

ERM Times

Council of Inspectors General on Integrity and Efficiency (CIGIE) | Enterprise Risk Management Working Group (ERMWG)

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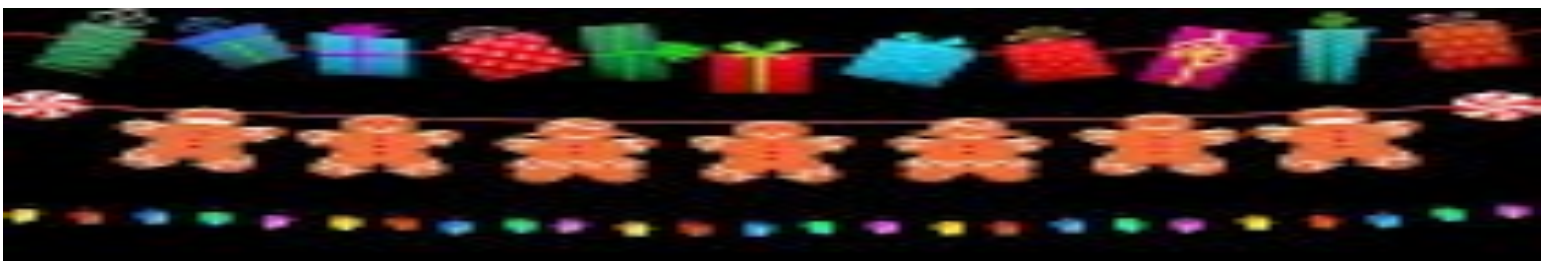
[The Oversight Project](#) develops blogs in connection with a seminar being taught at American University Washington College of Law. The seminar explores and analyzes the work of the Inspectors General, Office of Government Ethics, Office of Special Counsel, Government Accountability Office, and the Office of Management and Budget, among other constituent elements of the “oversight and accountability community.” In addition to the course, students and guests participate in developing and implementing new online publication content. The project was kicked off during a special event in October 2, 2019 including representation of several IGs.

One of the first guest articles posted on the blog, include “[The Role of the Inspector General in Enterprise Risk Management](#),” written by IG Westbrook from the Pension Benefit Guarantee Corporation.



NC State University’s ERM Initiative and Protivity Issue “Executive Perspectives on Top Risks

Protivity and NC State University issued a report focusing on the top risks currently on the minds of global boards of directors and executives. The report includes top risks in the areas of regulatory change, economic conditions, succession challenge and resistance to change. The full report can be found [here](#).



Climate change is now the number one risk to organizational growth say CEOs

CEOs have named climate change as the top risk to organizational growth in 2019, ahead of technological disruption, return to territorialism, cyber security and operational risk, according to the findings from KPMG's 2019 Global CEO Outlook. This marks the first time in the five-year history of the survey that climate change ranked top of the list.

The study, which surveyed 1,300 CEOs across 11 key markets and 11 key industry sectors, indicated that more than three-quarters (76 percent) of those surveyed said that their organization's growth will depend on their ability to navigate the shift to a low-carbon, clean-technology economy.

Cyber security risk dropped from being seen as the second highest risk to organizational growth in 2018 to the fourth in 2019; with 'Emerging/disruptive technology risk' moving from third place in 2018 to second in 2019.

The top risks to organizational growth:

2019

- Environmental/climate change risk
- Emerging/disruptive technology risk
- Return to territorialism
- Cyber security risk
- Operational risk.

2018

- Return to territorialism
- Cyber security risk
- Emerging/disruptive technology risk
- Environmental/climate change risk
- Operational risk.

The article can be found [here](#).



“Risk management should be an enterprise wide exercise and engrained in the business culture of the organization” ~Julie Dickerson



Source: AFERM

[Managing Risk of Government Agencies and Programs — Part I](#)

[Managing Risk of Government Agencies and Programs — Part II](#)

An Outlook on the 2020 Global Business Environment: Key Issues Being Discussed in Corporations

Leaders of organizations in virtually every industry, size of organization, and geographic location are reminded constantly that they operate in what appears to be too many increasingly global risks. Boards of directors and executive management teams cannot afford to manage risks lackadaisically and then subsequently reactive, especially considering the rapid pace of disruptive innovation and technological developments in an ever-advancing technological world.

This is a meaningful and insightful webcast created for you to discuss some of the top risks that are likely to affect organizations throughout 2020. Register [here](#), if you're interested. Additionally, CPE: 1.3 CPE credits will be provided to eligible attendees.

If you have any additional questions or concerns about the course please contact **Lark Scheierman** (lark.scheierman@protiviti.com) with questions.

Want to improve on the FEVS? Talk about it early and often, HHS says

Ask the Department of Health and Human Services how it's managed to make improvements on the annual Federal Employee Viewpoint Survey and the answer is simple. Employee engagement is a yearlong, ongoing mission at HHS. The department also talks about the survey — a lot.

HHS has been making small, quiet strides to improve its scores on the Federal Employee Viewpoint Survey (FEVS) since 2014, when its engagement score sat at 66.2%.

In 2019, its overall employee engagement score had climbed to 73.5%, a 7% increase in five years.

But perhaps what's more significant is how HHS managed to increase its participation rate on the 2019 FEVS by 15% in one year alone. Nearly 72% of the department's workforce, or 51,703 employees, took the 2019 survey — a significant feat for such a size as HHS. You can find the full article and Federal Drive podcast [here](#).

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Getting Our Arms Around the Ever-Changing World of Emerging Risks

The ERM Initiative at NC State recently hosted a group of ERM leaders to discuss challenges related to monitoring emerging risks – those risks that appear to be on the horizon but are currently a bit fuzzy in nature and loaded with uncertainty about how they may impact your organization. Amid the conversation of these ERM leaders, risks related to the rapid embrace of technology and the potential for new types of disruptive innovations are of particular concern.

Developments in artificial intelligence, machine learning, combined with a shifting workforce where needed talent may be difficult to come by and where social and environmental norms are evolving so quickly thus causing organizations to sometimes become inundated with information and yet unable to digest all fast enough.

For additional information on this topic please click [here](#).

Next CIGIE ERM Quarterly Meeting

Save-the-Date: The next CIGIE ERM Quarterly meeting is scheduled for **March 11, 2020** (between 1-4pm) at the U.S. State Department, Office of Inspector General in Arlington ,VA.

Emerging Risk Tracker

Top Five Risks by Overall Risk Score¹: 1Q19 – Current

Rank	1Q19	2Q19	3Q19
1	↑ Accelerating Privacy Regulation ²	↑ Pace of Change ²	↑ Digitalization Misconceptions
2	↑ Pace of Change ²	↑ Lagging Digitalization	↔ Lagging Digitalization
3	↓ Talent Shortage ²	↔ Talent Shortage ²	↑ Strategic Assumptions
4	↔ Lagging Digitalization	↑ Digitalization Misconceptions	↑ Data Localization
5	↔ Digitalization Misconceptions	↑ Data Localization	↑ U.S./China Trade Talks

Strategic assumptions appear in top five emerging risks

Source: Gartner
¹ Overall risk score = square root (impact score × probability score) × percentage of respondents selecting the risk.
² After appearing for four consecutive quarters, risk is no longer considered emerging.
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“If you don’t invest in risk management, it doesn’t matter what business you’re in, it’s a risky business”
 ~Gary Cohn

If you have any questions about this Newsletter, please contact Jennifer Leung at leung.jennifer@oig.dol.gov, or Quinette Liverpool, liverpool.quinette@oig.dol.gov