

Appendix D

Risk Maturity Assessment

Undertaking a Risk Maturity Assessment enables the Council to benchmark its current risk management capability and identify how and where improvements can be made.

This assessment has been used to help inform the Risk Management Strategy Action Plan.

Maturity Matrix

Assessment Criteria	Level 1 Initial	Level 2 Repeatable	Level 3 Defined	Level 4 Managed	Level 5 Optimised
Policies, processes & strategies	Undocumented or vague.	Policies and processes defined.	Policies further developed, refined and disseminated.	Risk management routinely used to support decision making.	Focus is on continual improvement.
Reporting	No formal periodic reporting.	Basic management reports are issued consistently and in a timely manner.	Senior management reports in a consistent format. Audit reports. Prioritised actions.	Threshold limit violations reported. Risk measurement linked to early warning indicators.	Option analysis. Sensitivity analysis. Scenario modelling.
Roles and Responsibilities	Staff act in silos. No coordinated approach.	Risk owners, managers and actionees are identified and risk actions assigned.	Integrated teams across the authority.	Requisite knowledge, expertise and experience is in place.	Organisation, processes and individual performance measures are fully aligned.
Centralised Risk Function	No central point of contact for guidance or direction.	Roles and responsibilities of central risk function are established.	Relationship with Audit Committee, Management and Directorates is developed.	Embedding risk management, 'selling' the benefits and refining the process.	Driving improvements, integrating across directorates and aiding opportunity management.

Review	No formal processes. Reactionary ad hoc responses. Compliance focussed.	Process gaps are identified, assessed and corrected.	Uniform processes are adopted across the organisation.	Risk management is fully integrated with line management.	Continual benchmarking. Best practices are identified and shared across the organisation.
Culture	No defined policy, profile, process or vocabulary. No defined risk appetite.	Risk appetite, profile and process defined.	Early Warning Indicators established.	Risk appetite regularly reviewed and communicated. Process updated as a result of feedback.	Refined risk appetite. Strident initiatives to establish and maintain best practice.
Improvement	No risk management training. Lack of awareness of the majority of risk management techniques.	People are trained in the process. Awareness of the most commonly used techniques.	Different training levels are established. Consistent measures of probability and impact. Expanded risk coverage.	Sophisticated robust tools and models in use. Experienced personnel applying judgement to quantified results.	Knowledge and skills are updated constantly. Effective use of formal risk management techniques. Risk quantification is fully integrated into business decisions.

Taken from the MoR Maturity Model