

CREATING A CLEAR 20/20 ERM VISION TO TAKE ON TOMORROW'S RISKS



AFERM
Association for Federal
Enterprise Risk Management

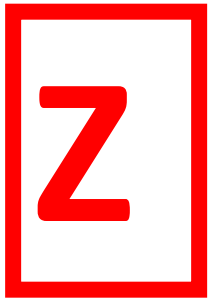
**13TH ANNUAL
ERM SUMMIT**

HOW ERM PROGRAMS CAN ADD VALUE DURING AND AFTER COVID-19

BREAKOUT SESSION A-2



OMB Circular A-123 History



- 1981 – OMB First Issued Circular No. A-123, Internal Control Systems
-
- 1982 – OMB Issued Internal Control Guidelines and the Federal Managers Financial Integrity Act was enacted
-
- 1983 – OMB Issued an Updated Circular No. A-123, Internal Control Systems
-
- 1986–OMB Updated A-123 to Require Management Control Plans to guide efforts
-
- 1995–OMB updated A-123, Management Accountability and Control to reflect CERA, CFO Act, IG Act
-
- 2004 – OMB updated A-123, Management's Responsibility for Internal Control and added Appendix A, Internal Control Over Financial Reporting

SAMPLE
SLIDE



Introduction



PANELIST
Tom Brandt

Chief Risk Officer
United States Internal Revenue Service



PANELIST
Gabe Benincasa

Chief Risk Officer
Securities and Exchange Commission

PANELIST
Vivek Arora

Head of Office of Risk Management
International Monetary Fund



MODERATOR
Thomas Holland

Director, Public Sector Financial Services
Guidehouse



2020 Federal ERM Survey



For the sixth year, Guidehouse and AFERM collaborated to conduct the Federal ERM Survey. The survey was conducted between May 11 and May 28, 2020.



The survey is designed to provide federal risk managers and leadership with perspective on the current state and trends of ERM in the federal government.



Several new questions were introduced to this year's survey to gain insight into agency risk management approaches to COVID-19.

2020 Federal ERM Survey



Federal Enterprise Risk Management

2020 Survey Results

The 2020 Federal ERM Survey is Guidehouse's sixth annual survey in collaboration with the Association for Federal Enterprise Risk Management (AFERM). It is designed to provide federal managers and leadership with perspective on the current state and trends of ERM in the U.S. Federal Government.

[Read Our 2020 Survey Results](#)

[guidehouse.com](https://www.guidehouse.com)



Engagement in Pandemic Response

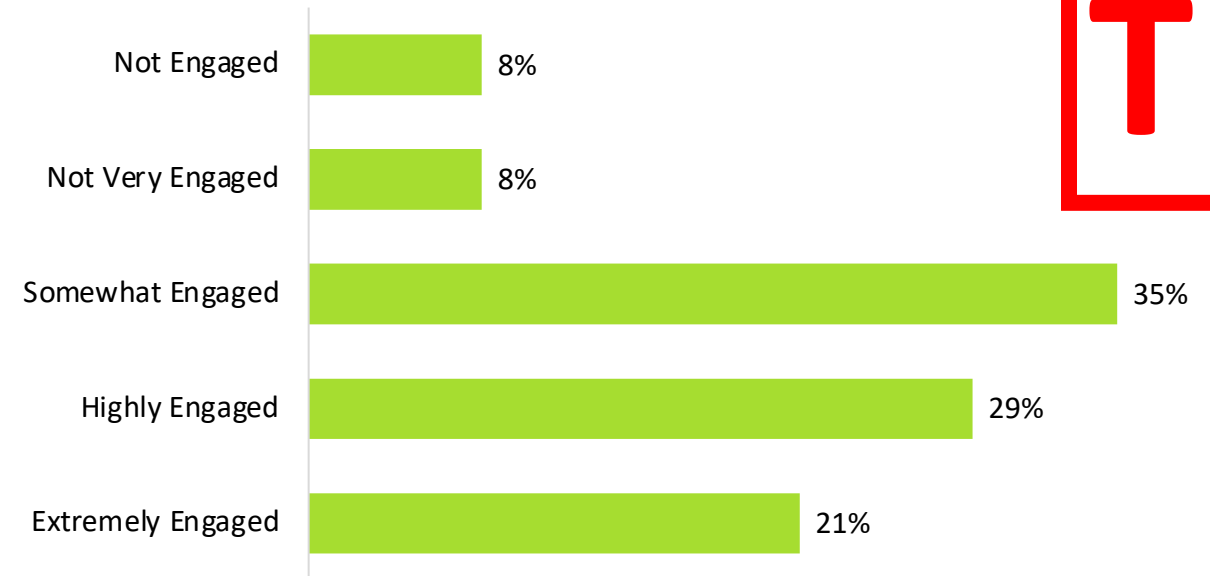
Respondents report that nearly all organizations have involved their ERM program in responding to COVID-19.

92% of respondents indicated that their ERM program has been engaged in their organization's response to the pandemic. 50% indicated that their organization's ERM program has been highly or extremely engaged.

Chief Risk Officers are playing an important role in the pandemic response.

Organizations with ERM programs led by a Chief Risk Officer are more likely than others to be highly or extremely engaged in their organization's response (65% vs. 39%).

How engaged has your organization's ERM program been in your organization's response to the current pandemic?

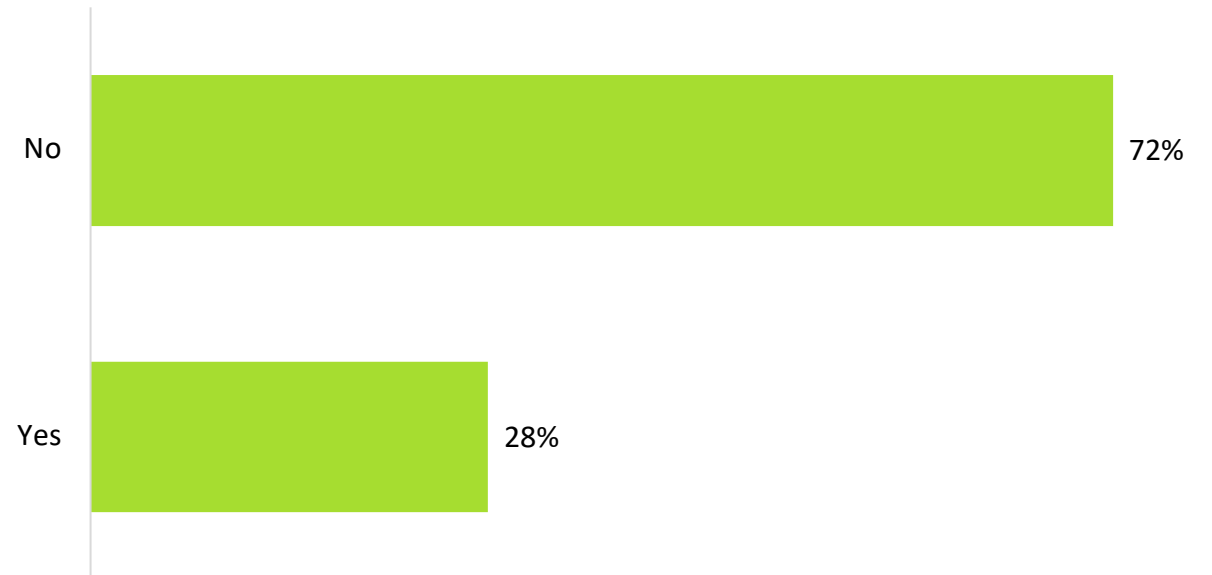


Agency Risk Profiles

Few agencies identified the risk of a pandemic in their enterprise risk profiles.

Only 28% of respondents indicated that their organization's enterprise risk profile captured the possibility of a pandemic or similar global health crisis prior to December 2019.

Prior to December 2019, did your organization's enterprise risk profile capture the possibility of a pandemic or similar global health crisis?



ERM Program Changes

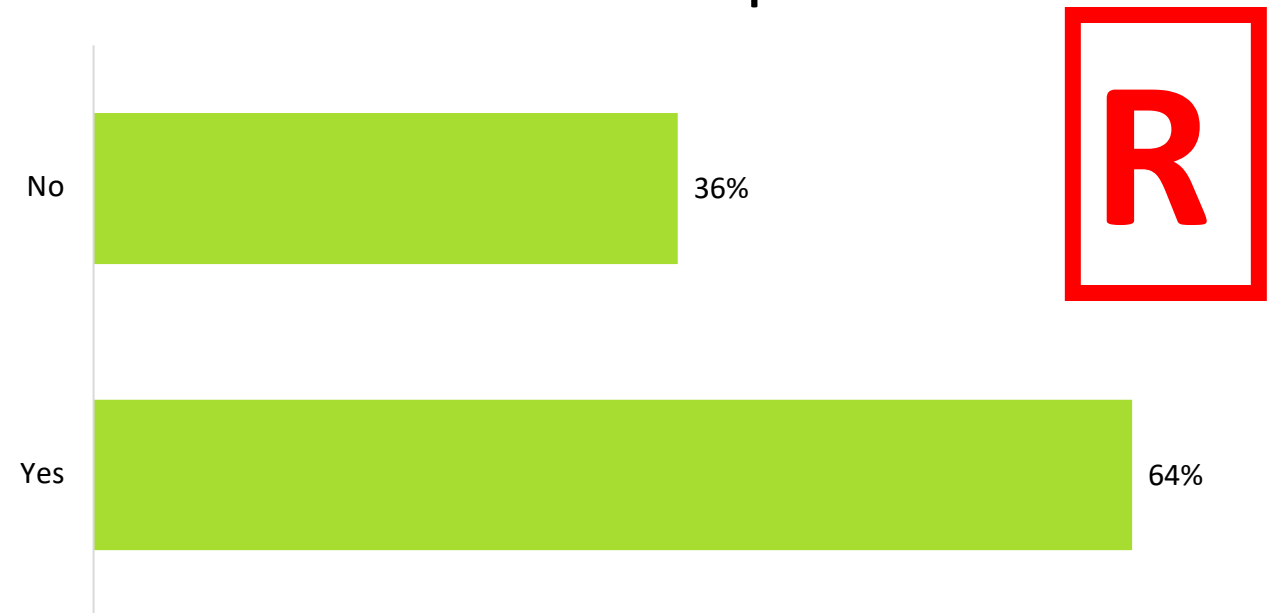
COVID-19 caused many ERM programs to change focus and modify activities.

At the time the survey was administered, in mid- to late-May 2020, 64% of respondents indicated that the pandemic caused their ERM program to define changes it planned to implement.

These planned changes can be grouped into the following categories:

- Focus on business continuity and contingency plans
- Identification of COVID-19 risks and updates to risk descriptions and scoring
- Changes to the risk assessment process
- Increased focus on risk responses
- Focus on black swan/disaster risks
- Focus on resiliency

Has your agency's ERM program defined any changes it plans to implement going forward as a result of the current pandemic?





Thank You for Participating!

Questions?