



Fact Sheet

How to Select Target Maturity States



Results from the annual Comcover Risk Management Benchmarking Survey provide each Fund Member agency with a number of management actions that can realistically be employed to improve the agency's risk capability.

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To effectively benchmark an agency's risk and insurance capability is to establish how close an agency's current capability is aligned to its target capability.

Similar to 2011, agencies will be measured against the following 10 elements:

- Policy and Objectives;
- Accountability and Responsibility;
- Integration;
- Review and Evaluation;
- Positive Risk Culture;
- Resourcing;
- Communication and Training;
- Risk Assessment;
- Risk Profiling and Reporting; and
- Business Continuity Management.

This approach recognises that there are a common set of elements that can be used to assess different aspects of an agency's risk management framework. However, each agency needs to develop and implement a risk and insurance framework that is 'fit for purpose'.

What is a target maturity state?

The Benchmarking Program in 2011 assessed agencies' risk maturity based on their responses to the survey questions. In 2012, Fund Member agencies will be required to select a target maturity state (or 'level') for each element that has been agreed by the agency as its 'optimal level of maturity'.

The identified target maturity state needs to reflect the agency's desired level of risk management capability for an individual element, considering the agency's investment in its risk framework and the integration of its risk management capabilities into its operations.

What is the benefit of selecting a target maturity state for each element surveyed?

By comparing the target maturity state with the current maturity state, agencies will be able to compare their required capability versus their actual capability.

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In doing so, agencies will be in a better position to make informed decisions on planning and resource allocation as well as identify opportunities for improvement.

Ultimately, this will enable an agency to ensure that it is appropriately investing in its risk management framework, in a manner that is suitable to the agency's operations and the achievement of its business objectives.

How does my agency choose the target maturity state?

It is the responsibility of the agency's Senior Management or Board to determine the appropriate level of maturity or capability that their agency wishes to aspire to.

To assist in determining this, agencies should consider their current level of maturity for each element, by referring to the agency's 2011 Participant Report and the *Comcover Benchmarking Maturity Level Statements* Publication. Agencies then need to determine where their risk management capabilities should sit on the risk management maturity model, taking into consideration whether it is investing appropriately in each of the 10 elements.

As risk is a contributor to the strategic planning process, the timing for the target maturity state should align to the

timing of the agency's strategic planning life cycle. This will enable agencies to measure their progress in achieving their target maturity state in line with their organisational strategy.

The 2011 Peer Groups (identified in an agency's Participant Report) include groups of agencies that have similar risk drivers. If your agency anticipates minimal change to its risk drivers, Comcover encourages you to consider your Peer Group's performance in identifying suitable target maturity states.

Agencies are encouraged to also consider using the *Comcover Better Practice Guide – Risk Management* and the Benchmarking Online Reporting Tool to identify target maturity states.

Does my agency have to select an overall target maturity state?

No. Agencies will only be required to select a target maturity state for each of the 10 survey elements.

Deloitte will aggregate the individual target maturity states into an overall target maturity state, which will be included in the agency's 2012 Participant Report.

Links to all of the mentioned tools:

- **Comcover Benchmarking Maturity Level Statements:**
<http://www.finance.gov.au/comcover/docs/Comcover-Risk-Management-Benchmarking-2012-Maturity-Statements.pdf>
- **Comcover Better Practice Guide – Risk Management:**
http://www.finance.gov.au/comcover/docs/Better_Practice_Guide.pdf
- **Comcover Fact Sheet: How to Select Target Maturity States:**
http://www.finance.gov.au/comcover/docs/How_to_Select_Target_Maturity_States.pdf
- **Benchmarking Online Reporting Tool:**
<http://comcover.deloitte.dataroom.com.au>

The Online Reporting Tool enables you to create tailored reports that compare your agency's risk management profile against other participating agencies. The reports may be used to inform your agency's selection of the target maturity states.

Agency officials who completed the 2011 Benchmarking Survey would have received a username and password to access the Online Reporting Tool.

Further information

For information on the Comcover Risk Management Benchmarking Program, please visit: <http://www.finance.gov.au/comcover/benchmarking-program.html>

If you have queries regarding the selection of your agency's target maturity states, please feel free to contact Comcover via:
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