Office of Enterprise Risk Management (OERM)

Board Meeting Presentation September 23, 2013



Agenda

- OERM's Mission
- Key Drivers
- Integrated Approach to Manage Risk
 - Work Streams
- OERM Team Structure
- Accomplishments over the past 6 months
 - Continual Learning and Education
- Evolution of Our Risk Management Program



OERM Mission

To enhance enterprise governance by embedding risk management into key Agency operations and strategic decision making.

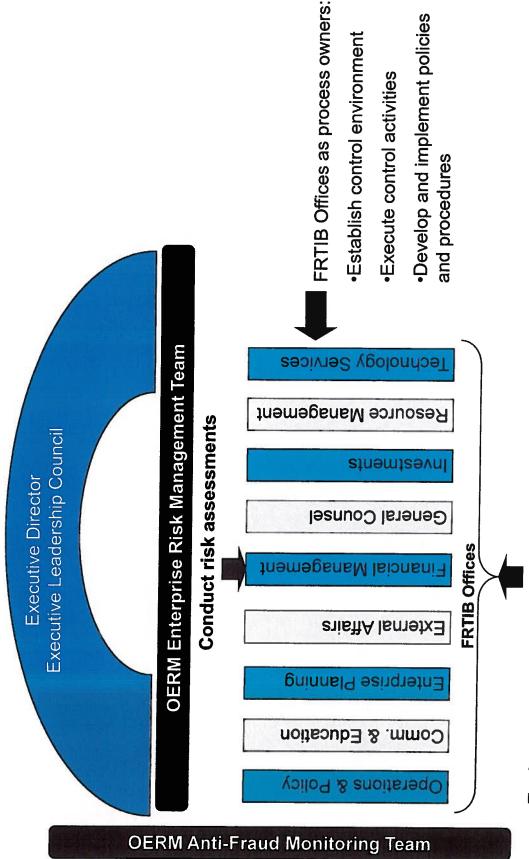


Key Drivers

- stakeholders to satisfactorily address their concerns. Responsive...to external and internal (Agency)
- Reliable and Available...to retain the confidence and trust of stakeholders.
- application of applicable risk management principles, Knowledgeable ...to apply global best practices and educate internal and external stakeholders in the frameworks, and methodologies.
- risks identified and provide solutions that are practical Objective...to provide unbiased assessments of the and cost beneficial.

OERM Internal Audit Team

Our Integrated Approach to Manage Risk



Evaluate internal controls across all business components of the organization

OERM Internal Controls Team

External monitoring from Oversight Organizations

We Manage 6 Related Work Streams to Reduce the Agency's Risk Exposure

Managemen Enterprise

Controls Program Internal

Audit Support

Monitoring Anti-Fraud

Internal Audit

- - and procedures in

comprehensive fraud detection

Implement a

Support the Agency's

financial audit by

coordinating activities

identify, assess and

mitigate risk to

risk assessments;

control reviews to

enterprise-wide and operational

▶ Perform

Perform internal

with the external

auditor and the

Agency's business

operations;

- existing and "To ▶ Understand the operations and perform gap lifecycle of business
- policies &

using business

the Agency's position reviews by providing

audits/reviews.

corrective actions;

Promote audit

readiness.

ntelligence

tools;

data analysis

iii) trend analysis;

investigations;

assessments

and fraud

GAO) to respond to (Dept. of Labor and oversight agencies

audits and special

Work with Agency

continuity of

o ensure

Functions

outsourced

services.

stakeholders to

develop and

implement

deficiencies identified

and provide

and internal controls management issues

recommendations for

mproving the

Maintain official documents.

- ▶ Identify policies
- analysis between

 ongoing external system to include: and investigation

Agency offices; and

▶ Coordinate with

 Assess key internal controls and report

Agency's vendors'

Monitor the

inancial and

on assessment

operational health

results:

and internal

fraud risk

governance systems

are functioning as

Report risk

intended

- Procedures FRTIB/TSP Policies &
- - - Be" state;
- Act as advisors to develop or modify Agency offices to procedures; and

iv) exception reporting.

Evaluate and provide assurance that risk management control, and reasonable

- Evaluate information associated risk organization's operations. exposures.
 - Evaluate regulatory compliance (rules, guidelines). *

Independently assess risks & **FRTIB Board** Internal Audit controls Support Executive Leadership Council (ELC) to build integrated risk & control Internal Controls Audit Support External Jay Ahuja Deputy Chief Risk Officer **OERM Team Structure Executive Director** Chief Risk Officer Management Enterprise Risk Gregory Long Anne Beemer mechanisms to accomplish Agency's objectives **Procedures** Policies & Monitoring **Anti-Fraud**

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Accomplishments Over the Past 6 Months

- Worked with Agency staff to monitor and close open audit recommendations resulting in closure of 12 audit findings.
- commenced efforts to perform enterprise-wide and operational risk Established a formal ERM framework and methodology and
- Initiated comprehensive internal controls reviews of key processes.
- Managed the Agency's financial audit process by coordinating activities between the external auditor and all relevant Agency offices.
 - Managed relationships with oversight organizations (Department of Labor and GAO) by fulfilling fieldwork requests and responding to all audit reports in a timely manner.
 - Started a formal anti-fraud monitoring group that will work with Agency offices to prevent and detect external and internal fraud.

Initiated a process to coordinate the development of Agency's

policies and procedures to ensure they reflect current operations Increased staff by three to staff new functions (anti-fraud and policies & procedures)

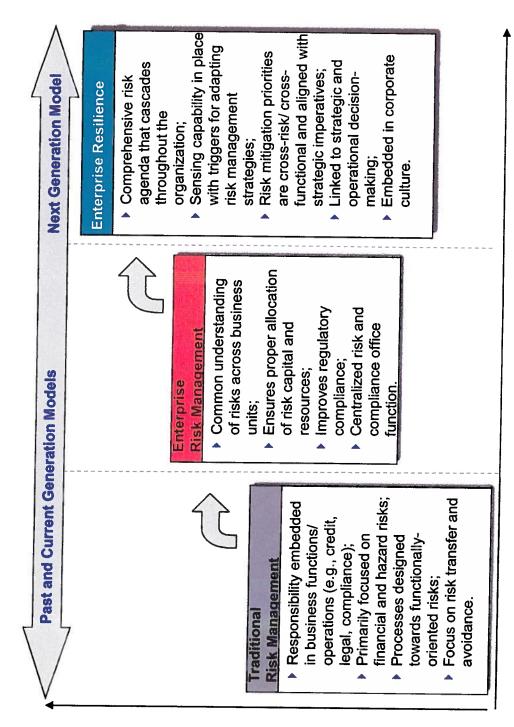


Continual Learning and Education

- and networking with global and professional organizations through OERM staff researches and applies best practices by connecting participation in the following forums:
- International Organization for Standardization (ISO)
- Institute of Internal Auditors (IIA)
- American Institute of Certified Public Accountants (AICPA)
- Information Systems Audit and Control Association (ISACA)
 - Association of Certified Fraud Examiners (ACFE)
- Association for Federal Enterprise Risk Management (AFERM)
 - Global Association of Risk Professionals (GARP)



Evolution of Our Risk Management Program



"Functional"

"Coordinated"

"Aligned and Adaptive"



