

## Measuring Risk Maturity at the Department of Social Services

### *Enhancing in-house risk management capabilities to drive continuous improvement*

The benefits of an effective Enterprise Risk Management framework for government departments are far reaching. From providing assurance to the Executive, to delivering strategic insight to inform decisions and policy, effective risk management has become key to enhancing risk capabilities and resilience in government.

For the Department of Social Services (DSS), moving from a compliance-focused risk management practice to one of acceptance has been a big focus over the past few years. In order to drive greater consistency in the way they manage risk, DSS has been working on new ways to make risk interesting and devising opportunities to boost leadership volume to enhance buy-in and traction around risk.

“Our aim is to acknowledge that high and extreme risks aren’t in themselves a problem, as long as there is a management strategy in place and the appropriate delegate has accepted that we need to take on that risk in order to achieve our outcome,” says Drewe Mitchell, Assistant Director, Enterprise Risk Management at the DSS.

While creating an effective risk culture has been essential to the DSS risk management strategy, Drewe and the team have also been focusing on ways to measure organisational risk maturity to further develop continuous management.

What is unique about the DSS approach is the way they are linking risk maturity to the strategic direction of the broader organisation.

“Traditional approaches to risk maturity don’t look at how often people are following those practices and how they are embedded throughout the organisation. We’re taking the basic concepts of risk maturity measurement and adding on it to be able to evaluate our impact on the business,” says Drewe.

Ahead of the [11<sup>th</sup> Annual Enterprise Risk Management for Government 2017](#), Drewe explores the ways to measure risk maturity, the steps they are taking to improve their risk culture to drive internal risk capabilities and the lessons learned from their journey to date.

### Overview of DSS Risk Management Framework

“The risk framework is the vehicle that has been driving our Enterprise Risk Management journey. One of the biggest changes for the DSS was the move from a compliance focused risk management practice, to one of acceptance.

Our aim is to acknowledge that high and extreme risks aren't in itself a problem, as long as there is a management strategy in place and the appropriate delegate has accepted that we need to take on that risk in order to achieve our outcome.

The DSS Risk Management Framework was developed when the machinery of Government changes in 2013 resulted in the formation of the DSS from six different agencies, and has been refined annually as part of continuous improvement.. Since then, we have been ambitious but realistic when it comes to achieving a positive change in culture to drive improved risk capabilities throughout the organisation.”

## Measuring Risk Maturity

“At the DSS, we're currently working on developing new ways to measure our risk maturity. We're identifying fairly broad performance indicators at this point and a lot of them are based around the nine elements of the Comcover benchmarking survey.

The idea is to use a self-assessment process as the foundation, but add more rigors in terms of what is actually being delivered. The thing about the Comcover benchmarking process is that it is similar to the ISO 9001. It measures whether or not you have good practices in place and those solid practices should therefore give you a mature risk management process.

But it doesn't look as much at how often people are following those practices and how they are embedded throughout the organisation. We're taking the basic concepts of risk maturity measurement and adding on them to be able to evaluate our impact on the business.

This means putting a more positive spin on risk management and selling it as an evaluation of ourselves, rather than evaluating the risk maturity of the department (even though realistically they are the same thing).

If we're having an impact that provides an upwards trend in terms of risk maturity and practices, that means we're doing our job well and the department reaps the benefits.”

## Creating a risk-aware organisation

“As with a lot of government departments, developing an effective risk culture has been a ground-up process. We're pushing upwards as well as engaging people at an APS/EL level.

But we have also incorporated risk management into the corporate business planning process, which is gathering more attention from the Executive. Our aim is to have more champions in terms of Executive leadership to improve engagement amongst employees.

On a positive note, more employees are seeking us for information on risk management and we have informally gathered a reputation as being helpful in this area. While we are directly responsible for enterprise risk, our expertise is much broader and we remit any improvement in risk management.

Our philosophy is to improve risk management from the service-delivery level to the Executive.”

### Overcoming challenges along the way

“Our biggest challenge was knowing where to start. We had to assess what we felt our current risk maturity was and what we wanted to achieve by measuring that.

We recognised that while we were considered to be advanced under the Comcover benchmarking survey, we didn’t feel our actual practice of risk management was at that level of maturity and we had a gap to close there.

To address this, we started with the information we already had from Comcover and the idea is our practices will become more rigorous as time goes on. We’re trying to combine a qualitative and quantitative approach by looking at trending analysis rather than simply just putting a score on our risk maturity.

It is about trying to position risk as an evidentiary-based decision making tool. It is about bridging the gap between what we know and how to actually mitigate and manage risk with details that comes from within the business itself.”

### Interested in learning more?

Join Drewe at the [11<sup>th</sup> Annual Enterprise Risk Management for Government Conference](#) where he will further explore:

- Insights into active methods of measuring your organisation’s risk maturity and the advantages of this information in improving elements of continuous management
- Devising opportunities to boost leadership volume to enhance buy in and traction around risk and improve capabilities
- Addressing language inconsistencies in risk and linkages across discipline levels to understand risk capability standards and correctly approach situations



For more information visit [www.ermgovernment.com.au](http://www.ermgovernment.com.au) or call +61 2 9229 1000 or email [enquire@iqpc.com.au](mailto:enquire@iqpc.com.au)

*“The value of attending Enterprise Risk Management for Government 2017 is the networking. The sessions are fantastic, but the fact it is a peer-based conference is invaluable.”*

Drewe Mitchell

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