



IMPROVING ORGANIZATIONAL PERFORMANCE THROUGH ERM FORESIGHT

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ERM 2016 Summit – ERM: Unlocking Organizational Value

Association for Federal Enterprise Risk Management



Canada Revenue
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November 7, 2016

Canada 

The Canada Revenue Agency (CRA) is “Canada’s IRS”

- Integrity -



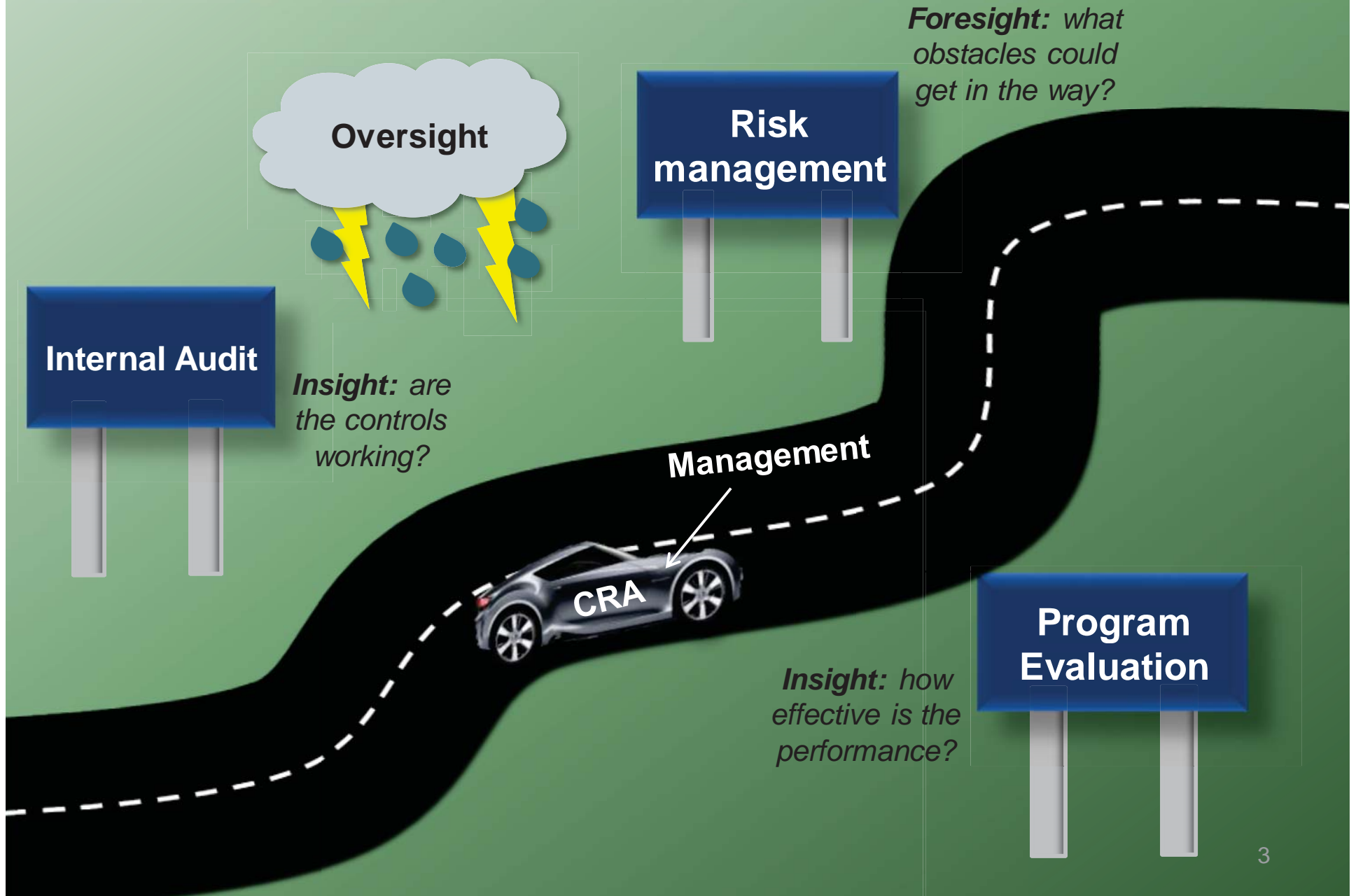
- Collaboration -



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Where ERM is situated at the CRA: Audit, Evaluation, and Risk Branch



The “carrot” and the “stick”



Three reasons for ERM at the CRA

1. Protect the integrity of the Canadian tax system
2. Identify efficiencies in operational processes
3. Achieve success



Risk and uncertainty – constantly changing

Wind 13 km/h E | Wind gust 20 km/h | Humidity 93% | Sunrise 7:25 AM | Sunset 6:10 PM
 Will it rain in the next 3 hours? No precipitation expected.
 Air Quality 1 Low Risk | UV 1 Low
 Updated on Tue Oct 18 8:47 AM

Ottawa Short Term Forecast

Tue Afternoon	Tue Evening	Tue Overnight	Wed Morning
Risk of thunderstorms	Light rain	Partly cloudy	Mainly sunny
24°C	20°C	12°C	11°C
Feels like: 30 POP: 80%	Feels like: 26 POP: 80%	Feels like: 11 POP: 20%	Feels like: 10 POP: 20%
Rain: ~1 mm	Rain: ~1 mm	Rain: -	Rain: -
Wind: 35 km/h SW Wind gust: 59 km/h	Wind: 25 km/h W Wind gust: 47 km/h	Wind: 10 km/h W Wind gust: 26 km/h	Wind: 10 km/h W Wind gust: 24 km/h
Humidity: 78%	Humidity: 83%	Humidity: 82%	Humidity: 87%

[Hourly Forecast](#)

Wind 11 km/h E | Wind gust 17 km/h | Humidity 100% | Sunrise 7:25 AM | Sunset 6:10 PM
 Will it rain in the next 3 hours? No precipitation expected.
 Air Quality 1 Low Risk | UV 1 Low
 Updated on Tue Oct 18 9:28 AM

Ottawa Short Term Forecast

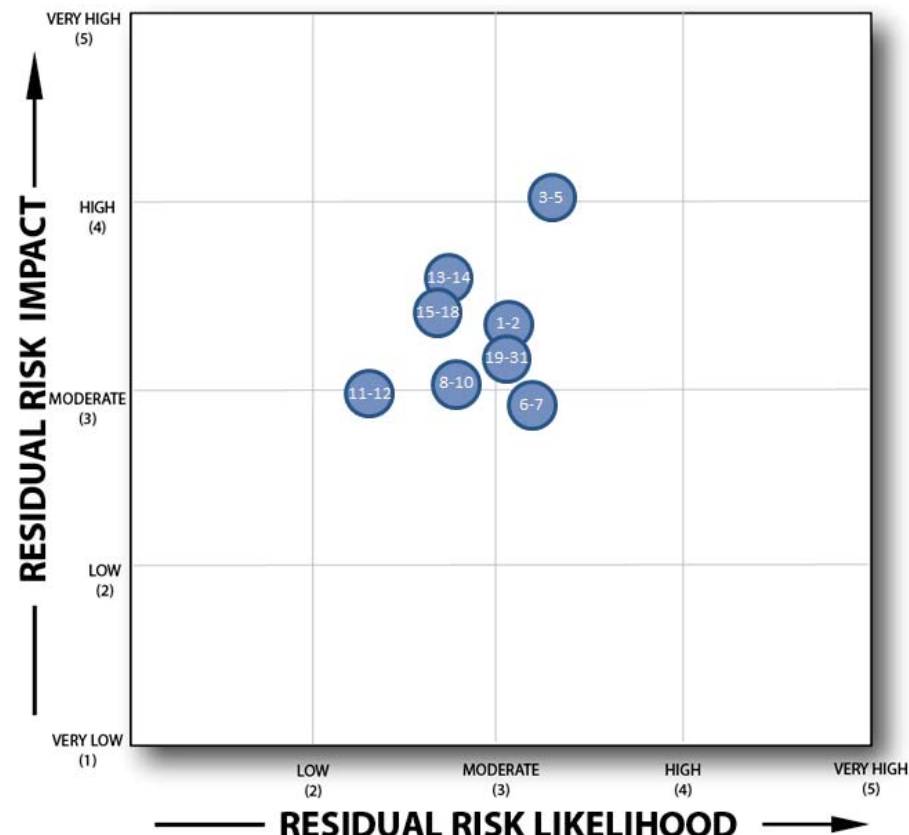
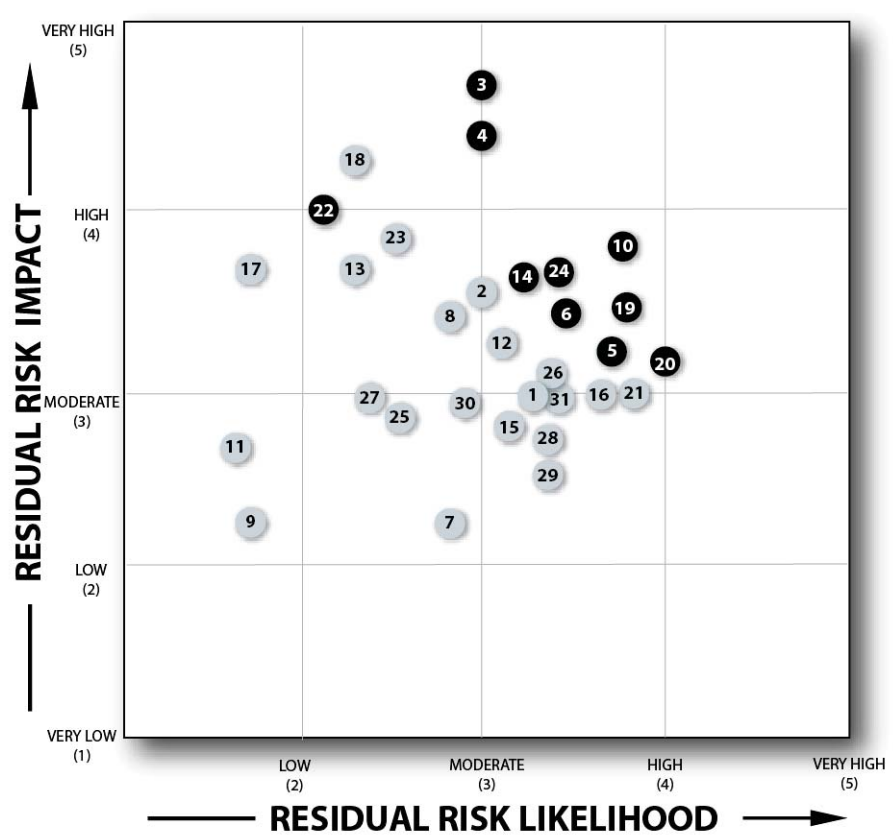
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Risk and performance



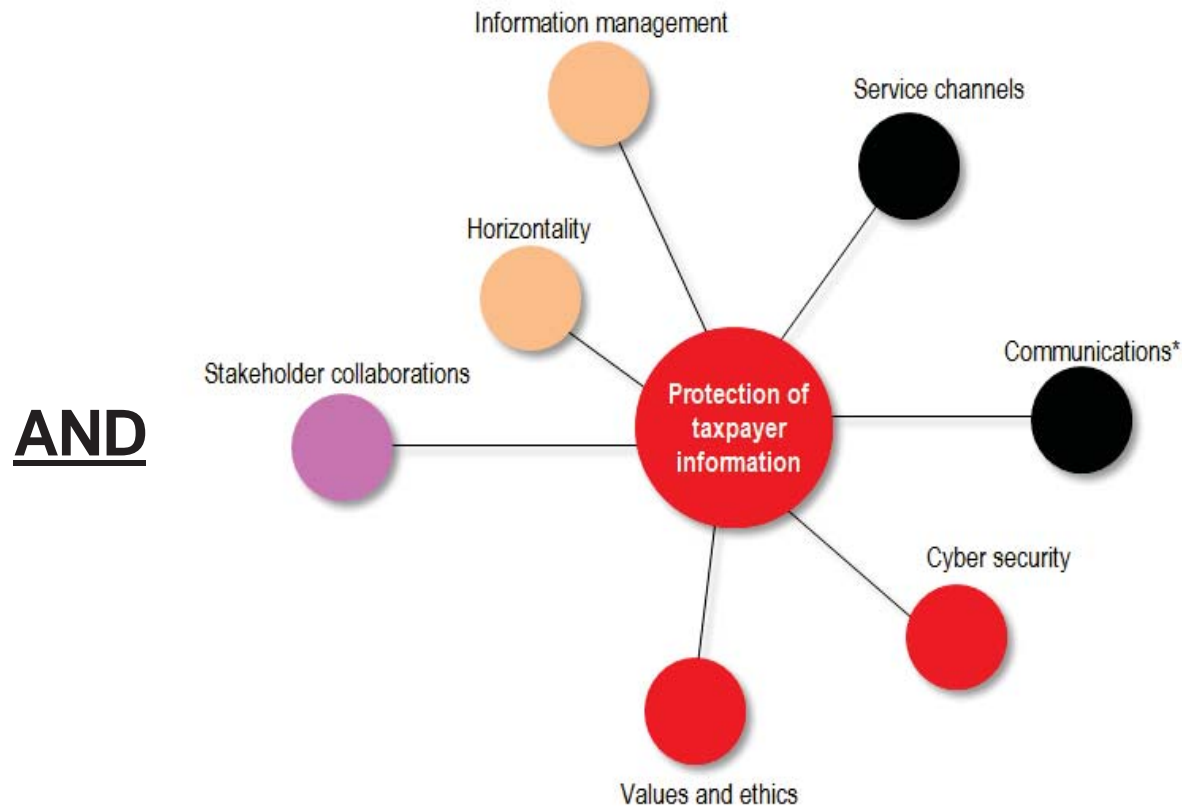
Corporate Risk Profile: Heat maps



Risk interconnectivity

How to ensure that the organization is viewing its risks...

→ from a horizontal perspective

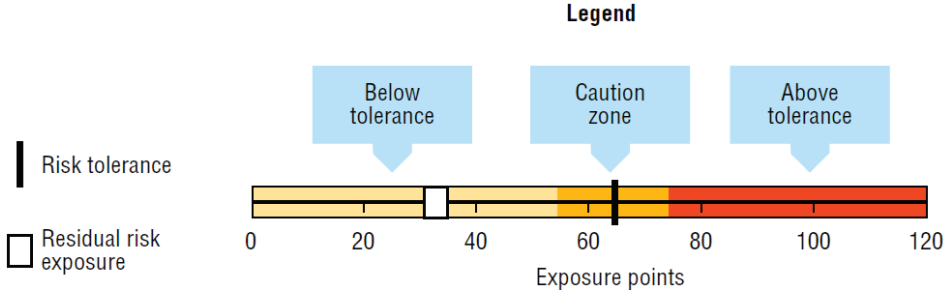
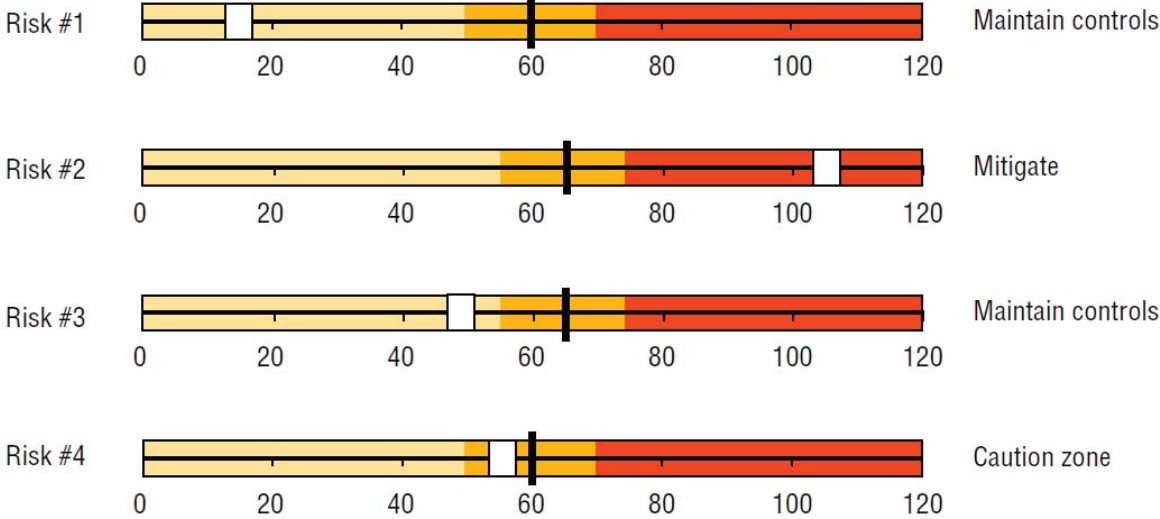


→ thinking about how they are connected



Risk tolerance

The maximum amount of residual risk exposure that an organization is willing to bear for a given risk.



- Criteria**
- Interconnectivity
 - Criticality/government priority
 - Sensitivity
 - Span of control
 - Base factor



Risk management advisories

Internal fraud risk assessments



RM projects



Finance Committee



IT Security



T1 Systems Redesign



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Vulnerability Risk Assessment Tool for managers

#	INTERNAL PROCESS QUESTIONS TO CONSIDER	YES, THIS APPLIES TO MY AREA
1	In the past 12 months, has your team experienced a high ² rate or continuous staff turnover?	<input type="checkbox"/>
2	Do employees miss opportunities for training on key processes, procedures and refresher courses?	<input type="checkbox"/>
3	In the past 12 months, has your team experienced a significant change in how you do business (e.g. business transformation or realignment)?	<input type="checkbox"/>
4	Does your team communicate with external stakeholders (e.g. other government departments, tax preparers, and tax professional organizations), media, and/or taxpayers?	<input type="checkbox"/>
5	Does your team work with large volumes of sensitive information? <ul style="list-style-type: none"> • Verify the types of sensitive information by consulting the Protecting and Handling Information Pamphlet. 	<input type="checkbox"/>
6	Does your team work with information (e.g. taxpayer information, phone numbers, etc.) <u>that does not always get fact checked</u> , prior to your area receiving it or sending it out and is used in Agency documents or correspondence ³ ?	<input type="checkbox"/>



Risk intelligence

- Risk Watcher
- Environmental scan
- Common risk lists
 - Projects
 - Business units



What skills help you to better manage risks?

- ✓ Foresight / scanning
- ✓ Strategic thinking
- ✓ Knowing your thresholds



The importance of the “team”

What we look for:

- **Innovation**
Taking a chance or taking intelligent risks
- **Problem solving**
Providing the tools to help identify, evaluate, and respond to problems
- **Adaptability**
Supporting efforts to effectively shift priorities and make changes to the status quo
- **Multidisciplinary**
Offering comprehensive backgrounds, expertise, and different points of view



Peaks to climb



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IN CONCLUSION

- ➔ Overseers look for value protection
- ➔ Management looks for value creation
- ➔ Risk managers need to know how to balance and satisfy both!

So ERM value for all!



Questions or Comments?

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