

# Office of Enterprise Risk Management (OERM) Report

FRTIB Board Meeting March 29, 2016

## Agenda

**OERM's Functional Statement** 

Our Organizational Structure

Highlights of our Activities

Challenges and the Path Forward

### **OERM's Functional Statement**

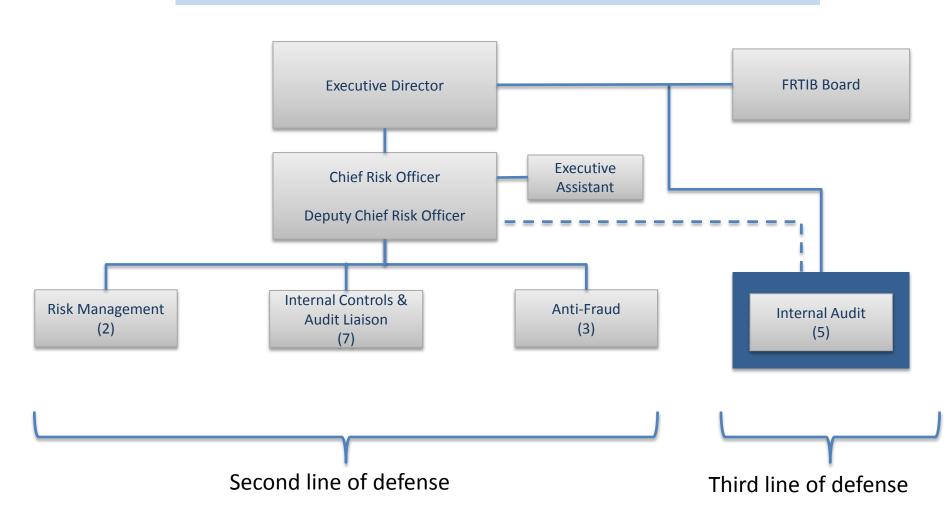
To enhance enterprise governance by embedding risk management into key Agency operations and strategic decision making.

## Moving up the maturity scale

Level 1 Initial	Level 2 Developing	Level 3 Defined	Level 4 Managed	Level 5 Optimizing
<ul> <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> <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> <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> <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> <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		

## Organizational Structure to help mitigate risks

#### FRTIB Office of Enterprise Risk Management Organization Chart



#### Internal Controls and Audit Liaison

- Provided support for 14 audits in the last 5 months by external audit entities
- Support for additional 11 audits expected in next 7 months
- Finalized 83 policies and procedures and expect to complete 100+ policies and procedures by end of FY 2016
- Developed/implemented formal process to review and validate audit findings considered to be closed by the Agency
- Supporting scope determination for Network Penetration Testing

#### Internal Audit

- Completed two 2015 Internal Audits
- Commencing work on first 2016 internal audit
- Conducting Cybersecurity best practices study in the defined contribution sector
- Supporting process to validate audit findings considered to be closed by the Agency

#### **Anti-Fraud**

- Brand monitoring program fully established
  - 4 enforcements and 66 pre-emptive domain registrations since inception (FY 2014)
  - 2 enforcements and 1 pre-emptive domain registrations (YTD)
- Timely response to various allegations of fraud and forgery (largely instances of spousal misconduct related to divorce cases)
- Referral of fraud matters to law enforcement and regulatory agencies, where appropriate (1 YTD and 7 since inception in FY 2014)

## Risk Management

- Vendor Financial and Operational Risk Assessments
- Enterprise Risk Assessment

## Challenges and Path Ahead

New work streams

Root cause identification and remediation

Evaluation of key business process controls

Execution of approved Internal Audits

Address Change Management/Capacity issues

Interdisciplinary teams to implement resilient fixes

Resolve gaps and reduce audit findings

Coordination with external audit activity