INTEGRATING ENTERPRISE RISK MANAGEMENT IN THE FEDERAL GOVERNMENT

Partnership for Public Service
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Welcome, Introductions, and Purpose
Federal Enterprise Risk Management Framework

Risks and Uncertainty
- Strategic
- Operational
- Reputational
- Financial
- Etc.

Strategic Decisions (OMB A-11)
- Mission/Vision
- Goals/Objectives
- Strategic Reviews

Budget Decisions (OMB A-11)
- Policy
- President’s Budget
- Congressional Justification

Program Management (OMB A-11)
- Cross Agency Priority Goals
- Agency Priority Goals
- Fed Stat

CXO/Operations Support (OMB A-123)
- Operational Control Objectives
- Reporting Control Objectives
- Compliance Control Objectives
A-123: Decision Points

- Compliance with New Internal Control Standards
- Treating Risk as only Negative
- Heavy Emphasis on Financial Reporting
- Regarding Risk Management as Separate
- Check the Box on 3 Year Process Assessments
- Risk Based Approach with New Internal Control Standards
- Treating Risk as Positive (i.e., opportunity) and Negative
- Balanced Emphasis on Financial Reporting
- Integrating Risk Management and Internal Control
- Manage Risks Across Silos
Risk Assessments should be documented in a way which records the stages of the process. Documenting risk assessments creates a risk profile for the organization, which:

• Encourages open and candid conversations about risks facing an organization at all levels;
• Facilitates identification of risk priorities (in particular to identify the most significant risk issues with which senior management should know);
• Captures the reasons for decisions made about what is and is not tolerable exposure;
• Facilitates recording of the way in which it is decided to address risk;
• Allows all those concerned with risk management to see the overall risk profile and how their areas of particular responsibility fit into it; and
• Facilitates review and monitoring of risks.
The risk management review processes should:

- Ensure that all aspects of the risk management process are reviewed at least once a year;
- Ensure that risks themselves are subjected to review with appropriate frequency; and
- Make provision for alerting the appropriate level of management to new or emerging risks as well as changes in already identified risks so that the change can be appropriately addressed.

Risk Management processes should be put in place to review and deliver assurance on the effectiveness of control and management oversight.
Enterprise Risk Management Model
I. Introduction
II. Enterprise Risk Management Framework
III. Enterprise Risk Management Governance Structure
IV. Managing Risks On A Portfolio Basis Across An Agency
V. Best Practices
VI. Tools and Templates
What is Enterprise Risk Management?
What is a CRO and what are the roles and responsibilities of the CFO and other CXOs (i.e., good governance)?
What does success look like?
What are the best practices?
How do I get started?
How to build ERM into existing processes rather than add on?

Overview of ERM Standards.
Comparisons between COSO and ISSO (not vs.).
The link between ERM and Internal Control Standards.
What are the tools and templates of ERM?
Do I have to do it all at once, what’s a sample maturity model?

Strategic Foresight.
What role do inspector generals play in ERM?
What are the road rules for management engagement of inspector generals in ERM?

Illustrative Examples Not Intended to Be Complete
Critical Path Milestones

FY 2016 Q1:
Complete A-123
First Training Session

FY 2016 Q2:
Draft Updated A-11
Second Training Session

FY 2016 Q3:
Complete A-11
Complete the Playbook (tentative)
Third Training Session

FY 2016 Q4:
Fourth Training Session
Continuous Learning (Survey and Lessons Learned)