

## Thought Leadership for the Federal Enterprise Risk Management Community

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### Highlights

*This 21<sup>st</sup> issue of the AFERM Newsletter includes a recaps upcoming ERM events in the market, three ERM thought leadership pieces from Larry Eisenhart and Tal Seaman of AOC Solutions, Dr. Karen Hardy, and Thomas Stanton, and highlights from this quarter's AFERM Luncheon.*

## A Note from AFERM's President

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### *Federal enterprise risk management (ERM) in the new year*

*By Sallyanne Harper*

Happy spring, and welcome to our 21st newsletter! Our association continues to grow with over 550 members, and we remain both vital and vibrant as we engage in all matters pertaining to Federal ERM. I am delighted that in this issue we bring you thought leadership articles from leading practitioners in the field on matters ranging from the critical linkage of ERM and strategic planning, to a sneak preview of the new ISO 31000, to a review of a new book on how pioneering scientific and technical organizations are approaching enterprise risk and opportunity management.

I am pleased to report that our quarterly luncheons have consistently sold out as our members and guests engage with our speakers on lessons learned and the current ERM challenges impacting them. We are also in the planning phases for two additional training events: A joint AGA-AFERM ERM Implementation Workshop on June 7, 2017, at the Ronald Reagan Building, and the 2017 AFERM ERM Summit in the fall. I am delighted that Christine Jones, Associate Deputy Assistant Secretary, Finance for the Department of Health and Human Services (HHS), and Ken Fletcher, former Chief Risk Officer (CRO) for the Transportation Security Administration (TSA), have agreed to be Chair and Vice-Chair, respectively, of our Summit this year and that we will continue to partner with George Mason University. Finally, I encourage you to check out our updated website at <https://www.aferm.org> and participate in our upcoming membership survey. Your views are important to us as we refine programs, tools, and events to support the successful implementation of ERM across the Federal space.

If you are interested in participating in any of our committees or being a part of the planning for our 2017 ERM Summit, please email us at [aferm.volunteers@gmail.com](mailto:aferm.volunteers@gmail.com) or sign up on our website at <https://www.aferm.org/about/volunteer/>.

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## Objects in the mirror may be closer than they appear

Disruption is a permanent fact of life. You can be on top of the world today and hanging on for dear life five years from now. Today's challenge is how to anticipate, adapt, maneuver, make decisions, and change course as needed. And really, the only way to respond is by changing your approach to risk.

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## Upcoming ERM Events

### *Upcoming events of interest to ERM practitioners*

Following is a line up of upcoming ERM events that may be of interest to Federal ERM practitioners. Web pages for each event are noted below and all are listed on AFERM's "Events" web page at <https://www.aferm.org/events/>.

- **The Association of Government Accountants (AGA)** is hosting a half-day "CFO/CIO Summit," **May 4, 2017**, in Washington, DC, at the Walter E. Washington Convention Center. This event is co-sponsored by the Association for Federal Information Resources Management (AFFIRM) and attendees are eligible for up to 4 continuing professional education (CPE) credits. For more information, see AGA's web page on this event at <https://www.agacgfm.org/CFO-CIO-Summit-2017.aspx>.
- **AFERM and AGA** are co-sponsoring a one-day "ERM Implementation Workshop" on **June 7, 2017**, in Washington, DC, at the Ronald Reagan Building and International Trade Center. Attendees are eligible for CPE credits. For more information, see AFERM's web page on this event at <https://www.aferm.org/events/aferm-aga-jointly-sponsored/>.
- **AGA** is hosting a four-day "Professional Development Training (PDT)" in Boston, MA, and virtually, July 9 through 12, 2017. Attendees are eligible for up to 24 CPE credits. For more information, see AGA's web page on this event at <https://www.agacgfm.org/PDT2017.aspx>.

A blue rectangular advertisement for Accenture Federal Services. At the top, it says "Discover more about how we can unlock the future together." Below that is the URL "Visit accenture.com/federal.com". In the center, there is a large, light blue chevron pointing to the right, with the text "High performance. Delivered." overlaid on it. Below the chevron is the Accenture logo, which consists of the word "accenture" in a lowercase, sans-serif font with a small blue chevron above the 't'. At the bottom of the ad, it lists "Strategy | Consulting | Digital | Technology | Operations". On the right side, there is vertical text that reads "Copyright © 2016 Accenture. All rights reserved."

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## Thought Leadership

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### ***How an implemented ERM program will kick the tires and take your strategic plan for a lap around the track***

*By Larry Eisenhart, Vice President, AOC Solutions, and Tal Seaman, Director, AOC Solutions*

**Thesis: During the implementation of an agency's ERM program, managers will find aligning their risk registers with the objectives of their strategic plan will anchor their 'top-down' implementation to enterprise level objectives. As an unexpected benefit, ERM implementation will strengthen the strategic planning and performance management framework of the agency.**

It is no surprise that OMB's original ERM guidance was contained in its Circular A-11 guidance directing the performance and strategic management of the Federal government's executive branch (Sections 270.24 through .28). It directed agencies' ERM programs to take a view of risk positions aligned to achieving strategic objectives and to incorporate the agency-wide risk view into performance plans. Why would OMB adopt ERM? Among other reasons, it is because private industry has demonstrated ERM and performance management are intertwined. OMB A-11, Section 207.25 states, "Well executed ERM improves agency capacity to prioritize efforts, optimize resources and assess changes in the environment."

You may ask why focus on 'anchoring your risk register to objectives?' While ERM is a conversation about risk, like most conversations, ERM activities are most productive when focused on specific areas that answer the question "The risk of what?" When developing a risk register we recommend that the focus be on a defined objective area or areas. When selecting enterprise, agency level objectives for your ERM registers, open up your agency's strategic plan and you will find its set of measurable strategic performance objectives are an excellent starting place.

While specifically addressing the linkage between ERM and strategic planning, we acknowledge that the full range of an ERM program includes all areas of organizational exposure to risk including financial, operational, reporting, compliance, governance, strategic, and reputational. However, we expect that you will agree that a well-designed strategic plan, with its limited set of objectives, is likely to include coverage of all of these areas, as they matter most to the agency. One concern could be that anchoring many of your ERM registers to current strategic objectives would limit the enterprise scope of your risk view. Our experience is that leveraging your agency's existing strategic objectives will result in a portfolio view of risk that monitors your essential mission and support areas, while also informing the development of

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future strategic objectives.

Your implementation of ERM activities and the development of risk registers anchored to measurable strategic performance objectives will strengthen your strategic performance framework. As you develop risk registers that identify, describe, measure, and assess risks to strategic objectives, you perform preliminary steps focused on achieving a specific objective. Management reviews the objective's logic model describing how the agency produces the measurable activities/results. You will (1) state a risk tolerance for that strategic objective in the same terms of measurement as the objective; (2) define assessment criteria of risk probability on a scale that makes sense for how the strategic objective's results are measured; and (3) define assessment criteria for risk impact using the same terms and means of measurement used to measure performance against the strategic objective.

The process owners, managers, and staff responsible for achieving the strategic objectives performance results are the key players in informing the development of the risk register. Working with them and your strategic planning staff, you are likely to encounter the following conversations that will give you opportunity to strengthen and improve your strategic and performance management framework.

- **“Well, this objective is not really strategic and is more peripheral in importance at the agency/enterprise level, but the responsible program was feeling left out so we included a measure for them so they had a seat at the table.”**
  - For the strategic framework - consider dropping this in the next plan; and
  - For ERM – since the objective is not of enterprise level importance, it is highly unlikely that any of its risks will rise to the level consistent with ERM. Consider developing this risk register last...if at all.
- **“This objective’s measurement is really more of a communication piece with external stakeholders than a strategic objective; and we don’t actually manage to this measure, but it tells a good story.”**
  - For the strategic framework - put the good stories in the narrative section and keep reporting the information, but do not classify it as an objective if management does not manage to it; and
  - For ERM – since management does not manage to this objective, the resulting risk register will not be beneficial to management efforts; so it is best to pass on including this objective in the risk register and move on to the next.
- **“Actually, progress towards this strategic performance goal can’t really be measured so we measure and report these numbers instead as our best alternative.”**

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- For the strategic framework - you expect measurement difficulties at the upper goal and outcome levels; but down at the strategic performance goal level, it should be measurable in terms that reflect progress towards the objective. So it may be time to rework this objective area.
- For ERM – the difficulty of the objective’s measurement does not detract from its importance at the enterprise level; however, when you are assessing risk impact on attainment of the objective, you should expect difficult conversations. Do not shy away from them, as your results may help the strategic management program to reframe the objective and measurement in cleaner and clearer terms.
- **“This performance area has been steady and reliable over several years.”**
  - For the strategic framework – this is often code meaning that the targets are neither ambitious nor challenging, and program and leadership have not addressed this strategic planning weakness.
  - For ERM – when performance meets non-challenging objectives year after year, there is little risk in failing to obtain it in future years as well. The ERM program needs to establish an effective risk appetite statement with leadership to support the strategic/performance management program’s ability to capture progressively challenging performance targets. Until this is in place, you may likely find little value in a risk register for a program that is ‘running in place.’
- **“It appears that this strategic objective performance goal is striving to achieve less than last year.”**
  - For strategic framework – in a static operational environment, only rarely is it strategic to plan and set goals at levels lower than prior year’s actual performance.
  - For ERM – the ERM program should work with leadership to promulgate a ‘risk appetite statement’ to strengthen the strategic and performance management program. There is not much risk in failing to obtain this objective’s performance; and the resulting register is unlikely to provide valuable focus or analysis to managers.

Anchoring risk registers to your strategic plan’s performance goals is an excellent way to leverage previously vetted agency level objectives to gain traction on your ERM implementation. This approach produces registers that have a broad agency-wide view of risks to the entity’s most important missions and work objectives. It is very likely that using this approach to implement your ERM program will have significant and beneficial (albeit

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potentially painful) impacts to your strategic and performance management programs.

When the ERM program implements the important concept of ‘risk tolerance,’ it is likely to reshape the agency’s definition of acceptable performance from that of clearing a high-jumper’s bar (pass/fail) to getting an archer’s arrow onto the archery target. While the bull’s eye is still in the center of the target, risk tolerance defines acceptable performance as a range, hitting the target, and not necessarily the bull’s eye.

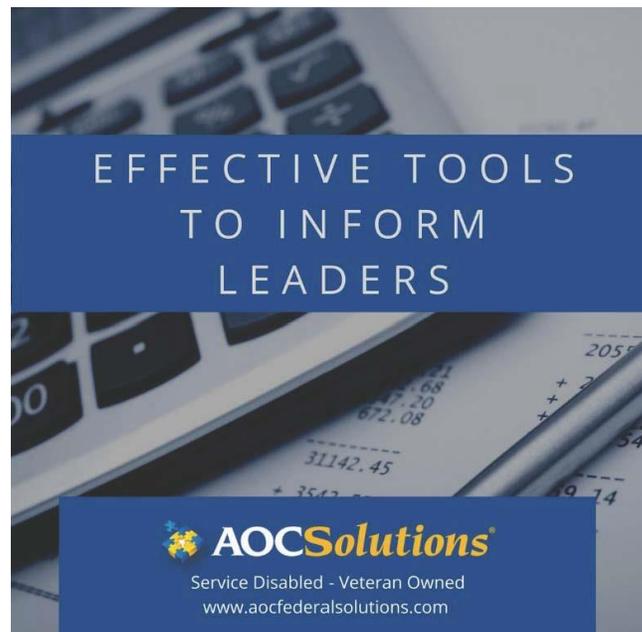
The ERM program should work with leadership to implement a risk appetite statement in a proactive policy that strengthens the strategic performance program’s ability to contract with programs for more ambitious and challenging targets. This can drive innovation and creative approaches to increase mission and support program efficiency and effectiveness and make strategic planning and management a more valuable process.

In conclusion, when anchoring your risk registers to strategic performance goals as part of your top-down approach, you will develop a stronger strategic and performance management framework, and your ERM program will improve your management’s enterprise risk perspectives and ability to proactively anticipate and react to changing events.

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**Larry Eisenhart**, CPA, Vice President, AOC Solutions, and former Deputy CFO for the U.S. Department of State.

**Tal Seaman**, MBA, MPA, MA, CGFM, PMP, CISA, CICA, Director, AOC Solutions, and former Chief of Internal Controls Division, U.S. Coast Guard.



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### Educate. Collaborate. Succeed.

KPMG LLP is proud to support the Association for Federal Enterprise Risk Management in its mission to advance the practice of ERM in the Federal Government. We understand the value in helping organizations and their stakeholders identify and understand emerging trends, risks, and opportunities. We commend you on all that you have accomplished and look forward to your continued leadership in this important area.

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## AFERM Luncheons

### *ERM information sharing and connectivity*

*By Thomas Holland*

AFERM's periodic luncheons continue to serve as great opportunities for Federal ERM practitioners to come together and share information and network. Held at Clyde's of Gallery Place restaurant in Washington, DC, with presentations on ERM by senior leaders in the Federal sector, AFERM line up of speakers is impressive!

On March 22<sup>nd</sup>, 2017, AFERM hosted a Luncheon which included a panel discussion of representatives of some of the ERM programs highlighted in GAO's report on ERM in the Federal government: *Enterprise Risk Management – Selected Agencies' Experiences Illustrate Good Practices in Managing Risk*. The panel includes Wendell Conner, the Chief Risk Officer at the Office of Public and Indian Housing (PIH), U.S. Department of Housing and Urban Development (HUD), Dr. Karen Hardy, the Deputy Chief Risk Officer and Director of the Risk Management Division at the Department of Commerce, and Tom Brandt, the Chief Risk Officer at the Internal Revenue Service (IRS) (pictured below with moderator Thomas Holland of PwC).



With 115 people in attendance at the AFERM luncheon, the panelists discussed ERM experiences and practices at each of their agencies, covering a wide range of ERM topics beyond the specific practices for which GAO highlighted their programs.

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Some of the topics discussed by the panel include:

- The need to have participation from across the agency in order for ERM to be successful and the steps each panelist's program took to get the key individuals from their agencies informed, on-board, and contributing to ERM
- Risk appetite and how to introduce this concept at a government agency
- The interaction between each of the participants' ERM programs and the risk management efforts at lower levels of their agencies
- The relationship between ERM and internal controls and how the ERM and internal controls programs and functions interact at each of their agencies
- The use of tools and technology to support ERM and risk reporting
- Integrating the multiple risk management processes to avoid duplication of efforts and prevent "risk assessment fatigue"
- The opportunities that ERM provides agencies to enhance decision making and resource allocation and the value of this in an uncertain budget environment.

The energy around ERM in the Federal government is evidenced by the discussions and information sharing among the audience, as well as the numerous thoughtful questions the audience posed to the panel.

**Watch your email for updates on AFERM's next luncheon in May 2017!**

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**Thomas Holland** of PwC coordinates the AFERM luncheons and he may be reached at [AFERM.Lunches@gmail.com](mailto:AFERM.Lunches@gmail.com).

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## AFERM's 'Ask the Expert' Blog

### *Getting answers to your ERM questions*

In August 2016, AFERM deployed its 'Ask the Expert' blog led by **Dr. Douglas Webster**, Director of Risk Management at the USAID. He served a 21-year career in the USAF, followed by over 20 years of consulting to more than 24 Federal agencies. He also served as the CFO of the Department of Labor (DOL) in the George W. Bush Administration, and as the Deputy Director of the Department of Defense's (DOD) Business Transformation Agency (BTA).

His involvement in ERM began in 2004 as part of an industry study group in ERM. In 2008 he led establishment of the Federal ERM Steering Group, an ad hoc group of Federal executives that led to the first annual Federal ERM Summit. In 2011, he led the transition of that group into AFERM and served as the association's first president. As a member of the board of directors of Pentagon Federal Credit Union, he led that organization's introduction to ERM, and he chaired the first board Enterprise Risk Committee.

Led by **Dr. Douglas Webster** of USAID, AFERM's 'Ask the Expert' blog is accessible via AFERM's website at <https://www.aferm.org/ask-the-expert/>.



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### Embracing risk for better performance

Interest in enterprise risk management (ERM) is growing fast among Federal agencies. A number of them have appointed a chief risk officer to manage their ERM efforts. Federal entities are starting to focus on enterprise solutions to manage risks that impact strategic and tactical objectives and use of resources. Along with this, a number of agencies are looking to translate the concept of ERM past the abstract framework into practical solutions that will ultimately support risk enabled performance.

The EY Government and Public Sector Enterprise Risk Management team offers a proven methodology and approach to help agencies leverage their investments in complying with Office of Management and Budget Circular A-123 Appendix A and other requirements by identifying and replacing isolated initiatives and remediation fixes with a holistic approach to integrating internal controls, compliance and risk management initiatives under an ERM framework.

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## Thought Leadership

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### ***ISO 31000: Revision aims to keep risk management simple***

*By Karen Hardy, Ed.D.*

A recent article from the International Standards Organization (ISO) has given us a sneak peek at what we can expect from the revision of ISO 31000, *Risk management – Principles and guidelines*. In short, the objective for the revision is to help keep risk management simple!

“The standard provides guidelines on the benefits and values of effective and efficient risk management, and it should help organizations better understand and deal with the uncertainties they face in the pursuit of their objectives,” writes Sandrine Tranchard.

While these are certainly good reasons for initiating the revision, Carol Fox, Chair of the US Technical Advisory Group (TAG) for ISO 31000, says that “there are three key areas that were spelled out in the design specification” that really stand out. Here they are:

1. The first key area centers on the users of ISO 31000. The target is to frame the revision around the underlying needs of users and how they create and preserve sustainable value, regardless of the type of organization, (rather than approaching risk management as a standalone activity. Anyone practicing risk management in the public sector can understand how important it is to show the sustainable value of risk management and how positioning it as a standalone activity is a casualty of successful implementation.
2. Second, the revision emphasizes a more direct and explicit focus on activities in order to set or achieve the organization’s objectives. That is to say, there is recognition that risk management needs to adapt and continually improve - or mature - based on the needs of the organization.
3. Third, the revision aims to reduce complexity with clearer, simpler and improved language and advice. How many practitioners can lay claim that the best way to message risk management and ERM is through plain language? There is no need to use fancy jargon to impress leadership of ERM or risk management value. Plain language and showing how the effective management of risk benefits the organization is the best communications tool.

There is consensus that the new draft is much improved. Tranchard points out that “it emphasizes the importance of human and cultural factors in achieving an organization’s objectives and... [embeds] risk management within the decision-making process.” Overall, integrating the management of risk into a strategic and operational management system is still front and center. The new version of ISO 31000 is expected to be published at the end of 2017 or early 2018.

## Thought Leadership for the Federal Enterprise Risk Management Community

Here's a tip: Keep an open mind. Whatever the end product will be, it will be a welcomed revision that continues to support the evolution of risk management and ERM—and that's something we can all benefit from.

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**Dr. Karen Hardy** of is a founder of AFERM and is the author of the award-winning book *Enterprise Risk Management: A Guide for Government Professionals*. She is the Deputy Chief Risk Officer and Director of the Risk Management Division at the Department of Commerce. She has worked in the field of risk management in government for over 10 years and has led ERM initiatives at multiple agencies.

The advertisement for Pro-Concepts features a background image of an iceberg floating in the ocean. The top of the iceberg is above the water line, while the much larger bottom portion is submerged. The text 'PRO-CONCEPTS' is written in a stylized font at the top, with 'Enterprise Risk Management Consulting Services' below it. The main message, 'SOME RISKS ARE OBVIOUS. OTHERS ARE NOT.', is centered over the iceberg. At the bottom, there is a call to action: 'Make sure your ERM plan includes the Risk Radar Enterprise Application.' This text is flanked by two circular logos: one for 'Risk Radar' and another for 'SDVOSB'. Below the call to action, the contact information 'Call (757) 637-0440 for initial consult or go to ProConceptsLLC.com' is provided.

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## AFERM Learning, Development and Certification Program

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### *Advancing technical capabilities of Federal ERM practitioners*

AFERM is developing the **first Federal ERM certification program**, which will be rolled out in **late 2017**. It is establishing the curriculum requirements for the certification and will be coordinating with AFERM's corporate sponsors to develop content for the certification courses.

The courses will be web-based and available to AFERM members. AFERM currently has ERM training content available at <https://www.aferm.org/erm-training/>.

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The Learning, Development and Certification Committee may be contacted at [AFERM.Training@gmail.com](mailto:AFERM.Training@gmail.com). The Committee is chaired by **Bernice Lemaire**, Chief Auditor in the Office of Benefits Administration and Payment Department, Pension Benefit Guaranty Corporation (PBGC), and she may be reached at at [Lemaire.Bernice@pbgc.gov](mailto:Lemaire.Bernice@pbgc.gov). Ms. Lemaire is joined by **Chris Hare** and **Calandra Layne** of Grant Thornton.

## Thought Leadership

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***A review of “Enterprise Risk and Opportunity Management: Concepts and Step-by-Step Examples for Pioneering Scientific and Technical Organizations,” by Allan S. Benjamin, PhD, published by John Wiley & Sons, Inc., 2017, 324 pages***

*By Thomas H. Stanton*

Allan Benjamin has written a masterful book on applying ERM systematically at agencies such as NASA “whose principal objective is to develop and implement risky technologies for scientific and technical gain.” Dr. Benjamin calls these organizations “Technical, Research, Integration, and Operationalizing enterprises,” or TRIO organizations. They include government agencies, nonprofits, and for-profit companies.

The book is detailed and specific, offering charts, templates, and case studies to help the reader understand how to apply ERM rigorously to achieve a solid balance of risks and opportunities. The book’s ten chapters include (1) an ERM primer for TRIO organizations, (2) integration of ERM with management activities, (3) ERM processes and analytic approaches, (4) developing and using ERM templates in performance evaluation and strategic planning, (5) managing and implementing ERM in technical centers or directorates, (6) special ERM considerations at commercial TRIO organizations, (7) case studies of ERM informing risk acceptance decisions, (8) independent appraisal of ERM processes and results to ensure adequacy of internal controls, (9) overview of potential integration of ERM with other strategic assessment activities, and (10) an integrated framework for hierarchical internal controls.

For its target audience at TRIO organizations this is an outstanding book. TRIO organizations differ from others in the degree of uncertainty in making progress achieving their objectives. They “must continually assess whether their strategic objectives continue to be achievable as conditions evolve...” The book thus spends considerable time showing the reader how ERM can address “unknown and underappreciated risks,” so-called “UU’ risks.” Especially instructive is the book’s presentation of qualitative and quantitative analysis and the elegant way that simple rating scales can help to address UU risks and others that don’t naturally lend themselves to quantification.

ERM practitioners recognize the need to balance risks and rewards and to include opportunities in the ERM analysis. For TRIO organizations, this is even more imperative: their success depends on seizing opportunities to devise new approaches to overcoming obstacles. As then-NASA Administrator Charles Bolden emphasized, for NASA, “risk intolerance is a guarantee of failure to accomplish anything of significance.” Dr. Benjamin explains that the book’s title, Enterprise Risk and Opportunity Management, or what he calls “EROM” instead of ERM, reflects the need “to expand our thinking regarding [ERM] from one that is centered on reducing risks to one that includes recognizing, cultivating, and exploiting opportunities.”

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Culturally, this book is written for a TRIO scientist or engineer. There are 77 figures on topics such as “risk and opportunity leading indicator triggers” and “integration of qualitative and quantitative modeling to evaluate the likelihood of success of a commercial TRIO enterprise,” and 45 tables on topics such as “published guidelines for roughly estimating the ratio of the system failure probability from UU risks to the system failure probability from known risks at the time of initial operation.” These turn out to be quite helpful supplements to the written text, although their full scope is most useful for risk managers at TRIO organizations. The figures and tables nicely illustrate points made in the text, and a companion website provides them in color.

For those willing to enter the culture, this book offers substantial rewards. Insights abound. One section discusses the influence of external stakeholders in setting strategic objectives of the organization and the value of ERM in educating them about the risks of their decisions:

“Informing external stakeholders and funding entities about the achievability of various strategic objective alternatives so that these stakeholders can make informed decisions about which objectives to mandate....While stakeholders...may have different views from the TRIO enterprise about what constitutes gain and what level of opportunity is significant, a majority can agree on whether the risk of not being able to achieve an objective is intolerably high so long as the case is laid out plainly and accurately.”

A chapter on risk acceptance decisions notes the need to ensure good information flow between an agency and its contractors, and also independence of the quality assurance process:

“Without open and effective communication among the contractors and between the contractors and NASA, there could be substantial risk that the assurance process will miss accident scenarios that emanate between interactions between subsystems, or will miss solutions that require a collaborative mindset. Furthermore, independence between the providers and those assuring the product is a best practice that needs to be maintained.”

The discussion of interplay between ERM and internal controls is particularly helpful, including discussion of the Office of Management and Budget (OMB) Circulars A-11 and A-123, the Green Book, the Committee of Sponsoring Organizations of the Threadway Commission (COSO), and other frameworks:

“Within the context of [ERM] internal controls can be viewed as processes that the organization decides to implement to provide defense-in-depth against risks and to promote successful achievement of its strategic goals and objectives....Internal controls focus on processes, procedures, and protocols that make it possible for the overall set of responses to succeed.”

## Thought Leadership for the Federal Enterprise Risk Management Community

This book is just off the presses, and it includes a discussion of A-123 and how to prepare a risk profile. Dr. Benjamin has had over 50 years of experience in the design and analysis of complex systems. Enterprise Risk and Opportunity Management builds on his expertise with risk management at NASA, DoD, DOE, two national laboratories, and various prime contractors. He has contributed to works such as “Developing Probabilistic Safety Performance Margins for Unknown and Underappreciated Risks,” “The Role of NASA Safety Thresholds and Goals in Achieving Adequate Safety,” and the NASA System Safety Handbook. He knows his material and lays it out with precision and logic. Even those of us not part of a TRIO culture can appreciate what a fine book he has written, and there is much for us to learn from it as well.

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Thomas Stanton may be reached at [Tstan77346@gmail.com](mailto:Tstan77346@gmail.com).

The advertisement features a background image of several black dominoes standing upright on a green surface, with some dominoes in the foreground slightly blurred. The text is overlaid on this image. At the top, it reads 'Unmanaged Risk can Topple the Delicate Balance of your Organization'. Below that is the main headline: 'Adopt MetricStream Risk Management Solutions To Build a Robust and Sustainable Risk Program'. Underneath the headline is the sub-headline 'MetricStream Solutions for Federal Agencies' followed by a bulleted list of four benefits: 'Facilitate a proactive approach to anticipate, prioritize and mitigate risks', 'Provide optimized risk/return outcomes through greater visibility', 'Ensure consistency in practices and collaboration among stakeholders', and 'Deliver risk intelligence to improve performance and reputation'. In the bottom right corner, the 'MetricStream' logo is displayed in white, with the website address 'www.metricstream.com' below it.

## AFERM's Small Agency Community of Practice

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### *Supporting small agencies' ERM pursuits*

In January 2016, AFERM launched its Small Agency Community of Practice (SACoP) to engage Federal ERM professionals who serve small Federal agencies. Small agencies are defined by the "Small Agency Council" (see <https://sac.gov/about/members.htm> for guidance).

The initial objectives of AFERM SACoP are as follows:

- To offer a forum in which others can share their ERM plans, successes, and concerns;
- To discuss how OMB A-123 and A-11 may be implemented at small agency organizations; and
- To discuss how to 'right size' ERM program structures to meet small agency needs and preserve critical foundations.

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For more information on the SACoP, please reach out to **Catherine Chatfield** at [AFERM.SACoP@gmail.com](mailto:AFERM.SACoP@gmail.com) or **Tal Seaman** at [tseaman@accsolutions.com](mailto:tseaman@accsolutions.com).

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## Request for Your Success Stories

### *Communicating the value of ERM*

We'd like to hear from you on your experiences in leading or supporting risk management efforts, please send a short description to the AFERM Communications team. We hope to accumulate a series of vignettes that will support continued interest in the benefits of ERM throughout the Federal government.

Please send your success stories to the AFERM Communications Committee at [AFERM.Communications@gmail.com](mailto:AFERM.Communications@gmail.com). The Committee is led by **Shelly Turner** of PwC and **Cindy Allan** of the Internal Revenue Service with **Michael Goode** of PwC.

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## AFERM Membership Benefits

### *Membership provides access to valuable resources*

AFERM's membership has more than doubled since March 2016, and our current membership is **556\* professionals**. Our membership also continues to expand outside the Washington, DC, metropolitan area, with 67% from the DC-Maryland-Virginia area and the remaining 23% from 22 different states. The graph below illustrates AFERM's membership growth over the past 3 ½ years.



AFERM serves the Federal government and the public through sponsoring efforts for full and fair accountability for managing risk in achieving organizational objectives. AFERM maintains a forum for discussion of the Federal risk management profession, sponsoring educational and training programs, encouraging professional development, influencing risk management policies and practices, and serving as an advocate for the profession.

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The benefits of AFERM membership include the following:

- Education, training, and knowledge
- Insights on emerging trends, tools, and techniques
- Career advancement and networking opportunities
- Direct access to risk management professionals in the public and private sectors
- Annual Federal ERM Summit for advancing industry best practices

**We want to hear from you!** AFERM members, watch your email for **AFERM's upcoming membership survey**. It's an opportunity to provide us your valuable feedback on how we're doing and suggestions for improvement.

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\*AFERM membership as of March 20, 2017.

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The chair of the AFERM Membership Committee is **Yehuda Schmidt** of Cotton & Company at [AFERM.membership@gmail.com](mailto:AFERM.membership@gmail.com).

## 2017 AFERM Officers and Committees

### **Leadership of AFERM**

#### **Officers**

President, Sallyanne Harper  
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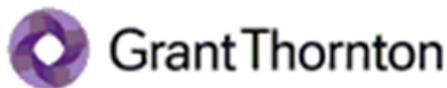
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