Risk-based Practices
Quality Subgroup meeting
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Summary

• Highlights (how, why, legislation)

• Risk Management Framework
  – Policy and Manual
  – Processes
  – Appetite
  – Agatha System

• Monitoring
I. It is mandatory and follows the guideline of the Brazilian Public Governance – Decree CGU 9.203/2017;

II. It allows continuous improvement of performance and organizational processes;

III. To increase the likelihood of reaching the objectives;

IV. To improve stakeholder’s confidence.
How we do it

• Risk management based on ISO 31000 standards

• In line with Brazilian’s Governance, Internal Control, Integrity/Compliance and Risk Management legislations (from TCU - Federal Court of Accounts, CGU - Office of the Comptroller General and Ministries)

• Process mapping

• Process risks identified and continuously updated

• The risks are taken into account during the strategic and corporate plan

• Context analysis is conducted in every new risk evaluation process
INPI launched its first Risk Management Policy

2018 - INPI developed and implemented its risk management methodology (Manual for Risk Management)

2019 - New Risk Management Policy (2.0 version)
- Launched the Risk Management Plan
- Risk management templates and sheets for documenting and monitor risks

2020 - Planned revision of the risk management methodology (manual) in order to comply with the new guidelines of the Ministry of the Economy
- Planned to launch a new web system for monitoring and report risks
Risk Management Process

- Monitoring & Critical Analysis
- Context Analysis
- Risk Evaluation
- Risk Response and Treatment
- Risk Management - Methodology Definition and Process Review
- Communication
- Training
INPI Risk Management

- **Risk Management Methodology**: Definition and Process Review
- **Risk Management Plans**
- **Monitoring and Critical Analysis**
- **Training**
- **Communication**
- **Risk Assessment**
- **Risk Response and Treatment**

This process demonstrates the flow of activities necessary for the implementation, education, monitoring, training, and communication in risk management at INPI.
### Suppliers
- Ministério da Economia
- Órgãos de controle
- Comitês internos de governança e gestão de riscos
- Auditoria Interna
- CGPE

### Inputs
- Política de Gestão de Riscos
- Definições e recomendações exaradas pelos Comitês de Gestão de Riscos
- Normativos internos e externos referentes à governança e gestão de riscos
- Regimento Interno do INPI
- Ondem de priorização de processos da unidade
- Planejamento Estratégico do INPI (Matriz SWOT)
- Planejamento setorial da unidade
- Relatórios das instâncias de integridade
- Normativos internos e externos referentes ao processo em análise
- Estrutura de governança do Instituto
- Política de Gestão de Riscos
- Metodologia de Gestão de Riscos

### Processes / Critical Activities (Level 3)
- Risk Management - Methodology
- Definition and Process Review Context Analysis
- Risk assessment
- Risk Response and Treatment
- Monitoring and Critical Analysis
- Training
- Communication

### Outputs
- Metodologia de gestão de riscos do INPI definida e aprovada
- Manual de Gestão de Riscos publicado e atualizado
- Diagnóstico do ambiente interno e externo (incluindo manutenção ou atualização da Matriz SWOT do INPI)
- Identificação das principais partes interessadas no objetivo do processo
- Riscos identificados, analisados e avaliados: Processos; Iniciativas;
- Plano de Tratamento dos riscos elaborado e aprovado
- Plano de Gestão de Riscos elaborado e/ou atualizado (completo, incluindo os planos de tratamento)
- Banco de Riscos do INPI atualizado (contendo até a avaliação de riscos)
- Relatórios com os riscos para a integridade
- Planejamento de Capacitações
- Comunicação realizada

### Clients
- Comitês de gestão de riscos
- Gestores
- Corpo funcional do INPI

### Process objectives
Manage risks in an integrated manner with the agents responsible for governance, in order to achieve the objectives of INPI and guarantee the quality of services.
Risk levels

<table>
<thead>
<tr>
<th>Likelihood</th>
<th>Impact</th>
<th>Risk Exposure Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>1</td>
<td>Low</td>
</tr>
<tr>
<td>Medium</td>
<td>2-3</td>
<td>Medium</td>
</tr>
<tr>
<td>High</td>
<td>4</td>
<td>High</td>
</tr>
<tr>
<td>Critical</td>
<td>5</td>
<td>Critical</td>
</tr>
</tbody>
</table>

- It is possible to accept
- It is possible to treat
- It is desirable to treat
- It is desirable to treat immediately

Negative Risk:
- Avoid
- Mitigate
- Transfer
- Accept
Risk Management System - AGATHA

➢ Developed by the Brazilian government in 2018 to document risks in the internal processes of the public administration;

➢ Offers mechanisms for the control and treatment of non-conformities, enabling improvement plans monitoring and decision making;

➢ It’s available free of charge to all public organizations and customizable according to each one’s needs;

➢ The system is able to analyze the level of risk involved in the process, avoiding public resources waste.
Risk Management System - AGATHA

Risk Management Plan

Agatha System

Risk Management monitoring & report
INPI adopts “The Three Lines of Defense” model

Adapted from ECIIA/FERMA Guidance on the 8th EU Company Law Directive, article 41