



## Country case: Mexico and risk management



Public Procurement Principle: **Risk management**



Procurement Stage: **Tendering**



Audience: **Procuring entity, Policy makers**

### Description

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The Federal Public Administration in Mexico has a risk management system, which is a systematic process that allows the identification, evaluation, prioritisation, control and monitoring of risks that may hinder or prevent compliance with institutional goals. In relation to the operations of material and financial resources in public contracting a risk management methodology includes several minimum stages. They are recorded annually in a risk management matrix:

- Trait assessment which is integrated with the identification, selection and description of risks, the classification of risk, the identification of risk factors, the identification of possible effects of risks, the initial assessment of the degree of impact, the initial assessment of the probability of occurrence.
- Evaluation of controls: the stage that risks are checked, discovered, determine the preventive, corrective and/or detection controls.
- Final assessment of the risks with respect to controls: the impact and probability of the risk is given a final value with a comparison of the results of the risk assessment and control stages.
- Institutional risk map: a map is made that identifies within four quadrants of risks whether or not they are for immediate attention, periodic attention, are controlled and whether they are to be followed up.
- Defining the strategies and control actions: avoid, reduce, assume or transfer/share the risk.

Source: OECD (2019), [Reforming Public Procurement: Progress in Implementing the 2015 OECD Recommendation](#), OECD Publishing, Paris

