

*The Status of Enterprise Risk Management
in the Government Ministries of British Columbia*

Report B
**Enterprise Risk Management:
A Stalled Implementation**



OFFICE OF THE
Auditor General
of British Columbia

Introduction

- Report focuses on the barriers to integrating ERM into ministries
- Given size and scope of government operations, a systemic approach to managing risk is critical
- Preventative vs. reactive approach results in greater stability so government can best manage its policies, plans and programs



What We Did

- Surveyed all 20 ministries as to their status in implementing ERM processes
- Asked additional questions to determine if Risk Management Branch's ERM model and tools meet ministry needs
- The results of individual Ministry self-assessments and lessons learned/good practices were reported to all Deputy Ministers
- Management letters with detailed findings were provided to the Ministry of Finance and the three Ministries responsible for the program areas examined



Key Findings

Top barriers to ERM implementation as reported by the 20 ministries surveyed

	Barriers	No. of ministries
1	Lack of human resources	15
2	Lack of funding	14
3	Leadership	8
4	Unawareness	3
5	Lack of data	3
6	Lack of training/knowledge	2



KEY FINDINGS

Barriers to Implementation

“the process is not intuitive – staff training in its use is required; does not lend itself to dealing with specific items; and is too prescriptive.”

“given the resources needed to implement the process, ERM is not a priority.”

“the slowdown in its ERM-specific activities was due partially to limited human resources and funding but mostly to the organization not having time to evaluate ERM benefits and how extensively it is being used in the ministry.”



KEY FINDINGS

Maturity Ratings



According to Ch. 14 of the CPPM, Treasury Board requires ministries, at a minimum, to have ERM fundamentals in place



KEY FINDINGS

Risk Management Branch's ERM Model

Use of Risk Management Branch's ERM process

- 70% of ministries use the model
- 55% also use other methods that better fit their needs

Use of Risk Management Branch's ERM tools

- 100% of ministries use or partially use their guidelines
- 20% do not use the risk register model
- 25% do not use the risk dictionary or the implementation guide



RECOMMENDATIONS

We recommend that ministries:

1. maintain up to date ministry level risk registers that clearly assess the likelihood and consequences of identified risks.
2. utilize the Risk Management Branch's approved ERM process, tools, training and guidance, or consult with the Risk Management Branch to modify the tools if needed.
3. appoint an ERM coordinator to assist with risk management and the maintenance of ministry-wide risk registers.

