

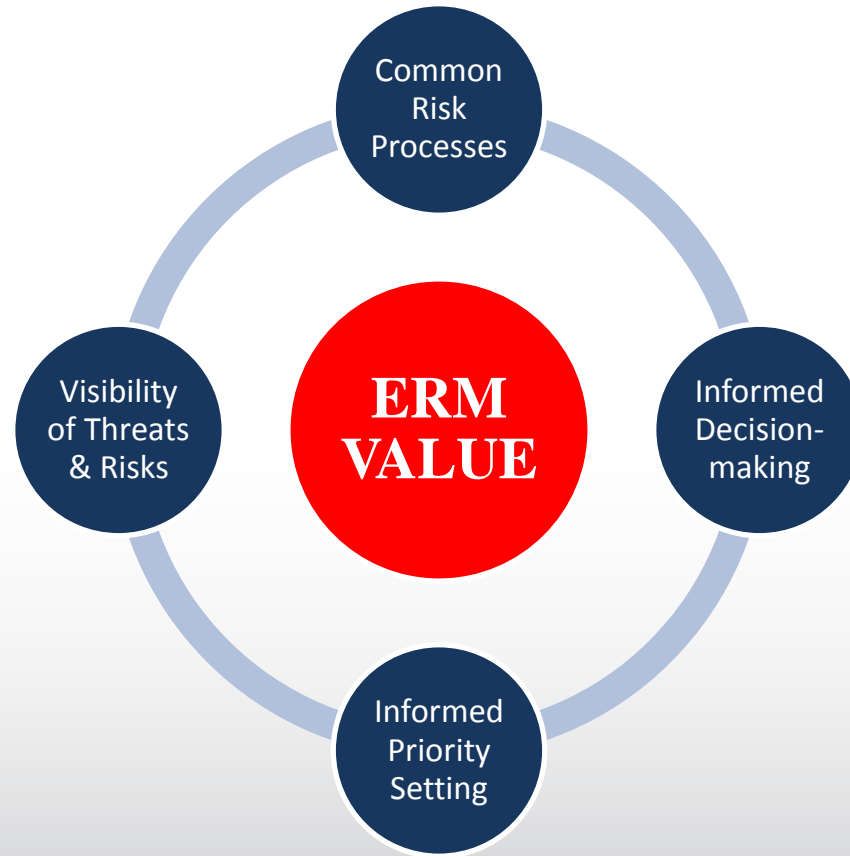
U.S. Census Bureau Enterprise Risk Management Program Operationalizing ERM – A Top-down, Bottom-Up Approach

LaTaiga Proctor
ERM, Program Manager

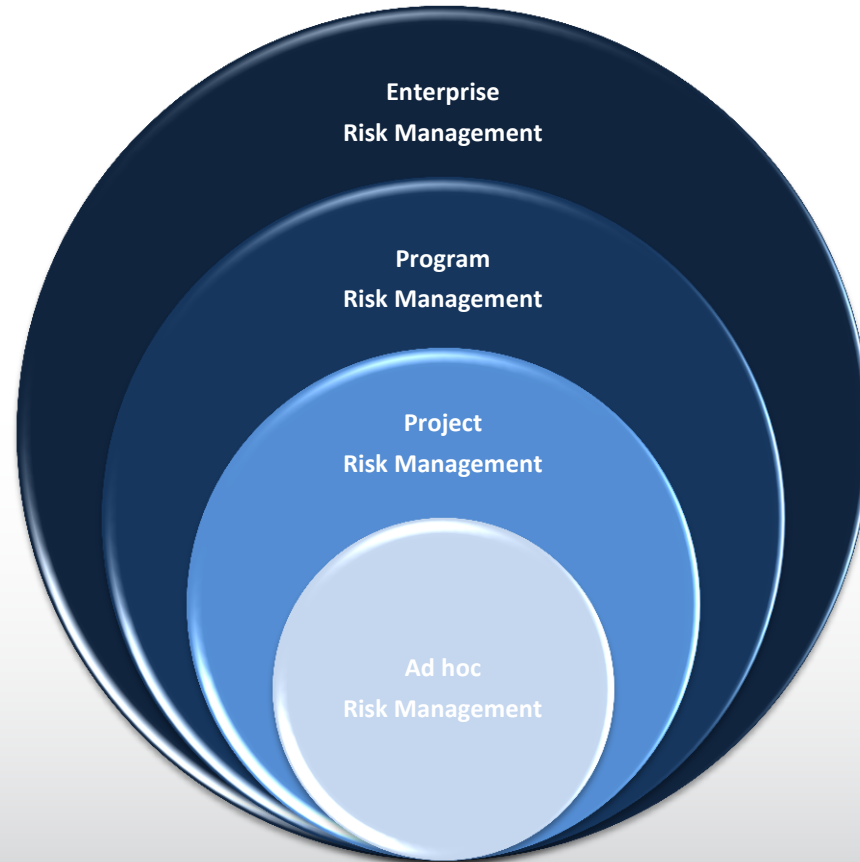
The Landscape

- Constitutionally mandated mission
- Departmental ERM initiative
- 2010 Census lessons learned
- Major organizational transformation
- Regulatory/oversight ERM expectations
- Ongoing climate of threats, risks, & opportunities

The Value of ERM



The Evolution of ERM



ERM Implementation Playbook

Establish “Tone at the Top”

Develop a Strategy

Identify Roles & Responsibilities

Build Processes & Capabilities

Implement Processes & Capabilities

Conduct Awareness & Training

Assess and Mature Processes & Capabilities

Establish “Tone at the Top”

- Engage Executive Management
- Identify a Chief Risk Officer (CRO)
- Create a vision, goals & objectives

Develop a Strategy

- Define ERM scope and parameters
- Develop an ERM framework
- Create an ERM Plan

U.S. Census Bureau
Enterprise Risk Management
Plan

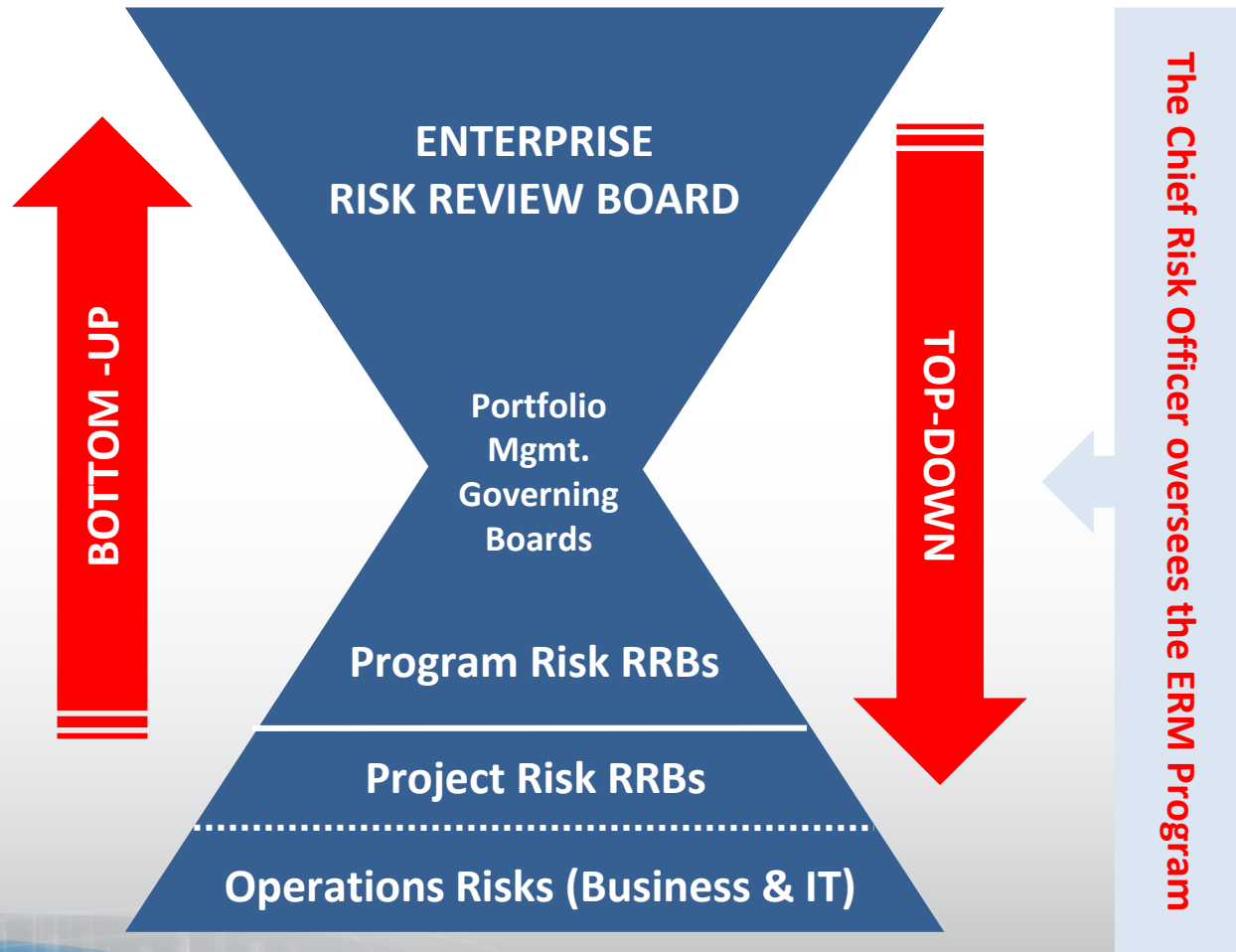


Office of Risk Management and Program Evaluation
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Identify Roles & Responsibilities

- Define ERM governance
- Develop an oversight structure
- Assign responsibilities at the appropriate level

ERM Top-down & Bottom-up Approach



Build Processes & Capabilities

- Develop uniform risk mgmt. processes
- Develop risk mgmt. guidance, training & templates
- Select a risk mgmt. tool to support the process

ERM Tool

- The ERM Tool enables a portfolio view of risks
- Level 1 risks are managed by the Enterprise Risk Review Board
- Level 2 risks are the Census Bureau's Major Programs
- Level 3 are risks related to level 2



Key



ERM Portfolio View of Risks



ERM Risk Categories enable visibility of common risks across the enterprise:

- Strategic
- Operational
- Safety & Security
- Compliance / Regulatory
- Financial
- Reputation
- Political
- Fraud
- COOP & Disaster Recovery
- Technology

The ERM Tool enables a portfolio view of risks w/drill down capability.

Implement Processes & Capabilities

- Implement the tool and processes
- Collect, integrate, analyze and **SHARE** risk data
- Address barriers

Working Together

- Sponsored by the COO
- Plan & Policy available to all
- Governance is hierarchal
- Managed at optimal levels
- Risk identification is positive
- Risk management is a performance criteria
- Employees understand risk management
- Tools are transparent, consistent & user friendly
- Ownership, reporting & elevation requirements are clear

*Executive Management
plays a key role in ERM*

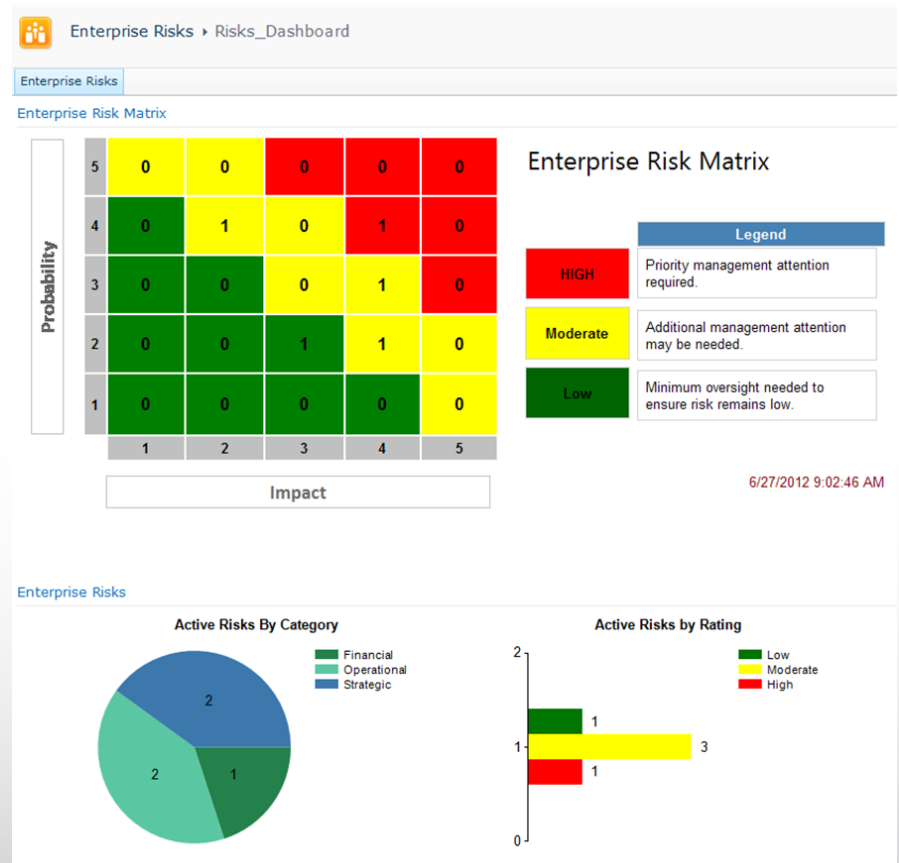
Enterprise Risk Review Board



ERM Risk Tool

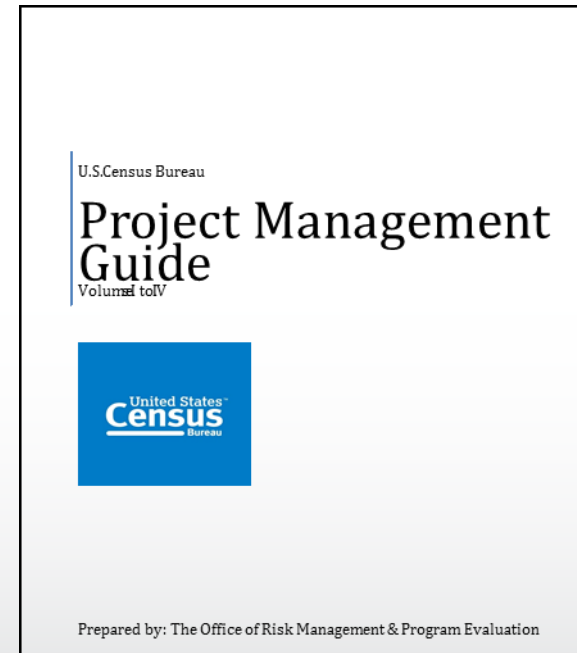
ERM Risk Tool provides:

- Standardized risk registers
- Standardized drill down reports, including:
 - Risk Matrix
 - Risk by Category
 - Active Risks by Rating
 - Top Risks Report
- Summary reports for transparency of subordinate programs/projects
- Drill down capability



Conduct Awareness & Training

- Create a Policy
- Conduct training & awareness
- Incentivize identification of risks & opportunities



Assess and Mature Processes & Capabilities

- Develop a ERM process maturity assessment tool
- Assess & baseline the ERM process maturity level
- Assess & mature risk processes and capabilities cyclically

Assessing ERM Maturity

- I. Fundamentals of Risk Mgmt.
- II. Executive Leadership
- III. Integration into Culture
- IV. Application of Principles
- V. Integration into Strategic Operations

ERM Maturity Rating



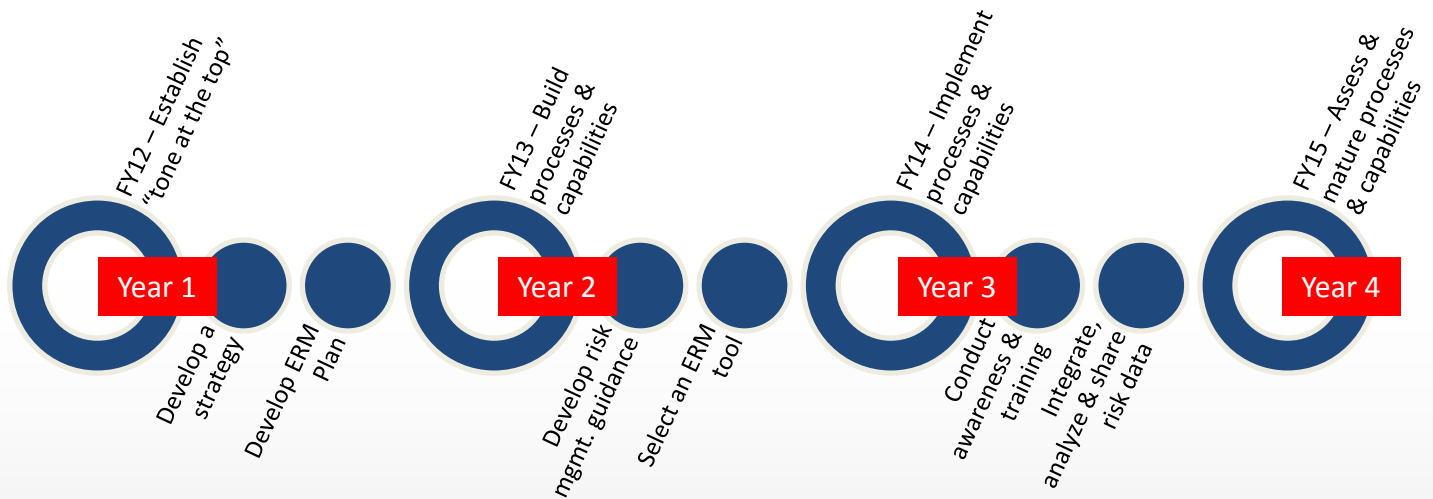
The diagram consists of three trapezoidal shapes arranged horizontally from left to right, representing the progression of ERM maturity. The first shape is light blue and labeled 'Beginner'. The second shape is a medium blue and labeled 'Intermediate'. The third shape is a dark blue and labeled 'Advanced'. All shapes have a white outline and are set against a light gray background with a subtle grid pattern.

Beginner

Intermediate

Advanced

ERM Implementation Timeline



Year 5 – FY16 Strengthen Operations Risk Management

ERM and the Office of the Inspector General (OIG)

- A chartered Oversight Engagement Team centralizes and shares departmental, OIG, General Accountability Office, and Congressional authorizing and appropriations committee activities
- OIG activities facilitate identification of emerging issues and risks & potential response strategies

Implementation Challenges

- Resistance to change
- Defining the scope & structure
- Communication
- Integration
- Fear of oversight

Recommendations

- Establish ERM at the highest level
- Engage Leadership
- Treat ERM as holistic & set the tone
- Redefine risk identification as positive
- Standardize risk processes
- Be patient

Contact Information

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