



## Building Risk Management Capability in the Australian Government



Public Procurement Principle: **Risk management, Capacity**



Procurement Stage: **Tendering**



Audience: **Procuring entity, Policy makers**

### Description

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The Australian Department of Finance developed guidance on building risk management capability in government entities, focused on the following areas:

**People capability** – A consistent and effective approach to risk management is a result of well skilled, trained and adequately resourced staff. All staff have a role to play in the management of risk. Therefore, it is important that staff at all levels of the entity have clearly articulated and well communicated roles and responsibilities, access to relevant and up-to-date risk information, and the opportunity to build competency. Considerations include:

- Are risk roles and responsibilities explicitly detailed in job descriptions?
- Have you determined the current risk management competency levels and completed a needs analysis to identify learning needs?
- Do induction programmes incorporate an introduction to risk management?
- Is there a learning and development programme that incorporates ongoing risk management training tailored to different roles and levels?

**Risk systems and tools** –The complexity of risk systems and tools often range from simple spreadsheets to complex risk management software. The availability of data for monitoring, risk registers, and reporting will assist in building risk capability. Considerations include:

- Are your current risk management tools and systems effective in storing the required data to make informed business decisions?
- How effective are your risk systems in providing timely and accurate information for communication to stakeholders?

**Managing risk information** – Successfully assessing, monitoring and treating risks across the entity depends on the quality, accuracy and availability of risk information. Considerations include:

- Have you identified the data sources that will provide the required information to have a complete view of risk across the entity?
- What is the frequency of collating risk information?
- Do you have readily available risk information accessible to all staff?
- How would you rate the integrity and accuracy of the available data?

**Risk management processes** – The effective documentation and communication of risk management processes will allow for clear, concise and frequent presentation of risk information to support decision making. Considerations include:

- Are your risk management processes well documented and available?
- Do your risk management processes align to your framework?
- Is there training available, tailored to different audiences, in the use of your risk processes?

Source: OECD (2019), [Public Procurement in Kazakhstan: Reforming for Efficiency](#), OECD Publishing, Paris

