are in the transitional phase

## □ Risk Identification Methods

- A diversified approach is noted: 17 countries utilize risk registers, 13 incorporate risk workshops, and 7 employ risk surveys. 1 stands out with a combination of methodologies for operational and strategic risk analysis
- Discernible emphasis on training and development in RM across countries, paired with integration of varied risk identification and assessment methods
- Data suggests a movement towards a holistic approach, combining training with multiple risk identification methods to enhance the efficacy of RM

# Measuring RM Effectiveness

- ❑ **Key Performance Indicators (KPIs)**

- ❑ Utilized by 12 countries, indicating a prevalent method for assessing risk management effectiveness

- ❑ **Incident Response Metrics**

- ❑ Adopted by 3 countries, showcasing a more reactive approach to measuring effectiveness

- ❑ **Risk Appetite Assessment**

- ❑ Employed by 5 countries, reflecting a strategic approach to evaluate risk tolerance and management

- ❑ **Alternative Methods**

- ❑ 6 countries use unique methods like self-assessment questionnaires and internal/external audits, indicating a customized approach to effectiveness measurement

# Barriers to Advanced RM

## ❑ Resource and Competence Shortage

- ❑ Highlighted by 17 countries, indicating a universal challenge in risk management advancement

## ❑ Senior Management Support

- ❑ An issue in 11 countries, emphasizing the crucial role of leadership in risk management maturity

## ❑ Technology Gaps

- ❑ Cited by 3 countries, showing a lesser, yet significant, obstacle in risk management enhancement

## ❑ Cultural Resistance

- ❑ Noted by 9 countries, underscoring the human and cultural elements in risk management

## ❑ Specific Challenges

- ❑ Countries detailed unique challenges, including organizational structure changes and the lack of credible assessment mechanisms



# Risk-Related Incident Experiences

## ❑ Incident Occurrence

- ❑ 8 countries experienced significant risk-related incidents, with the COVID-19 pandemic and cybersecurity attacks being notable events, as well as energy prices

## ❑ No Incidents Reported

- ❑ 13 countries reported no significant risk-related incidents in the past year

## ❑ Specific Incidents

- ❑ Fraud risks in the procurement process, cybersecurity attack, electricity outages and water supply disruptions

- ❑ A mix of global events like the pandemic and country-specific incidents highlights the complicated nature of risks public sectors face, underlining the need for comprehensive RM practices

# Pathways to Enhanced RM

## ❑ Training and Awareness

- ❑ Highlighted by many countries as essential for elevating RM proficiency. Technical workshops, managerial training, and practical workshops are emphasized

## ❑ Integration and Strategy Alignment

- ❑ Countries focus on integrating RM into strategy development and planning processes, highlighting the role of integrated and embedded risk management practices

## ❑ Cultural Shift and Mindset Change

- ❑ Need for a change in mindset, echoing focus on developing a risk culture where every employee is engaged in risk management

## ❑ Technology and Innovation

- ❑ Points to the potential of technology, especially artificial intelligence, in enhancing risk assessment and management effectiveness

## ❑ Collaboration and Learning

- ❑ Countries suggest exchanging experiences and learning from practical implementations as a route to improvement

## ❑ Specific Insights

- ❑ Call for compulsory training, while others suggest a reduction in the number of strategic objectives at the state level for better focus and efficiency

# Concluding Insights: Towards Enhanced RM

## □ Diverse Approaches

- The survey illustrates diverse practices and challenges in RM across countries, highlighting opportunities for shared learning and collaboration

## □ Common Challenges

- Resource constraints, senior management support, and cultural resistance emerge as universal hurdles, necessitating targeted strategies for overcoming these barriers

## □ Path Forward

- Enhancing training, integrating risk management into strategic planning, fostering a risk-aware culture, and leveraging technology are pivotal steps identified for advancing RM maturity

## □ Collaborative Evolution

- The collective insights emphasize the potential for cross-border collaboration, shared learning, and joint initiatives to elevate RM practices, ensuring a resilient and robust public sector

**THANK YOU!**

