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RISK MANAGEMENT AND MANAGEMENT CONTROL SYSTEM, A CLOSE RELATIONSHIP IN PROCESS: ISOMORPHISM IN THE ITALIAN MUNICIPALITIES

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Risk Management and Management Control System, a close relationship in process: Isomorphism in the Italian Municipalities

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Abstract

The role of the risk management was increased in all main literature about management control system in the last years, not only in private but also in the public sector (Rana et al., 2019; Hinna et al., 2018; Chapman, 2001; Broadbent and Guthrie, 1992, p. 137). There are more contributions that explain how risk management practices are a fundamental instrument in the public sector (Rana et al., 2019; Riso and Castellini, 2019; Keban, 2017) and also the International Organisation of Supreme Audit Institutions (afterwards, INTOSAI) guidelines “9130” offer an over view to implement a risk management strategy in the organizations’ management control systems (INTOSAI 9130, 2007). However, in the Italian context is evident that risk management is entered the public sector but the way in which risk management is introduced within organizations is only in the recent literature researched and not empirically explored (Hinna et al., 2018; Woods, 2009; Leung and Isaacs, 2008). This work is a dowel of a wide research project on Risk Management in public sector and tries to contribute bridge this gap analysing the way in which risk management is introduced in the public organizations. Indeed, the analysis about the risk management introduction in the public organizations is conducted through the collection of qualitative data published by the public organizations on its institutional websites. In deep, the analysis pushes to hypothesize that the introduction of the risk management in the municipalities be a phenomenon of mimetic isomorphism, typically put in place when there is uncertainty

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in the behaviour to be adopted (DiMaggio and Powell, 2000). Furthermore, the developing of the risk management practices in the management control system of the municipalities involves a growth of the managerial skills.

Keywords: Risk Management, Control System, Public Administration

JEL CLASSIFICATION: M10, M11

1. Introduction

The role of the risk management was increased in all main literature about management control system in the last years, not only in private but also in the public sector (Rana et al., 2019; Hinna et al., 2018; Chapman, 2001; Broadbent and Guthrie,1992, p. 137).

There are more contributions that explain how risk management practices are a fundamental instrument in the public sector (Rana et al, 2019; Riso and Castellini, 2019; Keban, 2017) and the INTOSAI guidelines 9130 offer an over view to implement a risk management strategies in the organizations' management control systems (INTOSAI 9130, 2007).

Why is it so important that Risk Management be adopted in the Public Sector?

Various motivations contribute to sustain the introduction, integrating the relationship between the risk management knowledge and the management control system.

To simplify, there are more implications deriving of a better integration between risk management and management control system compared to the surrounding context (Spira and Page, 2003) that can be summarized into the sequent perspectives:

1. **Political:** risk management knowledge permits to the public administration to achieve major transparency and accountability of its actions towards all stakeholders (Rana et al., 2019; Gates et al., 2012; Unerman, 2008);
2. **Social and Environmental:** emergency risk management helps the community to reply in occasion of natural or man-made disaster. Yet Petak (1985) tolds that: "Throughout history public policy makers have sought to anticipate the unexpected in order to reduce the risk to human life and safety posed by intermittently occurring natural and man-made hazardous event";
3. **Economical:** financial crisis puts public administration in conditions to implements a better management control system pursuing the not-waste of resources and a better achievement of its objectives. Indeed, the notion of risk is now a central theme in the management of private and public organizations alike (Rana et al, 2019; Soin and Collier, 2013). The cuts of public spending (Islam, 2015) and the spending review policies (Cottarelli, 2015) are issues that driving the public administrations to adopt management instruments that give the possibility to assure achievement of results in economical way.

In the Italian context is evident that risk management is entered the public sector but the way in which risk management is introduced within organizations is not empirically explored (Hinna et al., 2018; Woods, 2009; Leung and Isaacs, 2008).

Rata et al. (2019) stimulate researchers to choose this theme affirming: “Academic input is vital in devising practical solutions for risk management and control system in the public sector” (Rana et al., 2019, p. 150).

Furthermore, this work is a dowel of a wide research project on Risk Management in public sector and tries to contribute bridge this gap analysing the way in which risk management is introduced in the public organizations.

As required by Hinna et al. (2018) is interesting investigate the nature and the organizational dynamics of Risk Management in order to understand “if” and “how” it is embedded in the public organizations (Hinna et al., 2018, p. 125)

Indeed, the analysis about the Risk Management introduction in the public organizations is conducted through the collection of qualitative data published by the municipalities on its institutional websites.

Specifically, through a creation of a dataset based on the data collected on the sample of 500 municipalities of all Italian regions.

The qualitative content analysis is conducted on the raw data available in the official documents and contract of the municipalities, published on the institutional website in force of the L.D. 33/2013.

Analysing the result, it pushes to hypothesize that introduction of the Risk Management in the municipalities be a phenomenon of mimetic isomorphism, typically put in place when there is uncertainness in the behaviour to be adopted (DiMaggio and Powell, 2000).

Furthermore, the developing of the Risk Management practices in the management control system of the municipalities involves a growth of the managerial skills.

The paper is articulated into five sections:

1. In the first section is conducted a literature review on the issue of the relationship between Risk Management and Management Control System in the public administration;
2. The second section exposes the methodology utilised and the data collection process;
3. In the third section are shown the results of the content analysis conducted;

4. The fourth paragraph exposes the results;
5. The last sections are dedicated to expose final considerations: practical implications and limitations of this study.

2. Risk Management and Management Control System, a close relationship in process

In this section it exposed how the relationship between risk management and management control system in the public sector is a relationship in process.

Indeed, although is evident the risk management was entered in the public organizations, the way in which it is entered is almost unknown (Hinna et al., 2018).

In the next paragraphs it's offered a literature review about the introduction of risk management in the public sector, an overview on the provisions about it in the Italian regulation and, finally, a literature review about the relationship between performance and risk management.

2.1. Research in the field of "Risk Management in the Public Sector"

In line with the aim of this work, Ahmeti and Vlati (2017) offer a literature review on the Risk Management in the public sector.

They conclude that although in the private sector there is a relevant literature, theoretical and practical, on the application of the risk management logics in the public sector there isn't.

They explain: "There is no well-established theoretical background of strategic risk management in public sector and most of the available literature focus only on the risk estimation and fail to further contribute to how these estimations can be introduced to the decision-making process within public authorities" (Ahmeti and Vlati, 2017).

Other researchers complain this lack (Rana et al., 2019; Hinna et al., 2018; Soin and Collier, 2013; Woods, 2008) and recommended that future agenda of scholars and practioners fill this gap.

Yet Soin and Collier (2013) and Rana et al (2019) conducted a literature review on the theme, showing that the major research requires attention on:

1) a better understanding of a relationship between a "mundane practices and processes" (Rana et al., 2019) of Management Control System and the interaction with the Enterprise Risk Management agenda on macro and individual level;

2) the clear understanding of the unintended consequences and the implications for a reformulation of the Management Control System with a robust guidance for best practices.

For this strand of literature Enterprise Risk Management represents a technology for controlling risk, in a widespread way, in relation to an organization’s strategy and performance.

Other researchers put in light how Risk Management is an integral part of a management and governance framework in both private and public sectors (Kickert, 2001; Hinna et al., 2018;), highlighting that risk is defined as *uncertainty in achieving organization objectives* (Atkinson and Webb, 2005).

Furthermore, McPhee (2005) affirming this theory on the steps of Atkinson and Webb reported that, a conceptual level, there are three major contributors to organization risk:

1. **Strategic risk:** alternatives strategies and choices may be ill-advised given the organizations’ internal and external circumstances;
2. **Environmental risk:** covering marco-environmental factors, competitive factors and market factors;
3. **Operational risk:** covering compliance and process risk.

In line with it, Atkinson and Webb (2005) affirm: “The primary roles of risk management are to identify the appropriate risk return trade off, implement processes and courses of action that reflect the chosen level of risk, monitor processes to determine the actual level of risk, and take appropriate courses of action when actual risk levels exceed planned risk levels.” (Atkinson and Webb, 2005, p. 27).

Surely arise a question about the way on which Risk Management and Management Control System move towards a strong integration in the public sector and about the needs to create this integration.

The International Organisation of Supreme Audit Institutions (afterwards, INTOSAI) creates a guideline “GOV 9130” to help a public sector with the implementation of ERM in its Management Control System (INTOSAI, 2007), in line with the provision of the frameworks of the Committee of Sponsoring Organizations of the Treadway Commission (afterwards, COSO) and the International Organization for Standardization, ISO.

It has been adapted slightly to address the specificities of the public sector (Sarens et al, 2010).
In light of this, indeed, the implementation of the risk management practices in the wide management control system connotes the "maturity" of the management and control system of the public organization (INTOSAI GOV 9130, p. 15):

> *"The entity risk management framework encompasses internal control, but in addition, forms a more robust conceptualisation of how an entity's business decisions should fall out of its core mission and associated objectives and provides a tool for management to help them to determine what the correct response to a particular event should be".*

Analysing the Italian context Peta (2016) explains how the lack of risk management logics in the Public Administration deriving also by the absence of legal provisions in the Italian legislative framework.
Indeed, the legislative framework contemplates in abstract formal instruments necessary to ensure the function of the internal control system – like the four types of control: the empowerment of the directors, supporting the management control with the analytical accounting – on the other hand, the action of it last don't appear informed to the risk logic (Peta, 2016, p. 24).
The issues for what there isn't this integration are various, including the poor integration between Risk Management and Management Control System into the Italian legislative framework (Riso and Castellini, 2019).
Although if the literature supports the theory that there is an overlap between private and public benefits implementing integration between Risk Management and Management Control System persists this difficulty and, as affirmed by Peta (2016), public actions "don't appear informed to the risk logic".
Braig et al (2011) exposed their considerations about the practical difficulties presented in the public sectors that are highly more complicated than in private sector.
They identify seven key challenges that creates difficulties in the integration between Risk Management and Management Control System (Braig et al, 2011, p. 1-3):

1. Mission goals that override other considerations;
2. Frequent leadership changes and vacant leadership positions;

3. Leaders who lack knowledge of risk management and business;
4. Separation of operating budgets from program budgets;
5. Lack of clear risk metrics;
6. Complex procedural requirements;
7. Limited risk culture and risk mind-set.

Another consideration is that the range of stakeholders in public sector is surely larger than for a private itself: the stakeholders in public risk management are basically everyone (Braig et al, 2011).

To conclude this literature review it's possible affirm that relationship between Risk Management and Management Control System in public sector is a relationship in process, probably could be an integration process is slow and gradual.

Since 2005 Nilsen and Olsen observe, specifically in the municipalities, this relationship: in in its case study emerges how the municipality was characterized by bureaucracy, lack of management attention and institutionalised modes of task performance. It seems explain that overall organisational strategies are more and less ignored at the operational level (Nilsen and Olsen, 2005, p. 45).

2.2. Risk Management in Public Sector: Focus on the Italian Regulation

In the last years Public Entities like municipalities, associations of these, provinces and regions evolved their organizations under different perspectives, focusing to produce services and good more useful for the citizens (Bracci et al, 2016).

In depth, there is wide literature on the evolution Public Governance systems in which is stressed the passage from the "Old" Public Administration System to the "New" Public Management (Hood, 2000; Hood, 2005; Guthrie, 2005; Osborne et al, 2013; Robinson, 2015), Performance Management and the creation of the Management Control Systems in the public organizations (Beni et al, 2002).

Despite this though, the high levels of bureaucracy and regulation that characterized local authorities (that have many requirement and objective) becomes more complex and challenging the introduction of risk management in public sector (Nilsen and Olsen, 2005).

In Italian context this issues derived by the almost absence in the legislative framework of the organic provisions that orientated public sector to management risks in their Management Control System.

As observed in our previous work, there is a poor integration between the Operational Risk Management and Management Control System in the Italian legislative framework: through a content analysis on the Italian laws and provisions emerged how the words "risk" is refereed above all the "corruption risk" and, less, to "environmental risk", neglected operational risk (Riso and Castellini, 2019).

Leung and Isaacs (2008) support the idea that introduction of risk management in public sector is very complex for various reasons including also the wide variety of involved interests (most of the time conflicting interests), political influence, etc. (Leung and Isaacs, 2008, p. 510)

Moreover, Reginato et al. explain that in the Italian Public Administration and in the Municipalities there isn't integration between the Management Control System and Risk Management (Reginato et al, 2012).

In the Table 1 is reported a part of the results' Reginato et al. (2012) with a comparison between a PIf C//INTOSAI components of internal control in the public sector and Italian regulation:

Table 1: Comparison between a PIf C//INTOSAI components of internal control and Italian regulation

Components of PIFC Model: Risk Management		Italian Regulation
Risk Assessment	Risk identification	No
	Risk evaluation	No
	Risk appetite assessment	No
	Responses to risks	No
Control activities	Authorization and approval procedures	Yes
	Reconciliations	Yes
	Reviews of operating performance	Yes
	Review of operations processes and activities	Yes
	Specific Information technology control activities	Yes

Source: Reginato et al., 2012, p. 395

As evidenced in Table 1, the Risk assessments (a component of the risk management process) aren't contemplate in the Italian legislation: there is an unsatisfactory level of permeation in the Italian Public organisation system due for the lack in the legislative framework and for the lack of faith by the policy makers on the utility and benefits related to an efficient control system (Peta, 2016).

2.3. The relationship between Performance and Risk Management

Performance Measurement in public sector is a theme increased since 1990s with the advent of the theory of New Public Management (Brignall and Modell, 2000; Bouckaert and Peters, 2002; Van Dooren et al, 2015).

Furthermore, in according with Bovaird (1996) in public sector is possible distinguished two forms of performance:

1. *policy performance*: it's related to the success of services provided to cover the needs of citizens;
2. *management performance*: it refers to the effectiveness of management in the public organization.

There are various definitions of performance in literature (Eleftheriadis, and Vyattas, 2018): some authors define it as the quantification process of effectiveness and efficiency of activities (Johnsen, 2005), however others as "quantitative representation of quality and quantity of the input, output and the results of the organizations or their programs in their social framework" (Neely et al, 1995).

The "performance management", typically used in the economical private's world, come ever more in the ordinary vocabulary of the public sector.

Combining the concept of risk of it, Slywotzky and Drzik (2005) define a risk as variability in performance results, in which case the aim of risk management is elimination of low performances.

Indeed, Risk Management gains high importance to all stakeholders too, particularly to citizens and political bodies. Through the risk management are produced information more reliable as a basis for assessing the performance and production of macroeconomic indicators (Ferreira, 2016)

Since 2000s in the Italian Public Administration were provided a series of reforms driven by the New Public Management aims: was embedded in the public organisations management instruments to achieve in planned manner the objectives programmed (Maran et al, 2018).

How Performance Management goes within the organizations? Some authors recommended observing a multidimensional performance of the public organizations, not only financial KPIs (Ricci and Civitillo, 2018)

They affirmed that "financial performance should not be the ultimate objective of public management but instead an instrument to evaluate the financial comparability of various priorities to purse (public value, social, environmental, etc.)" (Ricci and Civitillo, 2018).

More in depth, Capaldo et al (2017) affronted the issue of the relationship between Performance and Risk Management in the Italian public sector and discussed how the adoption of the risk-based approach could increase the implementation of the objectives in the Performance Management process. Moreover they formulate some guidelines for a risk-based methodology that can concretely support the process of change that is interesting the public administration (Capaldo et al, 2017).

Furthermore, Hinna et al. (2018) analyse the case study of the Italian National Istitute of Statistics (ISTAT) and show how after the implementation of the risk management practices within the organization, now these are integrate in the activities, processes and in the culture and behaviour of the single components of the structure, confirming the opportunity to increase performance and learning.

Therefore, the INTOSAI highlights the need to create awareness of the organizations risk in the public sector (INTOSAI GOV 9130, 2007).

Indeed, the awareness of risk and risk culture help the organization to achieve its objectives (Hatvanti, 2015): the skills developed in Risk Management by the public officers are fundamental to increase Performance Management (Carvalho and Rabechini, 2015, p. 335).

3. Research design

3.1. The sample

This work, as explained in introduction, moves to sustain research that aims to understand "if" and "how" the risk management is embedded in the public organizations.

In the light of this aim it's created a sample of 500 municipalities of all Italy regions' and in this it's observed "if" and "how" adopted risk management in its organizations.

Specifically, the sample was created replying the proportionality of the all-Italian municipalities per Region: on the 100% of the universe of 7.914 Italian municipalities was created a sample translating the percentages per Region in line with the territory of belonging of the municipality.

After that, were selected 500 municipalities through the translation of these percentages per Region (Table 2 – Percentage of municipalities per region).

Finally, it was done a selection of the number of municipalities per Region under the criteria of the major number of inhabitants: the municipalities with a major number of inhabitants, in fact, represent a better organizational structure facilitated by a more prosperous economy and more services.

In this way the observation, albeit with a statistic limitation in term of generalisations of the results, contributes to sustain the debate on practice of public management related to Risk Management and its introduction.

Table 2 – Percentage of municipalities per region

Region	Number of municipalties	%	% of municipalities selected per Region
Lombardia	1507	19.042%	96
Piemonte	1181	14.923%	75
Veneto	563	7.114%	36
Campania	550	6.950%	35
Calabria	404	5.105%	26
Sicilia	390	4.928%	25
Lazio	378	4.776%	24
Sardegna	377	4.764%	24
Emilia-Romagna	328	4.145%	21
Abruzzo	305	3.677%	18
Trentino-Alto Adige	291	3.677%	18
Toscana	273	3.450%	17
Puglia	257	3.247%	16
Liguria	234	2.957%	15
Marche	228	2.881%	14
Friuli-Venezia Giulia	215	2.717%	14
Molise	136	1.718%	9
Basilicata	131	1.655%	8
Umbria	92	1.162%	6
Valle d'Aosta	74	0.935%	5
Total	**7914**	**100%**	**500**

Source: our elaboration

3.2. Content analysis on the municipalities' institutional website

Understanding "if" and "how" the municipalities embedded Risk Management in its organizations means observe if exist documents (strategic or operative) that communicate these activities within the organizations.

Furthermore, to develop a Content Analysis was considered documents that contemplates referring to operational risks.

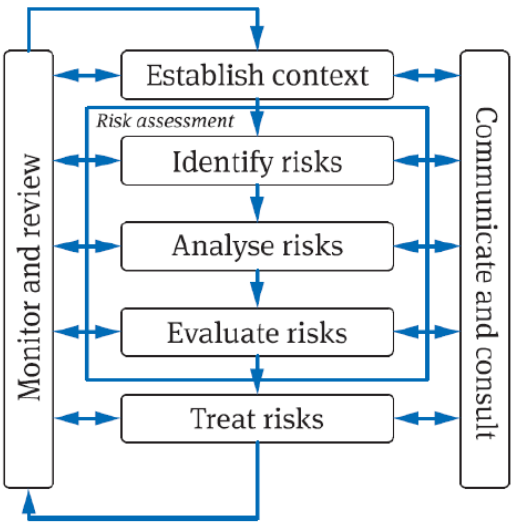
Indeed, to understand it was developed a Content Analysis of all documents that contains a keywords searched in the institutional website.

More in depth, Content Analysis is a useful instrument to analyse texts and documents.

On the theme, more authors has been defined it as a systematic, replicable technique for compressing many words of text into fewer content categories based on explicit rules of coding (Berelson, 1952; Krippendorff, 1980; and Weber, 1990; Stemler, 2001)

The keyword was selected analysing the first step of the Risk Management process, as explained in the ISO 31000 (Figure 1 – Risk Management process) and the Content Analysis was conducted on all documents published on the institutional website of the sample.

Figure 1 – The ISO 31000:2009 risk management process



Source: Lark, 2015, p. 14

In this way was constructed a data-set that shows per all municipality the presence on its institutional website of the keywords selected.

In the Content Analysis conducted the keywords selected are "*Identification*", "*Analysis*" and "*Evaluation*" of risk that represent the assessment process in the wide Risk Management process.

Moreover, to understand the scope of the risk assessment process it's remembered a McNamee definition of 'risk assessment': a method of identifying, measuring and prioritising risk (McNamee, 1998).

4. Results

The analysis conducted shows how 366 municipalities – 73% of the sample analysed – had published on its website a document or contract, confirming the risk assessment activities.

Moreover, 134 municipalities not published documents or contracts where appears it but it's not means that not do risk assessment activities a priori rather than not published this notice.

Another relevant result is that the risk assessment activities are almost all entrust to an external advisor (in the documents analysed the external advisor typically play the role of the insurance broker with duty by the municipality also to make the activity of risk assessment).

The most documents analysed (over the 70%) disclose how it was externalized to an external advisor activities like:

1) *activities of risks identification, analysis and evaluation;*
2) *risk management activities;*
3) *activities of claims management;*
4) *management of insurance contracts*;
5) *management of the insured-client relationship*.

These activities represent almost the phases of the risk management activities: from the risk identification to the treatments of these (with activities of prevention, transfer or other).

The claims management activities is referred to the claims that the municipality receive from citizens of third-part in general in relation of its civil liability (e.g. a citizen that suffers a damage deriving of the *mala gestio* of the streets' maintenance)

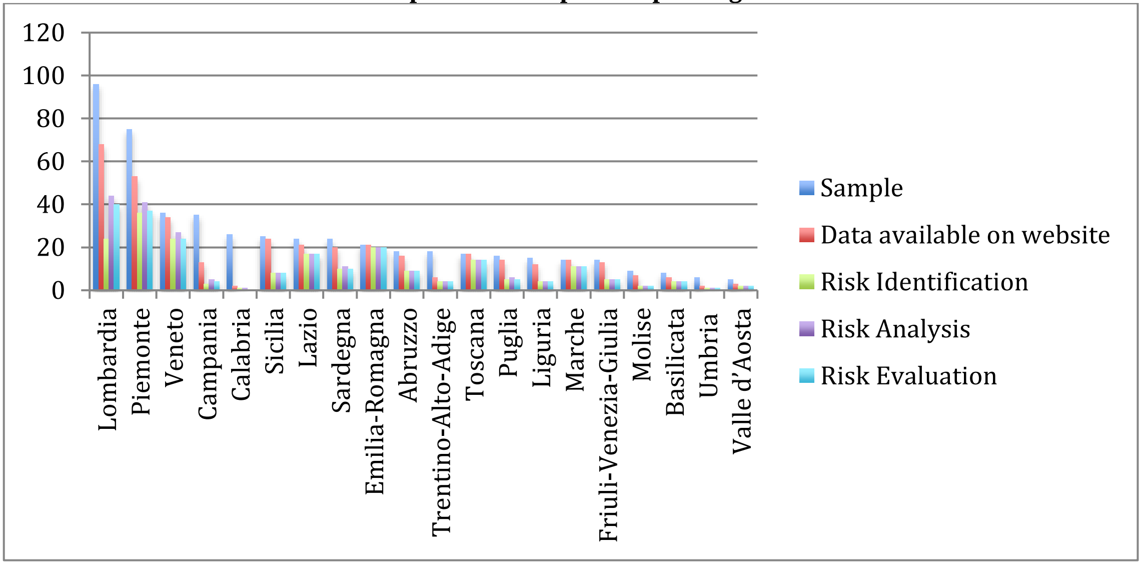
Moreover, in Table 3 – Results of Content Analysis – it's reported the analytical result per Region.

Table 3 – Results of Content Analysis

N.	Region	Sample of Municipalities per Region	Data available on website	External Advisor	Risk assessment process		
					Risk Identification	Risk Analysis	Risk Evaluation
1	Lombardia	96	68	68	24	44	40
2	Piemonte	75	53	53	36	41	37
3	Veneto	36	34	34	24	27	24
4	Campania	35	13	13	3	5	4
5	Calabria	26	2	2	1	1	0
6	Sicilia	25	24	24	8	8	8
7	Lazio	24	21	21	17	17	17
8	Sardegna	24	20	20	10	11	10
9	Emilia-Romagna	21	21	21	20	20	20
10	Abruzzo	18	16	16	9	9	9
11	Trentino-Alto-Adige	18	6	6	4	4	4
12							
13	Toscana	17	17	17	14	14	14
14	Puglia	16	14	14	5	6	5
15	Liguria	15	12	12	4	4	4
16	Marche	14	14	14	11	11	11
17	Friuli-Venezia-Giulia	14	13	13	5	5	5
18	Molise	9	7	7	2	2	2
19	Basilicata	8	6	6	4	4	4
20	Umbria	6	2	2	1	1	1
	Valle d’Aosta	5	3	3	2	2	2
	Total	**500**	**366**	**366**	**204**	**236**	**221**

Source: our elaboration

Graphic 1 – Comparison per Region



Source: our elaboration

Finally, observing graphic 1 – comparison per Region - it's possible appreciate how the frequency of words per region is very nearly homogeneous: almost all municipalities (where the data was available) present words of the risk assessment process in the similar way, in the similar "form" of contract or document.

5. Discussion and conclusions

The results show that Risk Management was introduced in the management control system and internal control of the organizations with the help of an external expert.

The first research question – "if" municipalities embedded Risk Management in its organisation – is answered: the sample analysed with the Content Analysis shows that risk assessment, a Risk Management process, is a processes put in place by the municipalities.

Then, answer to the second research question "how" Risk Management was embedded is through an external consultant (an insurance advisor like insurance broker or similar).

This phenomenon is in line with previous research conducted in private sector where emerged how part of a sample interviewed "have run a risk assessment project without the involvement of the line management. In this cases, internal auditors co-operate with external consultants to identify and to measure business risks" (Allegrini and D'Onza, 2003).

The influence of the external advisor explained by more scholars that affirmed how there are some intra- and inter-organisational networks that influenced organisations itself about the Risk Management knowledge (Schiller and Prpich, 2014; Borgatti and Cross, 2003; Amnin and Cohender, 1999).

Analysing the Italian case, in absence of an institutional address or legislative obligation the phenomenon presented in the sample analysed pushes hypothesize that the introduction of the Risk Management in the municipalities be a phenomenon of mimetic isomorphism (DiMaggio and Powell, 2000).

Indeed, environmental pressures and institutional context strongly affect the form and behaviour and results of organizations (DiMaggio and Powell, 2000): isomorphism mimetic where a municipalities reply the institutional behaviour of the organisations.

To support this theory, it's possible considering the theories of organisational learning: amongst the theories that addressing organisational learning, organisational knowledge creation theory (Nonaka 1994) offers the most compelling synthesis for organisational risk management.

Indeed, Nonaka (1994) explained how is overcoming the idea that Enterprise Risk Management knowledge was established but views organisations as knowledge generating: in this theory knowledge is generated in historically situated interactions.

Finally, Schiller and Prpich (2004) affirmed: "Depending on the organisational context, contractual mechanisms and/or financial instalments have been used to influence role performance in risk management" (Schiller and Prpich, 2004, p. 1009).

In the light of the previous assumptions it's possible to affirm that the isomorphism behaviour put the municipality in the condition to non-manage its risk: externalized the risk management activities the municipality less the ability to develop skill and to improve its ability to manage its operational risks.

Indeed, non-risk-management for the municipality is a loss of chance to improve risk knowledge within its organization.

Develop of the Risk Management in the management control system of the municipalities involves a growth of the managerial skills (Carvalho and Rabechini, 2015, p. 335).

Most of municipalities entrust the activities of 'identification, analysis, and evaluation' of risks to professionals or an advisor.

As discussed by Carvalho and Rabechini, 'the hard side of risk management does not suffice for effective uncertainty management' and 'the soft side plays a key role' (Carvalho and Rabechini, 2015, p. 335).

It follows that there is the need to these organizations develop specific soft skills (transversal and multidisciplinary) to better manage the relationship with professionals and advisors that assist it in the hard side of the risk management.
This work represents a first step to understand “if” and “how” the Risk Management embedded in public sector, specifically in the municipalities.
Indeed, the great limitation is that there isn’t an analysis of the internal processes of the municipalities.
In this research emerged the presence in the Risk Management process of an external advisor.
In future research, agenda will investigate how the municipalities’ interfaces with the external advisor and in which way the municipalities manage the information provided by the external advisor.

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