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Risk Management Practices among Selected State Governments in Southwestern Nigeria

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ABSTRACT

This study examines the level of risk management practices among selected state governments in southwestern Nigeria. The objective of this research is to assess the current risk management practices adopted by these state governments and identify areas for improvement. Descriptive survey research design was adopted with the use of primary data. The population of the study comprises all staff of the office of the Accountant General and Auditor General of Oyo, Ondo, and Lagos States. Four hundred and fifty respondents were purposively sampled from 150 accounting officers, auditors, and directors in each state and 414 copies of the questionnaire were returned and analysed using descriptive statistics such as frequency, percentages, median, and mean. The results showed that risk management was moderately implemented (46.1%) among the selected state governments in southwestern Nigeria. This research contributes to the existing literature on risk management practices in public sector organizations and offers valuable insights for policymakers and practitioners seeking to strengthen risk management frameworks. The study concluded that the level of risk management practices is moderate existence in the selected state governments. It was, therefore, recommended that implementation of the risk management controls should be considered to minimise misappropriations and waste of resources, financial irregularities, and fraud and also increase growth in the economic activities of the state governments and government sectors.

Keywords: risk management, government sectors, risk of fraud, Southwest, Nigeria

INTRODUCTION

Risk management (RM) is also seen as another mechanism for mitigating the risk of fraud. Internal control coupled with RM majorly emphasised plays critical roles in how organizations perform. RM is seen as an essential responsibility of any public sector entity for the efficient and effective use of resources (Asare, 2009). The importance of RM is now more stressed in the private sector and overlooked in the public sector. With RM forming an essential aspect of organizations activities, probably, the incidence of unanticipated events and risks contributing to misappropriations and waste of resources, financial irregularities, inefficiencies, and ineffectiveness in the public sector are kept in check (Lim, Wood, Humphery, & Seow, 2017).

Despite the widespread use of internal control in public entities, putting risk management (RM) principles into practice will increase the probability of rapid and timely detection and prevention of fraud risk. Hence, this study anticipated a gap between understanding risk management practice and performance in the public sector. The research question, what is the level of risk management practice among Selected State Governments in Southwestern Nigeria was explored based on the problems identified. The objective of the study was to evaluate the level of risk management practice among Selected States Governments in Southwestern Nigeria.

Risk management is a crucial aspect of governance, particularly in resource-constrained environments. Effective risk management practices can help state governments mitigate potential risks, protect public resources, and deliver essential services efficiently and effectively. This report examines the level of risk management practices among selected state governments in southwestern Nigeria. Risk management in selected state governments in southwestern Nigeria refers to the systematic process of identifying, analysing, and mitigating potential risks that may affect the effective functioning and achievement of objectives within these governmental entities. It involves the identification and assessment of risks, the development of strategies to manage or reduce these risks, and the implementation of measures to monitor and control them. The aim is to ensure the stability, continuity, and sustainability of government operations while minimizing potential negative impacts.

In Nigeria, risk management refers to the process of identifying, assessing, and mitigating potential risks that may impact individuals, organizations, or the country as a whole. It involves the implementation of strategies and measures to minimize the negative consequences of risks and maximize opportunities for success. In Nigeria, risk management plays a crucial role in various sectors such as finance, business, healthcare, agriculture, and infrastructure development.

Nigeria is a country with diverse risks and challenges, including political instability, economic volatility, security threats, natural disaters, and regulatory uncertainties. Effective risk management practices are essential to ensure stability, resilience, and sustainable development in the Nigerian context. By proactively identifying and addressing potential risks, individuals and organizations can make informed decisions and take appropriate actions to safeguard their interests (Oyewole, 2018).

LITERATURE REVIEW

Risk Management

Risk management as defined by COSO (2017) is a process effected by an entity’s board of directors, management and other personnel applied in a strategy setting and across the enterprise, designed to identify potential events that may affect the environment. RM remains of high importance to organisations in all industries. A company's process is what uncovers possible fraud threats, gives employees the motivation to spot and/or prevent fraud, and protects them from its effects (Nakkungu & Ssendagi, 2019).RM enables organisations to gain control to avoid fraud, detect fraud immediately it occurs, and respond effectively through designing, implementing, ethics evaluation, compliance programs, and related antifraud programs. It is an action taken and planned to reduce risk that arises from the potential and actual fraud cases. RM is rooted in the proposed framework given by COSO (2013). The COSO framework recognises requirements for a formal internal control procedure and recommends the use of adequate and appropriate measures to evaluate objectives. A business-driven approach given to risk management in respect to fraud and seen to be effective concentrates on the following three factors: detection, prevention, and response (Boateng, Boateng, & Acquah, 2014).

In the context of southwestern Nigeria, risk management in state governments is crucial due to various factors such as economic uncertainties, social unrest, and environmental challenges. The effective management of risks enables these governments to anticipate potential threats and take proactive measures to minimize their impact on governance processes and public service delivery (Adesola & Adejumo, 2019).

RM programs demonstrate what is expected from high-level management and are established and well communicated in the organisation with management commitment to ethical values and integrity control in relation to managing risk of fraud. To identify certain fraud risks and schemes; there is need to evaluate existing fraud control activities, assess the likelihood of fraud risk and significance and apply measures to moderate residual fraud risks organisation must perform comprehensive fraud risk assessments with the use of a fraud risk management framework

Risk Management in Public Sector

In the public sector, the risk is viewed as an event that could potentially prevent an organisation from accomplishing its goals (Kong et al., 2018). Risk surfaced in the PS once individuals can perceive a significant amount of variability in the utilization of public resources, raising questions about accountability and responsibility. There has been a range of challenging events confronting the public sector today which requires appropriate and adequate measures to make sure the perceived public resources are maintained at certain levels (Ahmeti & Vladi, 2017). Introducing RM is seen as an essential aspect of current changes in the public sector that makes up part of the market-oriented method of management.

Approaches and Risk (2021) report by the Organisation for Economic Co-operation and Development (OECD) identified that internal control with a robust RM and independent audit functions are the key components of a transparent and accountable government. They explained these components to be the bedrock of exceptional standards in the public sector and a lever for restoring trust in government institutions, going beyond financial control can also help advance national policy in preventing, detecting and responding to fraud and corruption. More research is required on RM due to recent attention on it in the public sector (Bracci, Tallaki, Gobbo, & Papi, 2021). RM is one of the key elements of corporate governance in public sector organisations, in terms of their structures, corporate values, processes, behaviour and culture. It is a foundational element of a company's strategy for strategic and operational success with effect on many areas of public sector organizations activities such as strategy, environment, staff management, finance, technology, among others Kapuscinska and Matejun (2014) and this must effectively fit as a management procedure within the governance structure.RM aids governments in striking a balance between preventive measures and enforcement.

Effective RM brings in line government's objectives and provides managerial decision-making. Assessing risk in the public sector helps governments look into and understand the root causes of risks, how to mitigate them recognise those involved and give appropriate sanctions. A robust ICS coupled with RM, is essential for safeguarding public resources, ensuring accountable governance and integrity, and preserving public trust.

According to Adeleke and Olaiya (2017), To achieve effective risk management, state governments in southwestern Nigeria employ various strategies and tools. These may include:

1. Risk Identification: State governments conduct comprehensive risk assessments to identify potential risks in various areas such as finance, infrastructure development, public health, security, and governance. This involves analyzing past trends, conducting surveys, engaging stakeholders, and utilizing expert opinions.
2. Risk Analysis: After identifying risks, state governments analyze their potential impact in terms of likelihood and severity. This analysis helps prioritize risks based on their significance and guides decision-making processes.
3. Risk Mitigation: State governments develop strategies to mitigate identified risks by implementing preventive measures, establishing contingency plans, improving

governance frameworks, ensuring compliance with regulations, and enhancing accountability mechanisms.

4. Risk Monitoring: State governments continuously monitor identified risks to assess their effectiveness in managing them. This involves regular review of risk indicators, performance metrics, early warning systems, and feedback mechanisms.
5. Risk Communication: State governments engage in effective communication with stakeholders to create awareness about potential risks and promote a culture of risk consciousness. This includes disseminating information through various channels such as public campaigns, reports, meetings, and workshops.
6. Monitoring and Review: State governments establish monitoring mechanisms to track the effectiveness of risk management measures. Regular reviews are conducted to evaluate whether implemented strategies are achieving desired outcomes or if adjustments are necessary. This iterative process ensures continuous improvement in risk management practices.
7. Stakeholder Engagement: State governments actively engage stakeholders, including citizens, civil society organizations, and private sector entities, in the risk management process. By involving these stakeholders, state governments can benefit from their expertise, gather diverse perspectives, and enhance the overall effectiveness of risk management efforts.

Theoretical Review

Prospect theory, founded by Daniel Kahneman and Amos Tversky in 1979, is a behavioural economics theory that investigates how individuals make risky and uncertain decisions. According to prospect theory, people do not always make logical judgments based on objective probability and consequences. Instead, subjective judgments of possible profits and losses impact their decisions. Prospect theory can help you understand the psychological components of risk perception and decision-making. Organizations can better understand how humans respond to hazards and build more effective risk mitigation and communication methods by applying prospect theory ideas to risk management techniques (Kahneman & Tversky, 1992).

Risk management plays a crucial role in the governance and administration of state governments, as it helps in identifying, assessing, and mitigating potential risks that may impede the achievement of objectives. In the context of selected state governments in Southwestern Nigeria, risk management becomes even more critical due to various socio-economic and political factors unique to the region. This theoretical review aims to explore the principles, strategies, and challenges associated with risk management in state governments within this specific geographical area (Jenkins et al., 2021).

Empirical Review

The empirical review begins by conducting a comprehensive literature review on risk management practices in the public sector, particularly focusing on state governments. This review involves examining scholarly articles, academic journals, and books that discuss risk management concepts, frameworks, and best practices specific to the Nigerian context.

Following the literature review, primary data collection methods are employed to gather information on risk management practices in selected state governments. The empirical research may utilize various data collection techniques such as interviews, surveys, questionnaires, and observations. These methods enable researchers to obtain first-hand information from key stakeholders involved in risk management processes within the state governments (Oladapo & Adeyemi, 2020). Data analysis is a crucial step in the empirical review process. The collected data is analyzed using appropriate statistical techniques and qualitative analysis methods. The analysis provides insights into the current risk management practices, challenges faced by state governments, and areas that require improvement.

RM practices started way back in the 90s when the COSO framework report was given. The establishment of the framework was to improve organisation performance and governance through the use of IC, RM and fraud deterrence. The practice of RM helps in the reduction of accounting cost, efficient management of operational cost and brings about accounting accuracy.

Pearson (2012) reported on Australia FP strategies in local government explained that entities should ensure that a coordinated approach to manage their fraud risks is implemented with six prevention strategies which include: assessing the risks of fraud across their business; developing a fraud and corruption control plan and ensure periodic review in at least once every 2years; developing and implementing fraud awareness training program periodically for all staff; ensuring all conflicts of interest are verified, assessed and appropriate management plans are put in place; having procedures and policies to verify employees and suppliers identity and integrity of; documenting strong internal methods and systems of reporting any potential fraud, which may include anonymous reporting; and collecting and analysing evidence acquired about potential fraud to recognize any emerging issues.

Gikiri (2012) determined the influence FRM practices has on fraud risk exposure in bank operations in Kenya, the result showed the application of FP and detection methods in controlling fraud, FP and detection are insignificant in influencing various types of fraud risk identified and in explaining the FRM.

Githecha (2013) studied fraud risk management strategies and commercial bank financial performance, rejecting the null hypothesis that these techniques have no effect on the financial performance of Kenyan banks. According to the relationship, implementing new technology had the most influence on the linear association coefficient on profitability. Moreover, governance and regulation as well have positive correlations on return on assets as a proxy for financial performance. During their investigation into how fraud management techniques affected the growth of Kenya's insurance companies, Kuria and Moronge (2013) came to the conclusion that the use of governance and technology as control mechanisms had a substantial impact on how insurance firms develop.

Soyemi, Ogunleye, and Ashogbon (2014) in their study conducted on RM practices among money deposit banks in Nigeria about financial performance with the use of secondary data indicated that independent variables significantly impacted the performance of companies and the country's economic growth at large. Ohando (2015) in a study conducted in determine how financial performance and FRM practices relate in banks. Primary data was collected from 14 commercial banks in Nairobi using a structured questionnaire. It emanated that the variables are positively related. It was discovered that detective and preventive FRM practice has a positively strong influence on the performance of banks.

Mutuku (2016) conducted a study to determine how RM practices can affect financial performance of banks in Kenya. The research showed a positive significant effect except capital adequacy and risk monitoring which negated this effect. In light of this, the suggestion was made on the need for improvement in RM practice to have a positive result in financial performance. Hess and Cottrell (2016) in their article on FRM in small businesses described the sources of risk of fraud and FRM steps that can be taken to mitigate the risks. They recognised fraud awareness as the first step into the FRM plan in the organisation.

Nwannebuike et al. (2016) evaluated the effectiveness of internal audit in NPS. Results revealed the existence of internal audit procedures for the safeguarding of assets with the need for adequate internal audit personnel and training to improve their effectiveness. They recommended not just the presence of RM and measures developed but that the measures should be implemented, practiced, and monitored through the RM process to give assurance of efficiency in the public sector

Williams (2017) affirmed in his paper that how it is of high importance to have an agreement on the relative significance of RM practices among the various departments and levels in the organisation for effective implementation of RM. Nugraha and Susanto (2017) explored the role internal auditor plays in FRM and its process in the public sector and deduced that the use of qualitative data has not yet attained its peak. Internal auditors' awareness of the significance of risk is still at a low level which made FRM not yet optimally supported. Based on this conclusion and suggestion, this study will address the level of implementation of FRM.

Asomaning (2019) also studied the effectiveness of FRM practice in the banking sector in Ghana with the use of primary data and established the need for RM strategies, policies and procedures, and risk mitigation to be in place in other to contribute to the bank's ability to manage fraud risk. One of the major challenges discovered in this sector is the high cost of FRM implementation. Apriyanti and Rais (2020) evaluated the use of fraud assessment maturity level of FRM and the development of the FRM framework in a construction company in Indonesia. The result shows financial pressure as the root cause of fraud and that maturity level still needs an opportunity for further improvement of FRM policies in the organisation. Marzuki, Majid, Azis, Rosman, and Abdulatiff (2020) explored FRM strategies that should be established by the organisation. The content analysis performed on the necessity for an effective FRM process to reduce fraud gave the conclusion that the FRM process needs proper attention and participation of every concerned party in the organisation.

Fakunmoju, Fasola and Fashagba (2021) found the existence of a positive and significant effect of fraud management practices on the efficiency and operational performance of the selected deposit money banks in Lagos State, Nigeria. The research proposed that the management of banks employ combined efforts in identifying the ideal mixture of effective and efficient fraud management practices that match their banking business scope to achieve targeted operational performance and efficiency. Also, Salawu, Oyewobi, & Adejumo (2023) revealed in their study that Control Activities, Information and Communication, Monitoring, and Risk Management Practices significantly influenced fraud prevention among the selected state governments in southwestern Nigeria.

The findings of the this current study will contribute to a better understanding of risk management practices in selected state governments in Southwestern Nigeria. The research identifies strengths and weaknesses in existing risk management strategies and provides recommendations for enhancing risk management effectiveness.

METHODOLOGY

This study's geographic study region is Southwestern Nigeria, one of Nigeria's six geopolitical zones, and it includes the states of Lagos, Ogun, Oyo, Ondo, Osun, and Ekiti. Three states—Lagos, Oyo, and Ondo—out of the six states considered for this study were chosen using cluster analysis: Oyo/Osun, Lagos/Ogun, and Ondo/Ekiti. This study's research design was a descriptive survey research design. Employees of the Auditor General and Accountants General of Lagos, Oyo, and Ondo state governments made up the study's population. Purposive sampling techniques were employed in selecting officials from each of the departments, including accounting and finance, administration, and internal audit. data were collected using structured questionnaires to respondents in selected states in Southwestern Nigeria. Four hundred fourteen responses were obtained analysed, yielding a 92% response rate.

RESULTS AND DISCUSSION

Socio-demographic Characteristics of the Respondents

According to Table 1, 51.2% of respondents were male, while 48.8% were female. The survey included both male and female respondents, with a substantial proportion of male respondents.

The age distribution revealed that 2.2% of respondents were under the age of 20, 18.1% were between the ages of 20 and 29, 35.3% were between the ages of 30 and 39, 30.2% were between the ages of 40 and 59, and 14.3% were above 50. The educational qualifications revealed that 7.0% of the participants were school certificate holders, 15.2% were ND/NCE holders, 68.1% were first degree/HND holders, and 9.7% were master's/PhD holders. In terms of respondents' departments, around 11.4% were from the administration department, the majority (53.1%) were from Accounts and Finance, 15.5% were from Internal Audit, and 20.0% were from other departments. In terms of years spent in the department, 29.0% had spent 1 to 5 years in the department, 25.6% had spent 6 to 10 years in the department, 20.5% had spent 11 to 15 years in the department, 12.8% had spent 16 to 20 years in the department, and 12.1% had spent more than 20 years in the department.

Table 1. Socio-demographic characteristics of respondents

Variables	Frequency	Percentage (%)
Gender		
Male	212	51.2
Female	202	48.8
Age		
Less than 20 Years	9	2.2
20 - 29 Years	75	18.1
30 - 39 Years	146	35.3
40 59 Years	125	30.2
50 Years and more	59	14.3
Educational Qualification		
School Certificate	29	7.0
ND/NCE	63	15.2
First Degree/HND	282	68.1
Master/PhD	40	9.7
Department		
Administration	47	11.4
Accounts and Finance	220	53.1
Internal Audit	64	15.5
Others	83	20.0
Numbers of Years in the Department		
1 - 5 Years	120	29.0
6 - 10 Years	106	25.6
11 - 15 Years	85	20.5
16 -20 Years	53	12.8
Over 20 Years	50	12.1
Level of Management		
Top Management	94	22.7
Middle Management	238	57. 5
Lower Management	82	19.8

Years of Experience		
1 - 10 Year	143	34.5
11 - 20 Years	124	30.0
21 - 30 Years	113	27.3
31 - 40 Years	32	7.7
Over 40 Years	2	0.5
Total	**414**	**100%**

Source: Field Survey, 2022

The management level of the respondents revealed that 22.7% were top-level managers, 57.5% were middle-level managers, and 19.8% were lower-level managers. Regarding the respondents' year of experience, 34.5% had 1 to 10 years of office experience, 30.0% had 11 to 20 years of experience, 27.3% had 21 to 30 years of experience, 7.7% had 31 to 40 years of experience, and 0.5% had experience for more than 40 years.

Evaluation of the Risk Management Practices among Selected State Governments in Southwestern Nigeria

Table 2 showed the evaluation of risk management practices among selected state governments in southwestern, Nigeria. Respondents of about 7% showed a formal risk management committee was formed and very high, about 30% respondent affirmed a high existence of risk management committee. 47.6% revealed the practice was at moderate level, 14% revealed at low level while 3.4% showed no level of practice. Approximately 35% of the respondent indicated that the risk management group encouraged risk assessment and its understanding in all units, 45.4% showed that there was moderate level of practices, 15% revealed low level while 2.7% responded that there were no risk assessment practices and understanding in units.

Considering risk management processes availability in all departments, 35.5% of the respondents revealed high level of practice, 44.7% showed that there was moderate level of practice,16.9% showed that there was low level of practice in all departments while about 3% showed there was no practice of risk management process in state government entities. Participants of about 38.1% revealed that there was a high level of practice in publishing specific expectations and procedures of risk identification, 42.3% showed moderate level of practice,16.4% disclosed low level while 3.1% opined no practice. The risk management group conducts procedure and system reviews to recognize and evaluate risks, such as fraud by state government entities was admitted to be high by 30% of the respondents, more than half of the respondents (51.4%) revealed there was moderate practice, 15.5% indicated low practice level while 3.1% revealed no practice.

Organizational support and commitment towards risk management practice was agreed to be in high level by about 30.2% of the respondents, 48.4% established to moderate level of practice, 16.2% showed low level of practice while 4.8% showed no organizational support and commitment towards risk management practice. As regards the roles and responsibility for conducting risk assessment, 36.7% of the respondents said it was well-specified and highly practiced, 41.8% showed moderate level of practice, 17.1% revealed low specification of roles and responsibility for conducting assessment while 4.3% revealed no practice. According to the table (2), 34.5% responded that there are adequate qualified personnel for risk management practices, 44.7% disclosed moderate personnel for risk management practices, 17.1% opined to low level of practice while 3.6% showed there is no qualified personnel for risk management practices.

It was pointed out by 33.6% of the respondents that there was high practice to show visible indicators of success in the established risk management program, 47.1% revealed moderate level, 16.2% agreed to low level of practice while 3.1% disagreed with practice. Participant of about 35% responded there were fraud awareness training programs in place for proper risk management practices, 45.9% showed that there was moderate fraud awareness training in practice, 16.2% recorded low practices while 3.1% revealed no practice of fraud awareness training. The resources required for proper risk management practices were revealed by 31.8% of the respondents to be available on high level, 48.3% showed moderate level of practice, 18.4% showed low level of practice while 5.1% showed resources are not made available for proper risk management practice.

It was revealed that 35.3% of the respondents' indicated risks were evaluated and recorded when strategic decisions were to be made at a high level, 48.3% pointed out moderate level of practice, 13.5% discovered low level of practice while about 3% revealed risks were not evaluated and recorded when strategic decisions were to be made. This position of the majority of the respondents indicating moderate existence of risk management practices among selected state government was corroborated with the median value of 3 over the scale of 5.

Table 2. Level of risk management practices

		Figures in the cells are percentages (n = 414)					
S/n	**Statements**	**None**	**Low**	**Moderate**	**High**	**Very High**	**Median Statistics**
1	There is a formal risk management committee put in place	3.4	14.0	47.6	28.5	6.5	3
2	The risk management group encourages the understanding and assessment of risk in all units	2.7	15.0	45.4	29.0	8.0	3
3	There are different risk management processes in all departments	2.9	16.9	44.7	25.6	9.9	3
4	There are published specific expectations and procedures for risk identification	3.1	16.4	42.3	25.8	12.3	3
5	The risk management group reviews the system and procedures to identify and assess the risks faced by the sector, including fraud.	3.1	15.5	51.4	27.1	2.9	3
6	There is organizational support and commitment toward risk management practices	4.8	16.2	48.8	27.3	2.9	3
7	Roles and responsibilities for conducting risk assessment are well-specified.	4.3	17.1	41.8	32.1	4.6	3
8	There are adequate qualified personnel for risk management practices	3.6	17.1	44.7	25.8	8.7	3
9	There are visible indicators of success in the established risk management program	3.1	16.2	47.1	26.6	7.0	3
10	There are fraud awareness training programs in place for proper risk management practices	3.1	16.2	45.9	25.1	9.7	3
11	Resources required for proper risk management practices are available	5.1	18.4	44.7	22.9	8.9	3
12	Risks are evaluated and recorded when strategic decisions are to be made	2.9	13.5	48.3	24.9	10.4	3
	Average	**3.6**	**16.0**	**46.1**	**26.9**	**7.4**	**3**

Source: Field Survey, 2022

Discussion of Findings

The descriptive statistics of the evaluation of the level of risk management practices among selected state governments in Nigeria with the use of frequency, percentage, median, and mean is displayed in Table 2. It was found that risk management practices have a moderate existence in the state government entities which is explained by the mean statistics of the variable which gives 46.1%. This implies that there is in place to a reasonable limit, practices in managing risk most especially the risk of fraud in the state government entities. The result is in line with Udeh and Nwadiolor (2016) who recognized the presence of risk management for efficiency in government entities while Nugraha and Susanto (2017), Asomaning (2019), Apriyanti and Rais (2020), Madah Marzuki et al. (2020) and Fakunmoju et al. (2021) showed a low level of staff awareness of the significant of risk and risk management was not optimally supported due to high cost of implementation, financial pressure, non-participation of concerned parties in the entities and more.

CONCLUSION AND RECOMMENDATIONS

The study showed that the existence of risk management is generally moderate in state government organisations in southwestern, Nigeria. Thus, the findings concluded that the level of risk management practice is moderately in place. It is equally important that risk management practice programmes and processes should be adopted with adequate knowledge to all personnel in various MDAs in the state governments to aid performance.

Risk management plays a crucial role in the public sector as it allows for the identification, assessment, and mitigation of potential risks that may impact the achievement of organizational objectives. Through effective risk management practices, public sector organizations can enhance decision-making processes, improve resource allocation, and ensure the delivery of high-quality services to citizens. By implementing a comprehensive risk management framework that includes risk identification, risk assessment, risk treatment, and ongoing monitoring and review, public sector entities can proactively address potential threats and capitalize on opportunities.

Based on the analysis of risk management in the public sector (Turner & Cochrane, 1993), the following recommendations are proposed:

1. Develop a Risk Management Culture: Public sector organizations should foster a culture that encourages risk awareness and promotes proactive risk management practices. This can be achieved through training programs, workshops, and awareness campaigns to educate employees about the importance of risk management.
2. Enhance Risk Assessment Techniques: Public sector entities should invest in advanced risk assessment techniques that incorporate quantitative and qualitative approaches. This will enable a more accurate understanding of risks and their potential impact on organizational objectives.
3. Improve Information Sharing: Collaboration and information sharing among different departments and agencies within the public sector are essential for effective risk management. Establishing communication channels and platforms for sharing best practices, lessons learned, and emerging risks will enhance overall risk management capabilities.
4. Regularly Review and Update Risk Management Policies: Risk management policies should be periodically reviewed and updated to align with changing organizational objectives, regulations, and emerging risks. This ensures that risk management practices remain relevant and effective over time.
5. Foster Accountability and Responsibility: Public sector organizations should establish clear roles and responsibilities for managing risks at various levels within the

organization. This includes assigning accountability for specific risks and ensuring that individuals are equipped with the necessary resources to effectively manage those risks.

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