

A large, multi-colored rainbow graphic arches across the top of the slide, starting from the left and ending on the right. The colors transition from red on the left, through orange, yellow, green, and blue, to purple on the right. The background of the slide is a faded image of a grand, classical building with arched windows and a central entrance.

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Risk Management – Embedding, Opportunity and Appetite

Aidan Horan, Institute of Public Administration

Observations

The essence of risk is uncertainty

Environment with much greater uncertainty and complexity

Risk is a tool not a rule

- To help navigate the uncertainty
- To assist with stating our intent
- To assist dialogue and create narrative
- To demonstrate how we engage in reasoned and reasonable risk taking

Governance

Processes, Procedures and Attitudes according to which organisation directed and controlled

Conformance / Compliance		Performance	
Risk		Opportunity	
Control Focus		Performance Focus	
Assurance activity		Strategy activity	

Q – Where is the emphasis in your organisation?

Risk Appetite

- Risk appetite is defined as the amount of risk the organisation is prepared to accept or retain in the pursuit of its core priority objectives.
- It is an expression of the philosophy and ethos of an organisation
- Risk appetite will be chiefly “qualitative” in nature, but may include some high-level quantitative values or limits.

Risk Response

Treat

Tolerate

Transfer

Terminate

Opportunity response

Exploit

Share

Enhance

Ignore

Opportunity response

Exploit - Increase likelihood of occurrence to 100%

Share – Share the opportunity with others

Enhance - Increase likelihood of occurrence

Ignore – No action taken to realise opportunity



Risk and Opportunity Report (2017)

Opportunity is defined as the potential occurrence of an external or internal event (or series of events) that can positively impact the company's ability to achieve its business objectives or financial goals.

Opportunities are classified in two main categories: Strategic and Operational, and Financial.



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Risk and Opportunity Report (2017)

Opportunities : Strategic and Operational

Distribution, Partnerships, Product Portfolio, Data Analytics, Process Automation

Opportunities : Financial

Favourable financial market changes

Next (Final) Event of 2018

Audit and Risk Committees – Key Issues

Thursday, 6th December 2018