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

# Report B Enterprise Risk Management: A Stalled Implementation



#### 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

F	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."

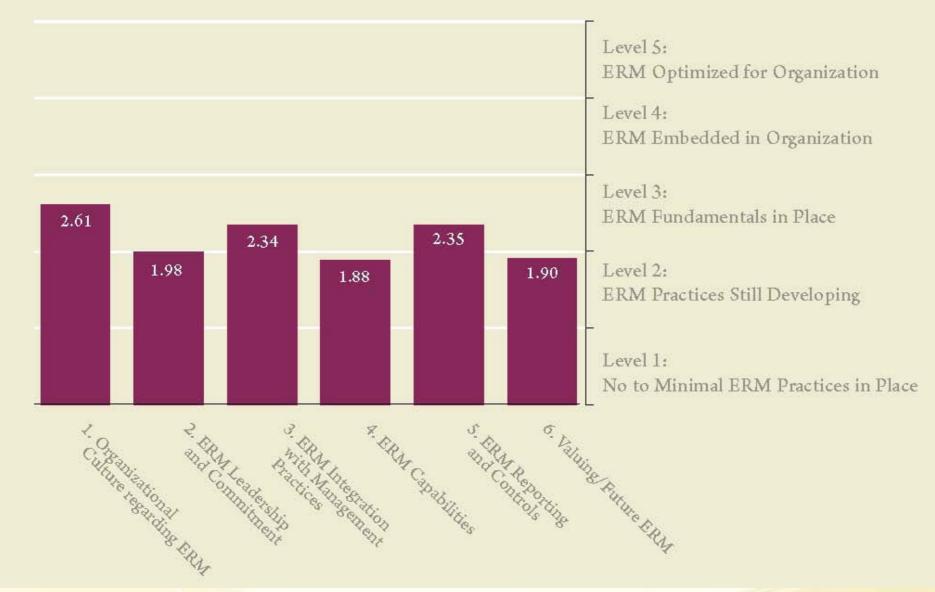
"given the resources needed to implement the process, ERM is not a priority."

"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





#### 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.
- 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.

