Summary of Practical Steps to Implement Risk Management in the Public Sector

Effective public sector risk management involves embedding risk into governance, planning, budgeting, operations, and performance management rather than simply maintaining a risk register.

Key Steps

1. **Establish Governance and Accountability**

- Define roles, responsibilities, and oversight structures.
- Develop a risk management policy and governance framework.

2. **Link Risks to Objectives**

- Identify risks that could prevent achievement of strategic, operational, and programme objectives.

3. **Develop a Risk Management Methodology**

- Standardise risk identification, assessment, scoring, reporting, and escalation processes.

4. **Identify Risks**

- Conduct workshops, interviews, and reviews to identify operational, financial, legal, ICT, and strategic risks.

5. **Assess and Prioritise Risks**

- Evaluate likelihood and impact.
- Focus on high-priority risks affecting service delivery, finances, compliance, and public trust.

6. **Implement Controls**

- Introduce preventive, detective, and corrective controls to reduce risks.

7. **Integrate Risk Management with Planning and Budgeting**

- Align risks with strategic planning, programme budgeting, and resource allocation.

8. **Monitor and Report**

- Use risk registers, dashboards, KRIs, and regular reviews to monitor risks and control effectiveness.

9. **Build Risk Culture and Capacity**

- Train staff and promote accountability and early reporting of issues.

10. **Ensure Assurance and Continuous Improvement**

- Use internal audit, external reviews, and maturity assessments to improve the framework over time.