# ERM Times

**In this issue:**

- Sub-Group updates
- Survey feedback
- News from OMB
- Chair and Co-Chair Elections
- Upcoming opportunities: Events and Training



**Quote of the Quarter:**

*"Blankets have been used by companies for years for enterprise risk management because it is much easier to cover up problems than it is to identify and fix them."*

- Amy Summers

## CIGIE ERM Working Group Sub-Groups

During the March 5, 2018 meeting, the working group established four sub-groups to focus on key areas of interest to members. Information regarding sub-group progress, products, and challenges is included below.

### Implementing an ERM Risk Assessment Approach for Audit Planning Purposes

The full sub-group normally meets bi-weekly. However, meetings were suspended during summer holidays with group members working individually or in small groups on assigned sections.

The sub-group goal is to develop:
- A Risk Assessment Guide,
- Template(s) for performing/documenting the risk assessment
- An overview training PowerPoint presentation

The sub-group divided into smaller groups corresponding with the sections of the guide outline. Each small group is responsible for drafting a section of the guide. The full group reconvened on August 28 to discuss status of each section.

Milestone: One of the main sections of the guide "Determine Risk Ratings," which includes identifying risk ratings, risk scales and options for calculating overall risk scores, has been drafted and the format used for this section will be adopted as the format for the full Risk Assessment Guide.

The tentative timeline is to have a draft of the Risk Assessment guide by September 30, 2018 and to submit final drafts of all documents to the full working group by October 31, 2018. Dates are subject to change.

**Chair:** *Shellie Purnell-Brown, FEC OIG*

**Co-Chair:** *Jonelle Pianta, HUD OIG*


### Development of an ERM Practitioners' Guide

The Practitioner's Guide Sub-group met for a 2 day ERM Workshop on July 18th and 19th to interview the OIG organizations with mature ERM programs. The impetus for these interviews was to elicit best practices that could be included in the OIG ERM Practitioner's Guide. The ERM Practitioner's Guide will be available to all OIG organizations and could be used as a resource as they strive to start and implement an ERM program.

Members of the working group enjoyed the 2 day ERM Workshop. Here is what Theresa Perolini had to say…

"I walked away from the ERM Practitioner's Guide Workshop with several ideas for how my organization, ED-OIG, can continue to build on its ERM program after hearing about the progress and plans of other OIGs. It is important that ERM be implemented in a way that fits the organization, both in terms of integration with current practices and processes and in consideration of mission, goals, and organizational culture. So, hearing from other OIGs that perform similar work and face similar challenges was particularly valuable. I am sure that other organizations implementing ERM will benefit from a compilation of the experiences and lessons learned that were discussed."

Currently, the group is awaiting the results from the CIGIE Professional Development committee regarding championing and supporting this initiative. In addition, the deadline for the group's first draft was scheduled for September 14th.

**Chair:** *Dr. Temika Edward, DHS OIG*

**Co-Chair:** *Jessica Southwell, DOL OIG*

### *Auditing ERM Implementation at Component Agencies*

Monthly meetings of the sub-group have been held since May. The team has been busy developing a guide for OIG teams charged with assessing their agency's ERM implementation. The guide is expected to include information on relevant criteria, prior GAO and OIG work, suggested audit steps, and relevant training resources.

The group is conducting research on the documents to identify information and criteria for inclusion in the guide:
- OMB Circular A-123
- The ERM Playbook
- The COSO framework
- Institute of Internal Auditors Practice Guides
- GAO's Green Book.

Members determined that, in 2016, TIGTA completed a follow-up to a 2011 audit of IRS's efforts to implement ERM. On June 19th, group members met with the TIGTA team to discuss lessons learned and best practices, which will be incorporated into the guide.

Research on training resources has also been conducted, including:

- ERM: A Driver for Organizational Success and the
- COSO ERM Certificate Program offered by the Institute of Internal Auditors
- ERM executive seminar offered by the Graduate School USA
- Association of Government Accountants ERM presentations

Information on these and other training resources will be included in the guide for those audit teams wishing to attend ERM-related training before initiating an audit of their agency's ERM implementation.

> ***Chair:*** *Rebecca Sharek, SEC OIG*

> ***Co-Chair:*** *Neha Diwan, EXIM OIG*

### *ERM at small OIGs*

The ERM at Small OIG subcommittee has been meeting bi-weekly. Materials have been shared with members and posted on line. Highlights of recent work include:

- Drafting and launch of a survey to assess the level of ERM implementation and key challenges.
- Interviews with Inspectors General from the CIGIE small OIG group to complement survey results.
- Preparations to analyze the results of the survey and interviews and write up observations.
- Potential implementation of a recommendation received by the sub-group to create a small task force of more experienced OIG staff to train staff from select small OIGs. The staff that receive training will then implement what they have learned and agree to train other staff.

> ***Chair:*** *Dr. Mark Thorum, EXIM Bank OIG*

> ***Co-Chair:*** *Candace Matthews, NCUA OIG*

## Survey Feedback

In July, 2018, the ERM Working Group was surveyed to track satisfaction with the group's progress to date, topics of interest for the remaining meetings in 2018, and identification of individuals interested in leading the full working group as the Chair or Co-Chair for 2019. 25 of 93 individuals polled responded.

Although overall members feel the right topics are being covered, there are quite a few members who are interested in the following areas:
- ERM best practices
- ERM implementation tips
- Ensuring that sub-groups are on track
- Updates from OMB
- Steps to evaluate the ERM process
- Risk assessments and training
- Identification of emerging risk
- How best to market the work we (OIG) do
- Integrating ERM with strategic planning

Two members expressed an interest in leading the group in 2019. Many of the members could not participate in this capacity due to anticipated workloads. Some respondents were not clear if the request was for leadership of the full group or subgroups.

Overall, when considering utility of information, opportunities for learning, networking, and sub-group participation in their analysis, 84 percent of respondents rated their satisfaction level as good, very good, or excellent. 16 % rated it as fair.

The current Chair and Co-Chair plan to use the feedback to inform planning for the remaining meetings in 2018, and share the information with successors during the leadership transition.

## News from OMB

*Dan Kaneshiro, OMB*

### OMB Issues Update to Appendix C of A-123

On June 26th, 2018, the Office of Management and Budget released a revised Circular A-123, Appendix C, Requirements for Payment Integrity Improvement, M-18-20. The revised Appendix C is a critical piece of the guidance needed to improve the prevention of improper payments under the Getting Payments Right Cross Agency Priority Goal. Users will experience more meaningful, unified, and comprehensive payment integrity guidance that significantly reduces unnecessary and burdensome improper payment requirements. This guidance replaces OMB Memorandum M-12-11, Reducing Improper Payments through the "Do Not Pay List," OMB Memorandum M-13-20, Protecting Privacy while Reducing Improper Payments with the Do Not Pay Initiative, and OMB Memorandum M-15-02, Appendix C to Circular No. A-123, Requirements for Effective Estimation and Remediation of Improper Payments. For more information, you may contact Heather Pajak, OMB at: Heather_C_Pajak@omb.eop.gov.

**OMB Issues M-18-23**

On August 27, 2018, the OMB Director issued OMB Memorandum M-18-23, *Shifting From Low-Value to High-Value Work*. This memorandum provides guidance to Federal agencies regarding Cross Agency Priority Goal 6 of the President's Management Agenda, summarizes ongoing central-management efforts to reduce the burden of compliance and reporting for Federal agencies, and rescinds another tranche (45) of obsolete/unnecessary guidance documents. M-18-23 is the successor to M-17-26, *Reducing Burden for Federal Agencies by Rescinding and Modifying OMB Memoranda*, which lifted 59 redundant, obsolete or unnecessary requirements from all Federal agencies, and committed OMB to continue working with agencies through the government-wide council structure to identify additional areas of low-value, duplicative, and obsolete requirements.   M-18-23 directs agencies to provide updates on their burden-reduction initiatives semi-annually, at the close of the second and fourth quarters of each fiscal year. A web page dedicated to Shifting to High-Value Work includes instructions to agencies for this reporting and offers additional resources, including examples of best practices and highlights of agency burden-reduction strategies and projects. Agencies should visit the CAP Goal 6 web page to learn more about CAP Goal 6 and how Federal agencies are reducing the burden of low-value activities and redirecting resources to accomplishing mission outcomes that matter most to citizens.

---

## CIGIE ERM Working Group Chair and Co-Chair Elections

The inaugural year of our CIGIE Enterprise Risk Management Working Group is drawing to a close, and it is time to plan for transition to new group leadership.  The recent survey to members, asked about interest in leading the group going forward. Two individuals expressed an interest. The September 20th meeting of the full ERM Working Group will provide an opportunity for additional nominations.

Following the meeting, short write-ups will be requested from individuals that have accepted nominations. The write-ups will be shared with the group by the end of September. An anonymous vote will be conducted in early October. As a non-voting participant from CIGIE, David Gross agreed to coordinate and tally the vote through his organization. The new Chair and Co-Chair will be announced shortly thereafter, and introduced at our final meeting for the year in December.

Please consider if you might be the right person to lead our group forward, or if there is an outstanding leader you would like to nominate.

---

## Upcoming opportunities: Events and Training

*The events and training opportunities listed are being provided for informational purposes and do not constitute an endorsement by the Council of the Inspectors General on Integrity and Efficiency, the CIGIE ERM Working Group, or the U.S. Government.*

*September 2018 – "The Election Issue"*

**CIGIE ERM Working Group Quarterly Meeting**

September 20, 2018 1:00 pm – 2:30 pm

Ms. Sallyanne Harper will be speaking to the group. Ms. Harper is a founding member and immediate past president of the Association for Federal Enterprise Risk Management. She served for 10 years as the Chief Financial Officer (CFO) and Chief Administrative Officer for the U.S. Government Accountability Office, and now serves as adjunct faculty in the Brookings Institution's Executive Education Program and as an advisor to the George Mason University Chief Risk Officer program. Additionally, we will have updates from sub-groups and nominations for CY19 Working Group Chair and Co-Chair. For more information, email OIG.SRM@OIG.DHS.GOV.

**AGA Internal Control and Fraud Prevention Training**

September 20–21, 2018

Training focusing on internal controls and minimizing fraud, waste and abuse. The agenda includes a range of timely and valuable information including fraud detection, data analytics, improper payments and risks with government payment cards. The event takes place in Washington D.C. and on the web.

https://www.agacgfm.org/Fraud/Home.aspx

**Performance Institute: Gov-ERM Summit**

September 24, 2018

The Government Enterprise Risk Management Summit (Gov-ERM), Threat Prediction and Prevention for Government, is the one-stop event covering the latest frameworks, data-driven approaches, and solutions to assessing and reducing risks in government programs. The event will take place at the Performance Institute at AdvantEdge Business Center in Washington, D.C.

https://www.performanceinstitute.org/attend/gov-erm-government-enterprise-risk-management-sep/

**AFERM October Luncheon in Atlanta, GA**

October 16, 2018

AFERM's first ever Atlanta, GA event will take place on October 16th at Pricci Restaurant. The event will provide the opportunity to network and enjoy lunch with other ERM professionals in the Atlanta area and will feature a presentation on ERM by Derrick Sturisky, Head of Risk Management and Business Continuity at Shire, a global pharmaceutical organization.

https://www.aferm.org/events/aferm-october2018-luncheon-atlanta/

**RIMS 2018 Annual Conference & Exhibition**

October 29, 2018

RIMS 2018 Annual Conference & Exhibition is the premier event for the risk management community. If you have risk management responsibilities, GO BIG and join RIMS in San Antonio this April.
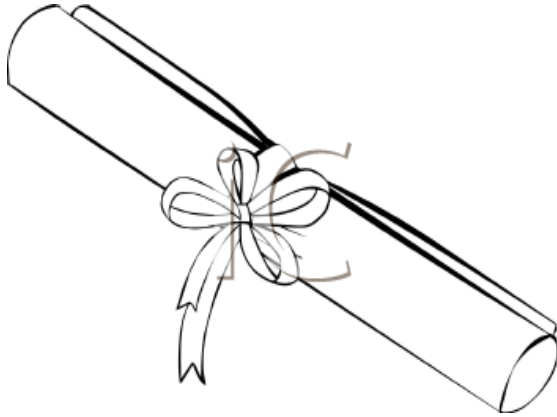https://www.rims.org/RIMS2018

**2018 AFERM Summit**

Oct. 30 & 31, 2018

The AFERM Summit Committee is actively planning another stellar set of presentations for this year's 11th Annual Summit theme Innovate, Integrate, Motivate: Shaping the Future of ERM in the Public Sector.

https://www.aferm.org/events/2018-summit/

---

# Certifications in Enterprise Risk Management

**The George Washington University Center for Excellence in Public Leadership Certificate Program in Enterprise Risk Management in Government**

The CERTIFICATE PROGRAM at the George Washington University is designed to provide you with the fundamental concepts and processes, principles, tools and techniques of ERM in the context of organizational change. The program will not only help you develop your knowledge of the ERM process, procedures and skills, but also enable you to apply the coursework to a practical application relevant to your organization. WWW.GWU.EDU/CEPL

**RIMS-CRMP-FED Microcredential**

You now have the opportunity to be at the forefront of ERM professionals demonstrating their knowledge of ERM and its application in the federal government with the new RIMS-CRMP-Fed credential. When you earn the RIMS-CRMP-Fed, you'll be a holder of the RIMS-Certified Risk Management Professional (RIMS-CRMP) certification—which tests the application of ERM knowledge—as well as the federal government risk management micro-credential. https://www.RIMS.org/RIMS-CRMP-Fed

---

For more information about the CIGIE ERM Working Group, send us an email at:

OIG.SRM@oig.dhs.gov