

# Office of Enterprise Risk Management (OERM) Report

PRESENTED BY  
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# Agenda

OERM's Functional Statement

Organizational Structure

Highlights of our Current Activities

Planned Activities



**Thrift Savings Plan**

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD  
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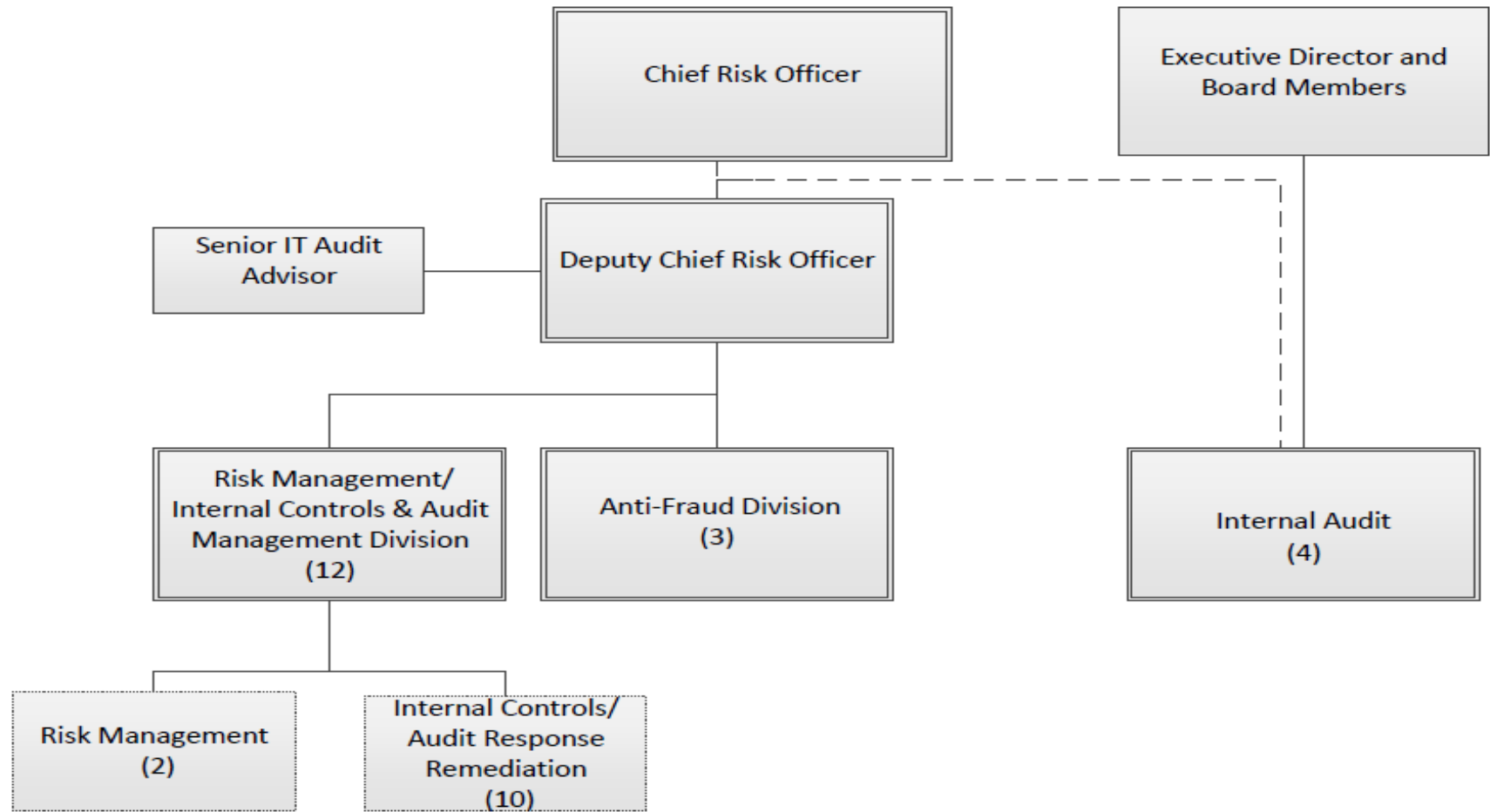


# Functional Statement

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



# Organizational Structure



**Second line of defense**

**Third line of defense**

# Enterprise Risk Management, Internal Controls and Audit Liaison

- Enterprise Risk Management efforts move forward
  - Completed Enterprise Risk Assessment and Dashboard.
  - Supporting Agency Offices to guide development of risk treatment plans for top five risks.
  - Developing Agency Risk Appetite statements.
  - Facilitated finalization of 65 Agency Policies and Procedures in CY 2017.
  - Provided Board Members with quarterly updates of key vendors' financial and operational health.
- Internal Control Program continues to ramp up
  - Performing internal control reviews of five offices. Completed business processes risk assessments and commenced testing of key controls for selected business processes.
  - Plan to expand testing for more offices in 2019.
- Continued support for external audits
  - Provided support for 15 external audits in FY2017. Expect to support 23 external audits in FY2018.
  - Reviewed 68 closure packages in the six months ending December 2017.
  - Provided annual audit management training to all Agency offices.

# Internal Audit

- Hired New Auditor-In-Charge in June 2017
- Initiated Travel Charge Card audit in August 2017
- Awarded audit co-sourcing contract in September 2017
- Issued FISMA audit report in October 2017
- Presented updated plan for CY 2018 to FRTIB Board in November 2017
- Completed TESS contract management audit
- Preparing to initiate additional audits, including Procurement, Vendor Management, OMNI application, and Compliance with Laws and Regulations.

# Anti-Fraud

- Addressed TSP case management activities for potential incidents
- Conducted cross-functional fraud prevention and detection activities
- Coordinated with U.S. Department of the Treasury (referrals and recovery)
- Coordinated Brand Monitoring and Enforcement activities
- Reviewing and Updating Anti-Fraud policy and procedures



# Looking Ahead for the Year

## External Audit Activity

- Continue to support external audits and streamline the audit process.

## Enterprise Risk Management

- Support development of Risk Treatment plans for key risks and guide remedial measures.
- Finalize Risk Appetite Statements to help prioritization of risk mitigation efforts.

## Internal Controls

- Conduct Internal Controls Reviews of additional key business processes and collaborate with Agency Offices to address gaps noted.

## Anti-Fraud

- Strengthen proactive mechanisms to mitigate risk of fraud by balancing efforts for fraud prevention, detection and response.
- Coordinate with internal controls reviews to conduct fraud risk assessments.

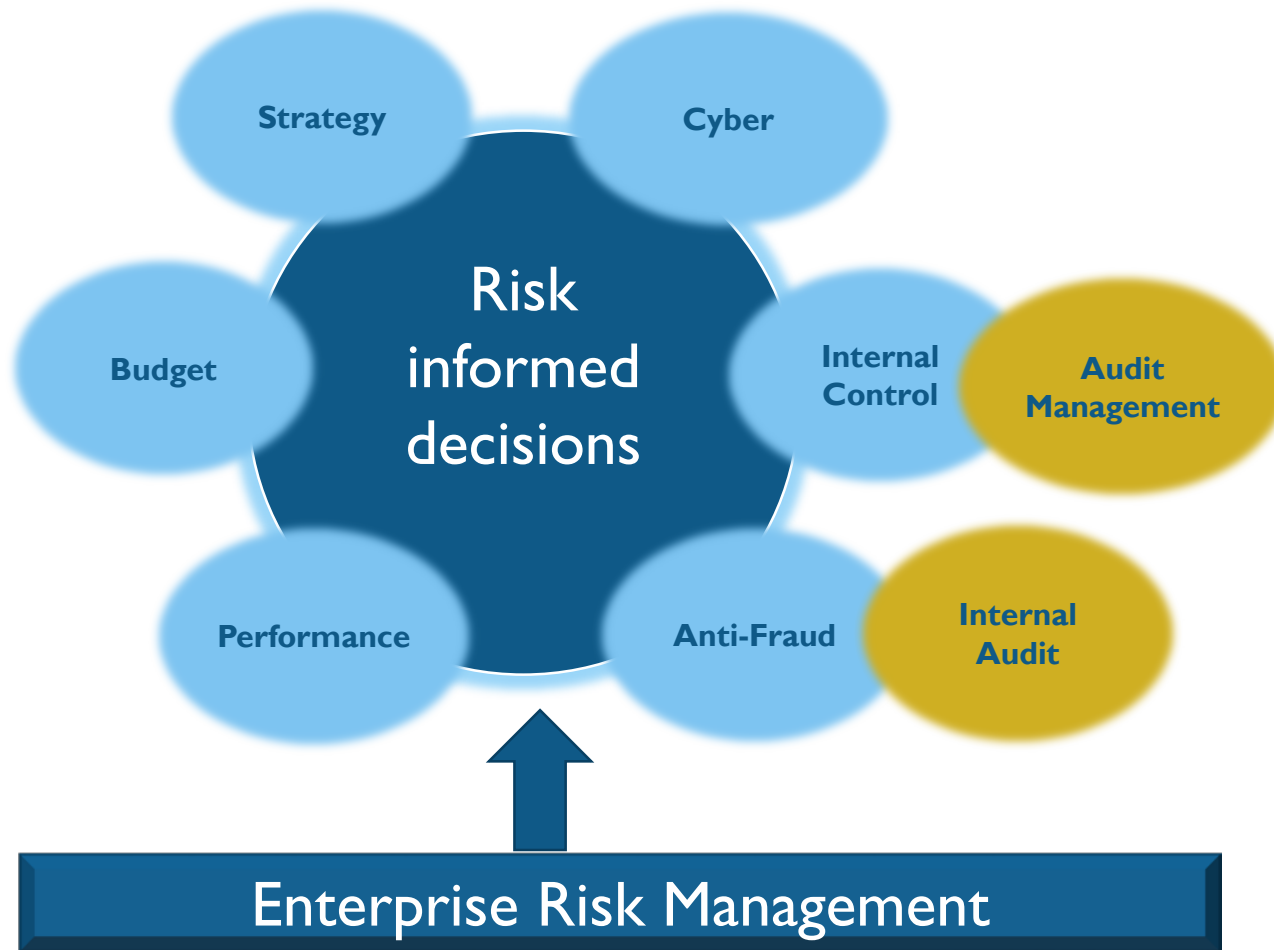
## Internal Audit

- Coordinate with Agency Offices to support the FY 2018 FISMA Audit.
- Execute agreed-upon Internal Audits and report results to the Board.



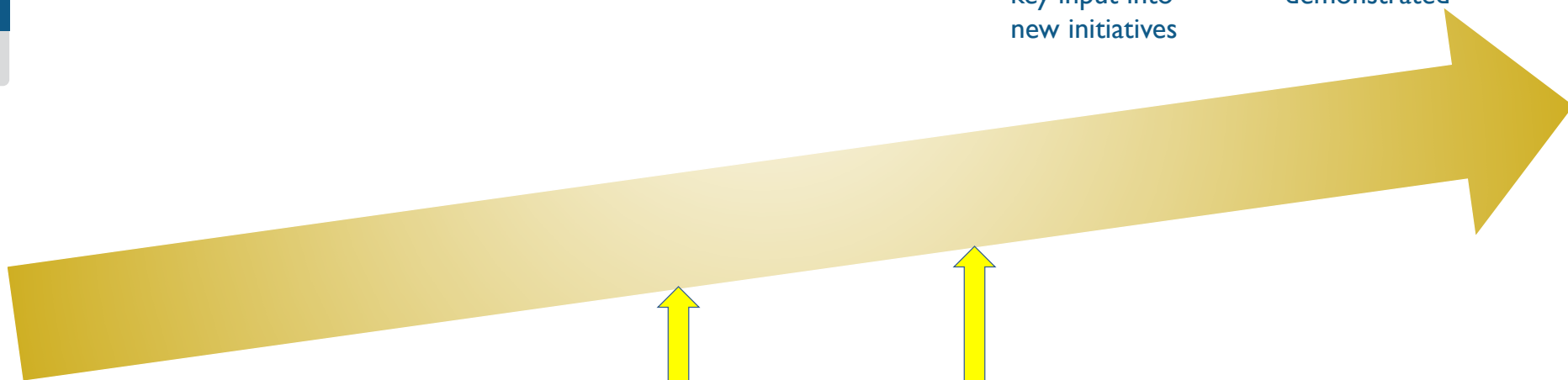


# Integrate ERM in Decision Making Process



# Goal is to move up the Maturity Scale

Level 1 Initial	Level 2 Developing	Level 3 Defined	Level 4 Managed	Level 5 Optimizing
<ul style="list-style-type: none"> <li>▪ No visibility into critical risks; very compliance focused and reactive</li> <li>▪ Little executive support to assess risk</li> <li>▪ No risk policy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Responsibility for risk management has been assigned</li> <li>▪ Ad hoc risk assessments executed in silos</li> <li>▪ Risk register created</li> <li>▪ Risk policy is developed</li> </ul>	<ul style="list-style-type: none"> <li>▪ Formal strategic planning for risk management</li> <li>▪ Risk assessments proactively executed</li> <li>▪ Control gaps closed</li> <li>▪ Governance committees formed</li> </ul>	<ul style="list-style-type: none"> <li>▪ Executive-level reporting</li> <li>▪ Key Risk Indicators are mapped into Key Performance Indicators</li> <li>▪ Formal residual risk sign-off</li> <li>▪ Enterprise management is a key input into new initiatives</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continuous assessment</li> <li>▪ Enterprise-wide risk aware culture</li> <li>▪ Risk fully integrated with strategic decision making; governance driven by executive management; board-level visibility and oversight fully demonstrated</li> </ul>



Now

In 12-15 months



**Thrift Savings Plan**