

Effective Design and Implementation of Risk Management in Public Sector

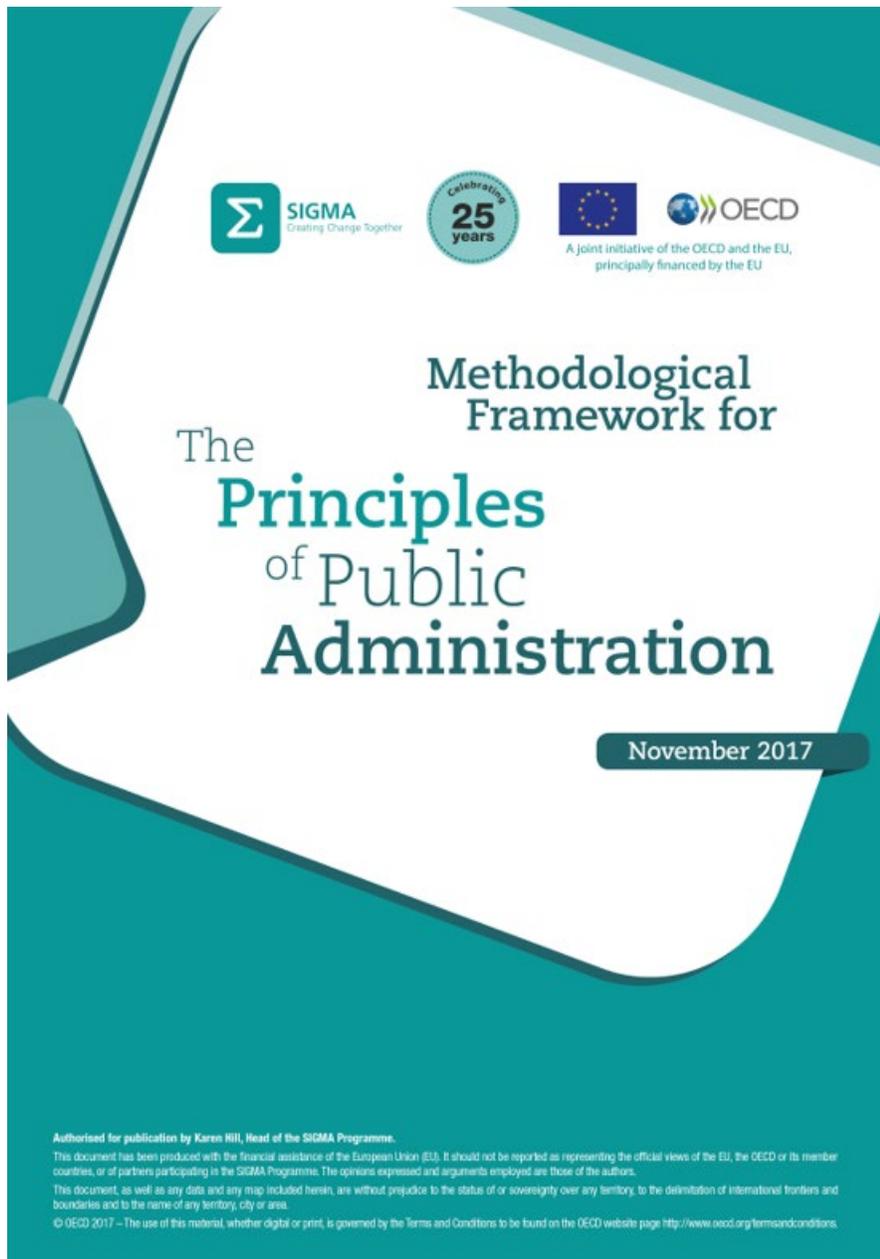
Risk management and internal control

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Principles of Public Administration



Indicator on the functioning of internal control



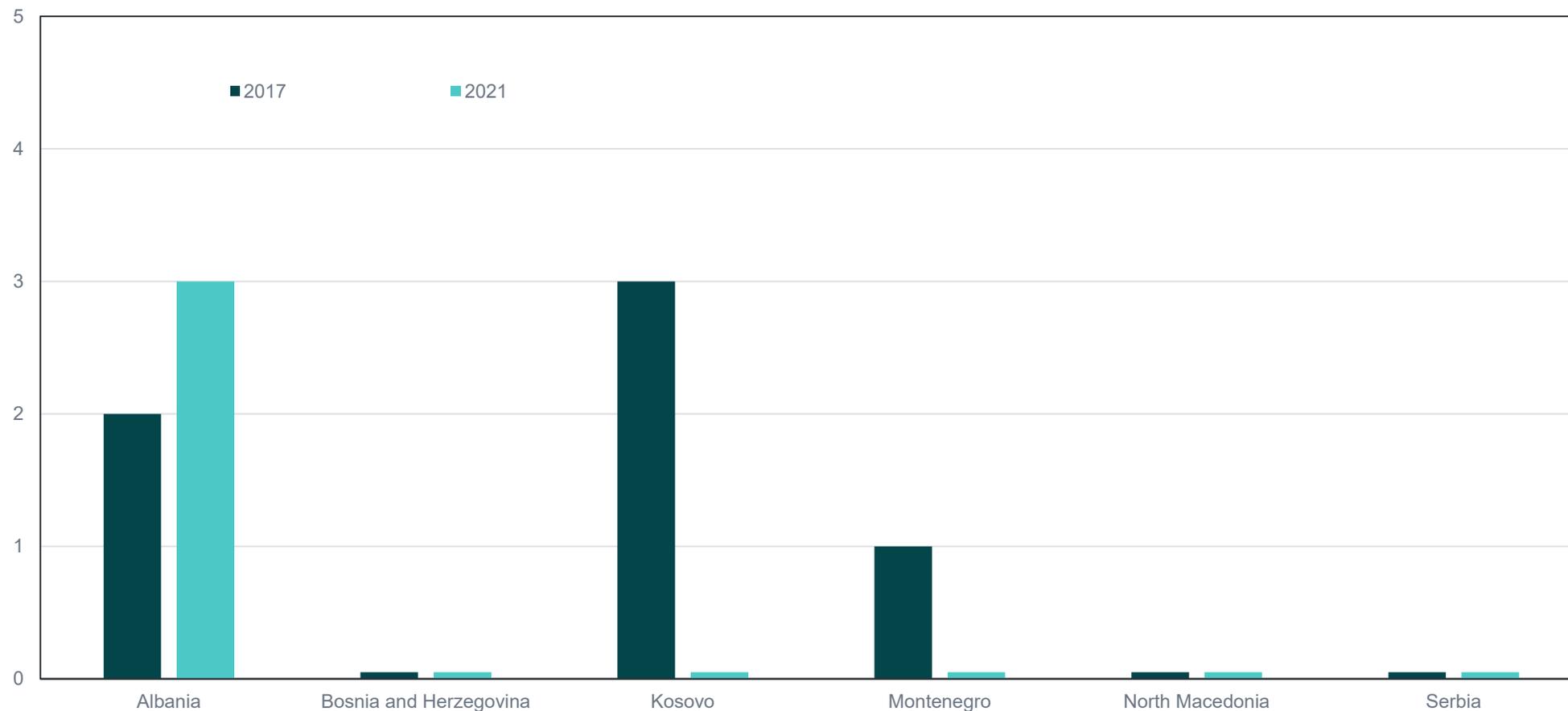
One measure is the Regularity and completeness of risk management practices

The criteria are:

- Risks are assessed at least annually
- Organisations have agreed objectives and risk assessment is carried out against all the objectives of the organisation
- Risk mitigation measures and responsible persons are defined for at least those risks that have high impact and probability
- Risk mitigation measures are reported at least annually.



Regularity and completeness of risk management practices - SIGMA Monitoring Reports 2017 and 2021





General observations

- New sub-principle 26f. Public administration bodies identify and periodically assess the risks that threaten achievement of their objectives, including **economic or environmental** risks, and implement the necessary measures to mitigate them
- Additional criteria under the new measurement framework
 - > Risk management is in place
 - > Responsibility for conducting risk assessments and taking risk mitigation actions is assigned to the management, **not to internal auditors**

Currently see

- Risk management not always seen as part of the whole management system
 - > objectives and outcomes, budget and resources
- Sometimes seen as a finance or audit discipline, rather than a management discipline
- Lack of understanding by institutional managers
- Done as an administrative requirement and not used as a management tool

 Thank you for your attention!

**Please do not hesitate to contact SIGMA
should you have any questions or need any support!**

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