



**Survey indicates
need for
improvements
regarding risk
management
in indirect
administration**

of organizations, some work principles and processes have been developed in order to identify and monitor risks, plan response actions and implement them so as to generate a safer environment. This is called risk management.

When the given organization belongs to the public sector, risk management becomes even more relevant. A negative impact in the effectiveness of actions compromises services provided to citizens.

Therefore, the Federal Court of Accounts has elaborated a survey in order to evaluate the maturity of risk management in several sectors of the Brazilian federal indirect public administration by means of the construction and publication of an indicator that stimulates improvement in risk management regarding the public sector.

For that effect, a questionnaire was given to 66 indirect administration entities selected through relevance and materiality criteria, and 65 of them replied (98.5% reply rate).

The questionnaire was developed from the risk management evaluation model of the British government with some adaptations from COSO (Committee of Sponsoring Organizations of the Treadway Commission) and ISO 31000/2009 models.

Four dimensions were evaluated: risk management environment (including leadership, policies and strategies, and personnel sub-dimensions) risk management processes (risk identification and evaluation, and risk response sub-dimensions), risk management in partnerships, and results.

The analysis of the answers indicates that two thirds of the Brazilian federal indirect public

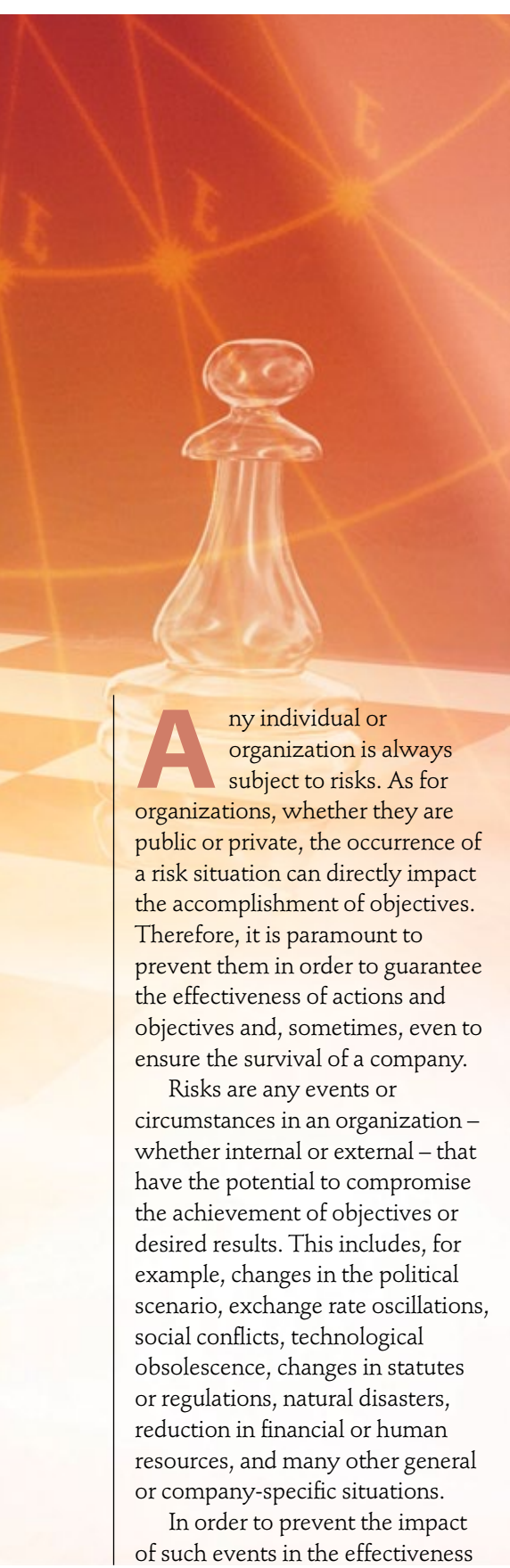
administration have basic and intermediate levels regarding risk management. Only 9% are considered advanced.

As for the evaluation by area, the financial sector had the highest average – 65% – followed by the petroleum sector that presented 61% maturity. From the ten participating regulatory agencies, four of them presented initial maturity status; three were classified as basic level and three as intermediate level. The report presented “situations where the maturity of the agencies was significantly lower than that of the companies under their regulatory actions”.

For each evaluated sector, the TCU indicated measures that may be taken in order to implement or improve risk management. Among them is the implementation of strategic planning, the search for an active involvement of high administration in the implementation of risk management and constant qualification of managers and employees involved.

GOVERNANCE

“The improvement of management and performance of public entities is one of TCU’s main desired results and it has been classified by its administration as one of the main purposes of auditing”, said minister Ana Arraes. “This is because it is clear that good governance results in the efficiency of governmental actions, with reduction of public funds waste due to administrative deficiencies and to consequent improvement of social and economic advances for the entire Brazilian population”, she said.



Any individual or organization is always subject to risks. As for organizations, whether they are public or private, the occurrence of a risk situation can directly impact the accomplishment of objectives. Therefore, it is paramount to prevent them in order to guarantee the effectiveness of actions and objectives and, sometimes, even to ensure the survival of a company.

Risks are any events or circumstances in an organization – whether internal or external – that have the potential to compromise the achievement of objectives or desired results. This includes, for example, changes in the political scenario, exchange rate oscillations, social conflicts, technological obsolescence, changes in statutes or regulations, natural disasters, reduction in financial or human resources, and many other general or company-specific situations.

In order to prevent the impact of such events in the effectiveness