



**Highlights from ERMWG March Meeting**

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**Emerging Risks**

As presented by Gartner, the top 5 emerging risks of 2021 Q4 are:

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1. Postpandemic Talent—the risk that organizations encounter retention and recruiting issues coming out of the pandemic due to a failure to adopt a working model that meets preferences of the workforce.
2. Supply Chain Disruptions—the risk that organizations will experience increased supplier risk events due to extreme weather events, pandemic-induced slowdowns, cyberattacks or other factors.
3. New Ransomware Models—the risk that an organization’s operations or revenue are increasingly vulnerable due to evolutions in ransomware practices (increasing volume of attacks) or new cyberextortion techniques (ransoming personally identifiable information).
4. Endemic COVID-19—the risk of perpetual cycles of outbreaks and lockdowns triggered by COVID-19 variants.
5. Inflationary Pressures—the risk that increased prices of goods and services will raise the cost of doing business and/or reduce customer/employee buying power.

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Mad Scientist connects the intellect of the Nation to the Army; it mitigates risk by precluding surprise. For more information, access the Blog Site: <https://madsciblog.tradoc.army.mil>

Join Now!

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**HUD OIG Future of Work Approach**

The latest news and trends in enterprise risk management (ERM) from the Council of the Inspectors General on Integrity and Efficiency’s (CIGIE) Enterprise Risk Management Working Group (ERMWG).

Workplace of the Future Task Force and Safe Reopening Task Force

These task forces took a deep dive into the future of its work space and the safe reopening of its offices. Risk Factors considered included: telework, remote work, hiring and retention, alternative work schedules, hoteling, office design, and secure document management.

Access to these presentations on the Max page: [CIGIE ERM Working Group](#).

**About ERMWG**

CIGIE’s ERMWG contributes to the promotion and implementation of ERM principles in accordance with OMB Circular A-123 within the offices of the Inspectors General (OIG) community. [For the latest, visit the ERMWG page on the CIGIE website.](#)

# *Building Resilience into ESG Risk Management*

Risk and resilience continue to play an important role in the navigation of an increasingly uncertain world. Fusion Risk Management explores why it is equally crucial for technology to support organizations in addressing pertinent **environmental, social and governance (ESG)** issues. Businesses today are facing greater unpredictability and becoming more vulnerable to emerging risks relating to ESG issues. Most recently, the global impact of the Covid-19 pandemic has thrown such topics into sharp relief, encouraging consumers, investors and shareholders to prioritize concerns such as climate change, transparency, equality and ethical living.

Most organizations already recognize the need to respond to these concerns. In fact, it is becoming increasingly clear to business leaders that a strong focus on ESG not only drives more sustainable, fair and community-minded enterprises, but is also good for the bottom line. As such attitudes permeate the business world, organizations are looking within to find teams and develop strategies that can help integrate this attitude into decision-making systems and processes.

## **ESG and Operational Risk**

For risk professionals in the early stages of establishing an ESG agenda for their organizations, the initial focus should be on determining what exactly it means for the company, its stakeholders and third-party suppliers. Finding the right tools to support a more sustainable and responsible approach in this area will also be crucial. From an op risk perspective, the impacts of environmental issues tend to stem from the potential for damage to physical assets. For instance, an extreme weather event might cause an oil refinery shutdown, or rising sea levels could compromise an organization's office space over time. Social issues can range from data security at one end of the spectrum to issues of equality, social cohesion or labor relations on the other. "Social issues have really taken shape in a number of ways during the pandemic, particularly in relation to diversity, inclusion and the social obligations of enterprise to the broader community, as well as a new focus on employee health and safety, and mental health," says Paula Fontana, senior director of product marketing at Fusion Risk Management. "But also, the thinking around the broader context of data security has evolved. Many companies are entrusted with customer data – how do we ensure we are being proper stewards of that information?" A solid approach to managing and protecting the customer data flowing through internal systems is required, from both an ethical standpoint and to prevent the reputational risk arising from being at the center of a data breach. The 'G' in ESG – governance – typically relates to the policies and procedures in place to manage risk and support overall decision-making within a business. It encompasses issues such as conduct risk and fraud but, more than that, it is rooted in the transparency and fairness of a company's operations in relation to its stakeholders and the wider world.

## **The interplay between risk and resilience**

For many businesses, the Covid 19 pandemic brought home the impact unprecedented events can have on businesses and their stakeholders. Similarly, organizations are increasingly being adversely affected by unexpected situations such as extreme weather events or political unrest. All of this has led to the need to have transparent, ethical and robust strategies in place to maintain operations. Risk managers have the skills and experience to scan and plan for ESG threats and opportunities. Undoubtedly, regulation also plays an increasingly important role in encouraging organizations to create ESG-focused strategies. Risk and resilience professionals will need to keep current and upcoming requirements and standards in mind when developing strategies to manage ESG related risk.

Read full article: [Building resilience into ESG risk management - Risk.net](#)

# *DHS Launching New Employee Training Program Focused on Climate Change*

From disaster recovery to critical infrastructure protection to immigration, every mission across the Department of Homeland Security is facing new and ever-growing challenges from the changing climate.

To that end, DHS Secretary Alejandro Mayorkas wants to make sure agency employees have the skillsets and knowledge to manage these real and potential threats.

Mayorkas is setting up a new **Climate Change Professionals Program**, which aims to recruit recent graduates and current agency employees to support the department's growing focus on adapting to climate change and improving resilience. The training effort is one of many new activities under the DHS Climate Change Action Group that Mayorkas established last year.

The two-year program will live under the Office of the Chief Readiness Support Officer (CRSO), Sustainability and Environmental Programs (SEP). DHS expects the training program to launch in June and include 10-12 participants.

Through the training effort, employees and participants in the Pathways internship program will receive "hands-on opportunities to contribute to new initiatives that have the potential to substantially help DHS adapt to climate change and improve resilience."

Training program participants will work under the **Climate Change Action Group**, which includes senior officials from across DHS and focuses on promoting resilience and addressing multiple **climate change-related risks, including flooding, extreme heat, drought and wildfires.**

At the end of this training program, employees and interns will receive a Climate Change Professional accreditation from the Association of Climate Change Officers and be eligible for permanent, full-time positions at DHS.

In October, 23 agencies, including DHS, released new climate change strategies, part of their response to a January executive order from President Joe Biden. The order called on agencies to ensure they're prepared for the ever-evolving impacts of climate change, from the risks severe weather might have on their facilities to the vulnerabilities such events might pose on federal employees and their ability to do their jobs.

Read full article: [DHS launching new employee training program focused on climate change | Federal News Network](#)

# Resources

## 7 Steps to Performance-Enhancing ERM

In its 7 Steps to Performance-Enhancing ERM guide, Galvanize stated:

*“Organizations that embrace purpose-built technology and all of its benefits are winning the race. An intelligent and integrated approach to ERM is the number one secret to differentiating performance.”*

How to achieve an effective ERM program?

1. Move Beyond a Compartmentalized “silo” view of risks
2. Provide management with qualified insights into risks
3. Use Big Data and Analytics for real-time risk monitoring
4. Apply analytics to internal control
5. Make data-driven risk management decisions
6. Integrate risk management into daily business activities
7. Bridge the gap between business and risk professionals



## ERM Areas of Guidance

AFERM recently published ERM Areas of Guidance on Governance, ERM Maturity Models and Maturity Assessment, Risk Appetite Statement, and Establishing the Context.

AFERM is also hosting two Lunch and Learn in March to provide additional details and answer questions.

The guidance is available on the [AFERM website](#).



Access to both resources on the Max page for the [CIGIE ERM Working Group](#) or feel free to reach out to the Support Group at [oig.erm@oig.dol.gov](mailto:oig.erm@oig.dol.gov).

# Resources

## Interested in Free ERM Resources?

### [AGA ERM Hub](#)

- 2021 ERM Workshop: Executive Summary Report
- 2020 ERM Workshop: Leveraging ERM to Drive Organizational Value
- 2019 ERM Workshop: Beyond Compliance, Driving Organizational Value

### [Risk Blog List](#)

- #1 Nassim Taleb—<https://nntaleb.medium.com/>
- #2 Sam Savage—<https://www.probabilitymanagement.org/blog>
- #3 Doug Hubbard—<https://hubbardresearch.com/news-and-insights/>

Check out the links for more free resources!

## Love listening to Podcasts?

### **Enterprise Risk Management and Data Security**

Tom Brandt, Director of Planning and Risk at the Federal Retirement Thrift Investment Board and Academy Fellow, discusses ERM within federal agencies, the best practices prioritizing risks, and the intersection of ERM with data security.

Listen to full podcast: [Enterprise Risk Management and Data Security with Tom Brandt](#) ([buzzsprout.com](https://buzzsprout.com))



# Trainings



## 2022

March	Cybersecurity/ERM	<a href="https://www.agacgfm.org/Webinars/2021-2022-Webinars/Cybersecurity-ERM.aspx">https://www.agacgfm.org/Webinars/2021-2022-Webinars/Cybersecurity-ERM.aspx</a>
	Government Performance Summit	<a href="https://www.performanceinstitute.org/gps22">https://www.performanceinstitute.org/gps22</a>
April	RIMS Annual Conference	<a href="https://www.rims.org/annual-conferences/rims-2022/save-the-date">https://www.rims.org/annual-conferences/rims-2022/save-the-date</a>
May	Fundamentals of Risk Management	<a href="https://www.rims.org/education/online-learning/virtual-workshops/fundamentals-of-risk-management">https://www.rims.org/education/online-learning/virtual-workshops/fundamentals-of-risk-management</a>
June	Government Performance Summit 2022	<a href="https://www.performanceinstitute.org/gps22">https://www.performanceinstitute.org/gps22</a>

## George Mason's Chief Risk Officer Program

Overview: Participants who complete the five-month program will be prepared for a leadership role at the executive level; possessing the knowledge and skills to align with the organization's business leaders; design an integrated risk strategy needed to meet the business objectives, and add significant value to the organization. Network with faculty, subject matter experts; and other participants.



More information can be found: <https://business.gmu.edu/executive-development/programs-for-individuals/c-suite-development-programs/chief-risk-officer-program/>

Access to additional training resources on the Max page for the [CIGIE ERM Working Group](#) or feel free to reach out to the Support Group at [oig.erm@oig.dol.gov](mailto:oig.erm@oig.dol.gov).

# Be Risk SMART

*Join NOW!*

## **Federal Foresight Community of Interest (FFCOI)**

The Federal Foresight Community of Interest is a forum based on the discipline and application of foresight. It provides an opportunity for federal employees, think tanks, and industry to network, learn, analyze, develop, and communicate foresight methods and best practices to decision-makers and strategic planners.

## **Federal Improvement Team (FIT)**

Established in 2009 by a group of federal employees as an independent network and community of practice focused on continuous improvement across the U.S. Federal Government. The Federal Improvement Team exists to share best practices and resources on continuous improvement government-wide.

Helping the federal government learn how to work smarter through continuous improvement.



To join, please access: [FFCOI website](#) or the [FIT Max page](#).

## Upcoming ERMWG Meetings

Wednesday, June 8, 2022.

September - Stay tuned!

December - Stay tuned!

Newsletter available  
now on the [CIGIE ERM  
Working Group  
webpage](#),  
under Attachments.

## Submissions to ERM Times

Submit articles or other content to ERM Times  
at [oig.erm@oig.dol.gov](mailto:oig.erm@oig.dol.gov).

### ERMWG Chair/Co-Chair

Jessica Southwell, DOL OIG  
Temika Edwards, HUD OIG

### ERMWG Support

Jessica Rivera, DOJ OIG  
Tamarah Fosso, DOL OIG  
Parvina Shamsieva-Cohen, PBGC OIG

### Contact ERMWG

For further information on the CIGIE  
ERM Working Group, contact  
[oig.erm@oig.dol.gov](mailto:oig.erm@oig.dol.gov) or Jessica  
Southwell  
[southwell.jessica@oig.dol.gov](mailto:southwell.jessica@oig.dol.gov) or  
Temika Edwards at  
[tedwards@hudoig.gov](mailto:tedwards@hudoig.gov)

Contact [oig.erm@oig.dol.gov](mailto:oig.erm@oig.dol.gov) to be  
added to ERMWG meeting invitations  
or you may contact Jessica Southwell  
or Temika Edwards directly.

### ERMWG Sub-Groups

*Implementing an ERM Risk  
Assessment Approach for Audit  
Planning Purposes*

Co-Chairs:

Shellie Purnell-Brown, FEC OIG  
Jonelle Pianta, HUD OIG

*Auditing ERM Implementation at  
Component Agencies*

Chair: Rebecca Sharek, SEC OIG

*ERM at Small OIGs*

Chair: Nick Novak