

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

Report C

**Risk Management in Practice:
Managing Risk in Three Very
Different Ministry Programs**



OFFICE OF THE
Auditor General
of British Columbia

Background

- Audited three ministry programs for their RM/ERM completeness against the Risk Management Branch model for RM/ERM
- Results provide real examples of well managed risks and show how key risks were incorporated into their ministry's ERM strategy
- Ministry decision makers need to know of the numerous risks that are faced within their program areas in order to make informed decisions for the ministry as a whole



Key Findings

- Although the three program areas we examined have different approaches to RM/ERM, their approaches meet the principles for program-level risk management.
- Program level risk registers are not always maintained, or when maintained, are not rolled up to a ministry level risk register so informed decisions can be made.



Programs we audited

- **Gaming Policy and Enforcement Branch,**
now in the Ministry of Public Safety and Solicitor General
- **Maples Adolescent Treatment Centre**
Ministry of Children and Family Development
- **Southern Interior Region Engineering**
Ministry of Transportation and Infrastructure





Gaming Policy & Enforcement Branch

- Key risk: integrity issues such as illegal gaming as well as registration and certification of gaming equipment and lottery schemes
- Previous reviews by the Ombudsperson (2007) and Deloitte (2008) identified regulatory gaps in lottery gaming.
- Deloitte recommended implementing a risk management strategy for the branch and the industry as a whole
- Risk management is comprehensive and plans contain the necessary elements required to identify, assess, assign and mitigate key risks
- Plans are updated regularly and actively used as a governance tool

Mandate is to ensure that gaming is operated with honesty and integrity and that the interests of the public and participants are protected.



Maples Adolescent Treatment Centre

- Key risk: client violence to self, others and property including suicide attempts, assault, abuse and vandalism
- Maples has a system for managing client-level risks
 - Psychiatric assessment completed within 24hrs of admission to assess youth's mental health status and risk
 - Care plan developed to identify their strengths, goals and a strategic direction for community service providers
- Maples does not use an ERM process to manage organization-level risks
- Unifying client and organization-level risks in a risk register would be useful as a strategic management tool.

Maples provides residential and non-residential services as well as after-care and community development services to troubled youth aged 12-17 and their parents



Southern Interior Engineering

- Key risk: safety of highways operations, as well as highway design related to the environment, wildlife, landscape, archaeology and public expectations
- Project-level risks are identified, assessed and mitigated using technical engineering standards, project management practices and risk registers
- Uses a risk register model for contracts and has a process to assess effectiveness and efficiency and to share lessons learned
- Organization-level risks were identified in 2007, but are managed as part of daily practice rather than through development and updating of formal risk registers

Part of the Highways Department, they are responsible for highway operations around the Okanagan, Thompson Nicola, Cariboo and West Kootenays



RECOMMENDATION

We recommend that ministries:

1. require their program areas to maintain a risk management process that includes a risk register, as appropriate, which can be rolled up to a ministry-wide risk register.

Our recommendation is intended for the program areas of all ministries in the B.C. government.

