



TRENDS IN RISK MANAGEMENT

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“I have emphasized the importance of having appropriate risk management processes and systems to identify challenges early, bring them to the attention of Agency leadership, and develop solutions,” President Obama.



Moving From Compliance to Managing Risks



Check the Box (A-123 Today)

- Compliance with Internal Control Standards
- Treating Risk as only Negative
- Heavy Emphasis on Financial Reporting
- Regarding Risk Management as Separate
- Check the Box on 3 Year A-123 Assessments

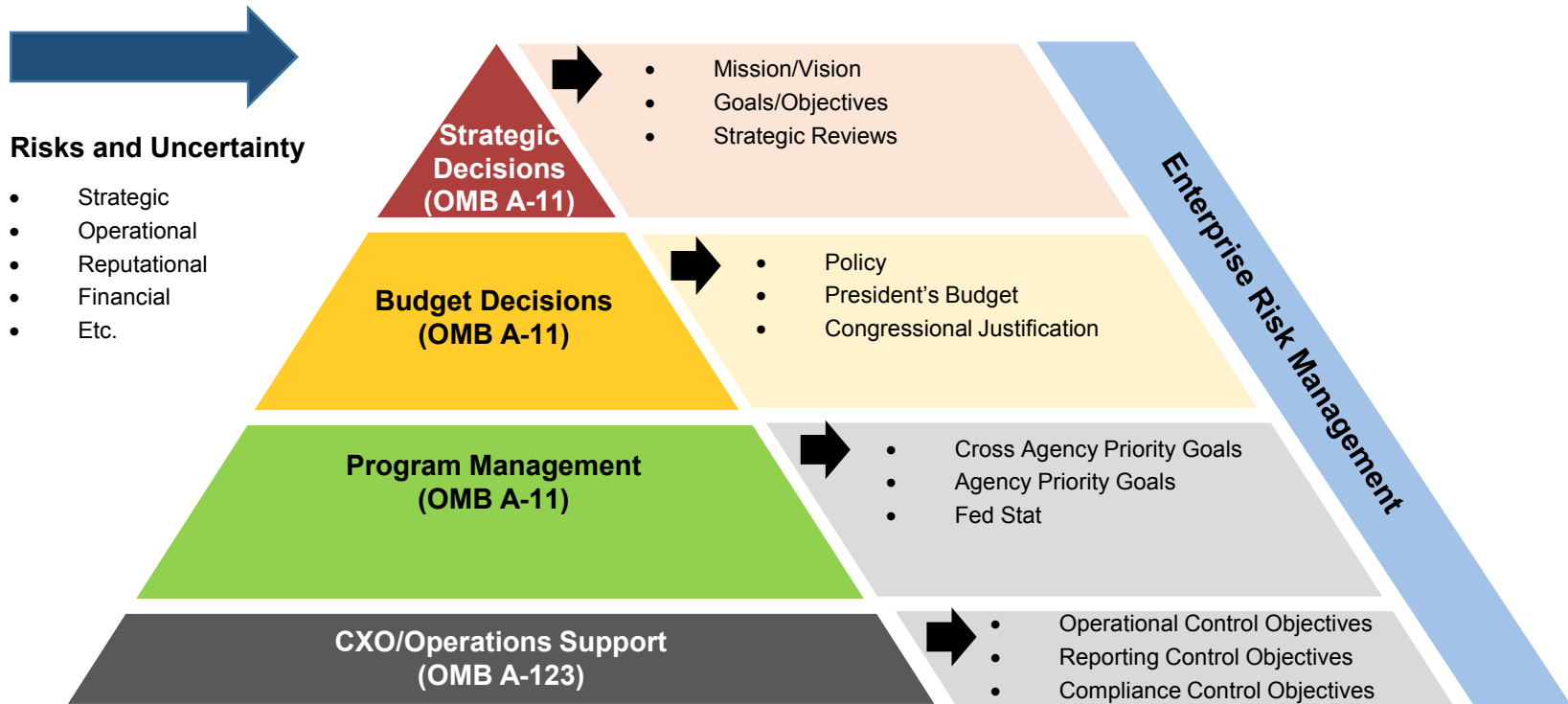


Proactively Managing Risks (A-123 Tomorrow)

- Risk Based Approach with New Internal Control Standards
- Treating Risk as Positive (i.e., opportunity) and Negative
- Balanced Emphasis on Financial Reporting
- Integrating Risk Management and Internal Control
- Manage Risks Across Silos



Enterprise Risk Management Framework





Managing the Risk of Fraud in Federal Programs

- The Consolidated and Further Continuing Appropriations Act, 2015 fully funded the adjustment to the discretionary spending limit for HCFAC for the first time and SSA for the second time since the cap adjustment was available in 2012.
 - In June 2015 - FBI arrested 46 doctors and nurses across the country for allegedly billing Medicare for \$712 million worth of patient care that was never given or unnecessary.



- The Department of Labor Established a UI Integrity Center of Excellence in 2012. The center has been able to use Internet Protocol (IP) address blocking to prevent claimants from certifying for benefits while outside the country. Claimants that attempt to initiate a claim or certify from a disallowed IP address are advised they may not do so until they return to the United States, a U.S. Territory, or Canada. In New York, this solution discourages and prevents an estimated \$15.6 million in improper payments each year and is being implemented in multiple states.

