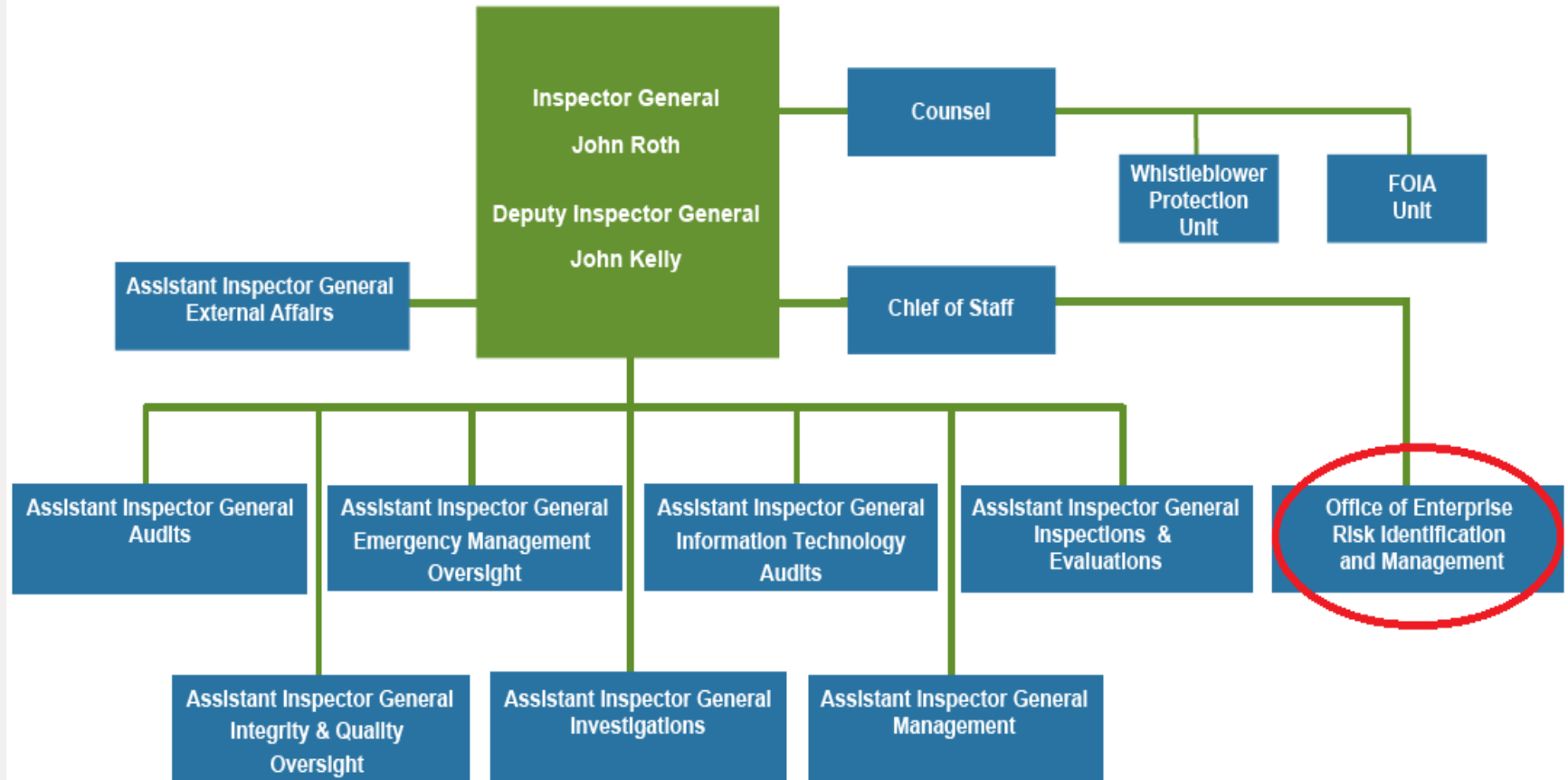


U.S. Department of Homeland Security
Office of Inspector General
Office of Enterprise Risk Identification & Management

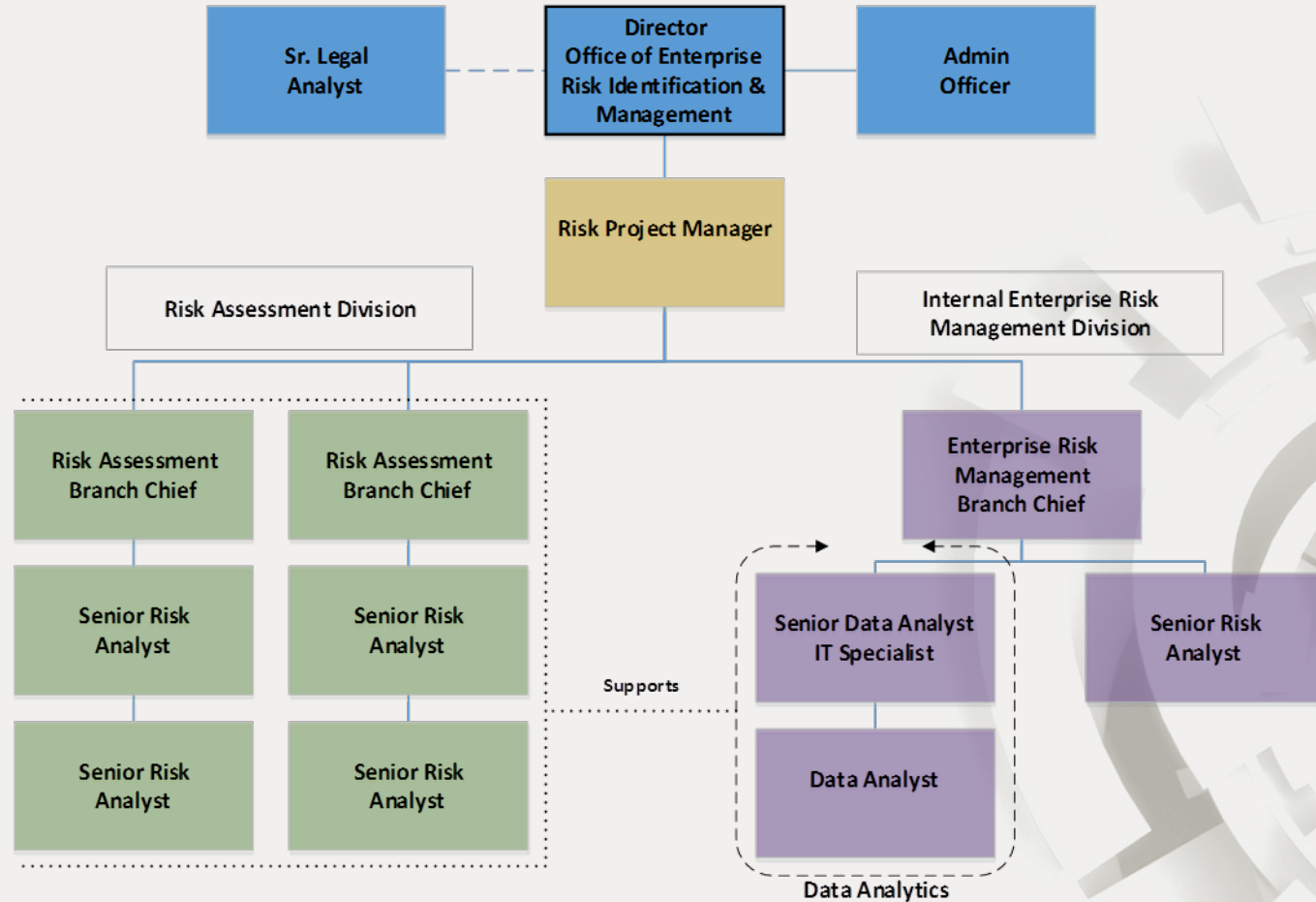
Risk Informed Work Planning (Identifying the Unknown Unknowns at DHS)



Office of Enterprise Risk Identification & Management (OERIM)



Office of Enterprise Risk Identification & Management (OERIM)



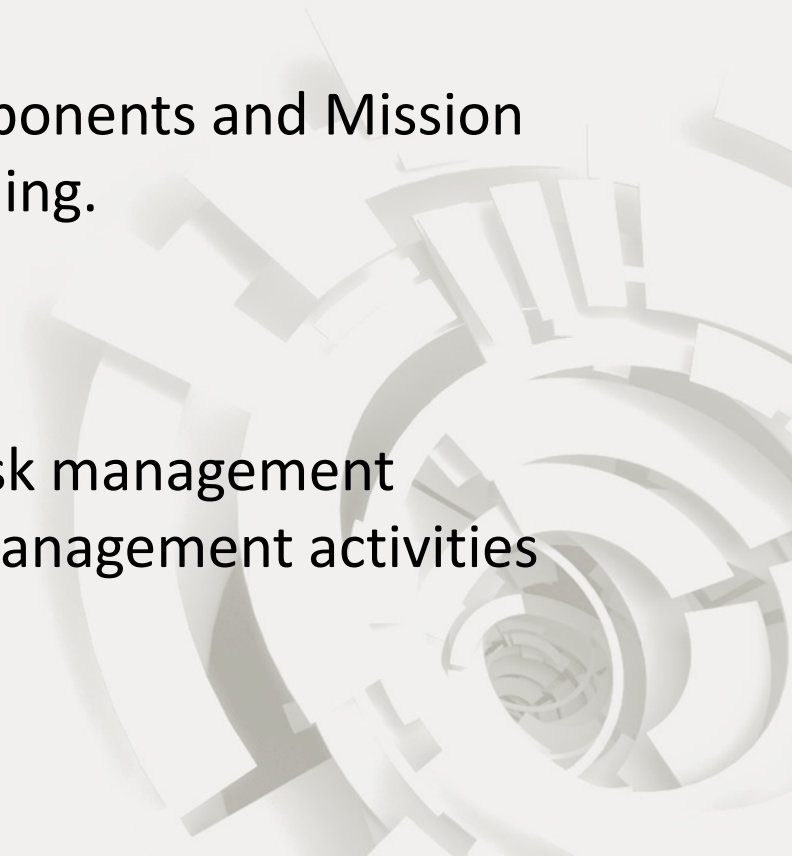
OERIM Has 2 Divisions

1.) The Risk Assessment Division:

will assess risk across DHS Components and Mission Areas to help with annual planning.

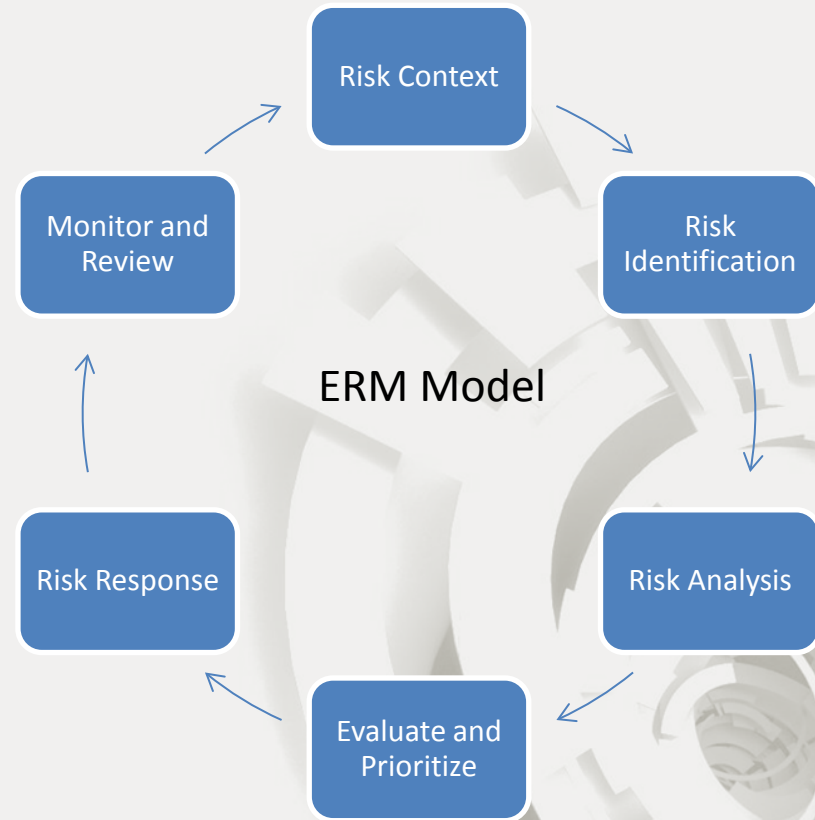
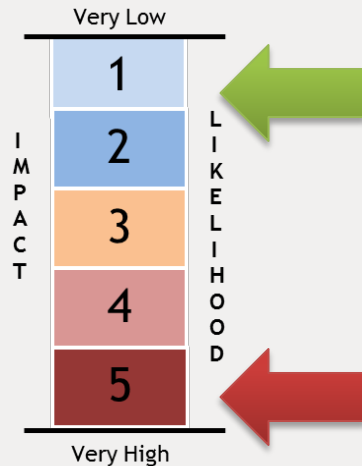
2.) The ERM Division:

will implement an enterprise risk management framework to coordinate risk management activities across the OIG.



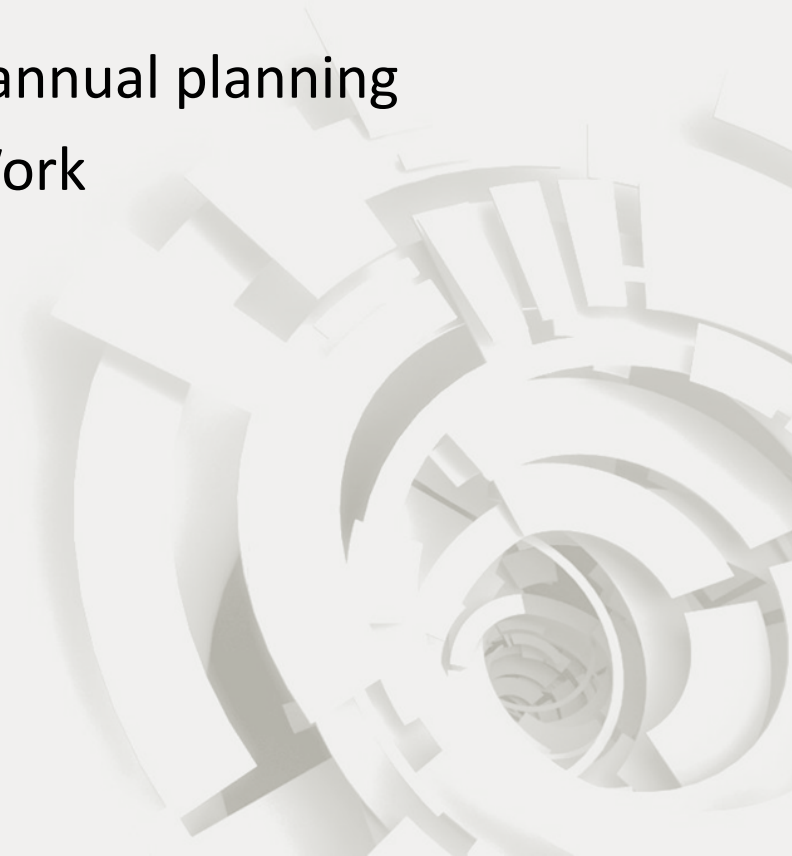
Internal ERM Framework

- Updated OMB A-123
- Break down silos
- Build a risk culture
- Pro-active vs. Reactive



Learning Objectives

- Risk and assessing risk
- Value proposition for risk-informed annual planning
- OERIM's Risk Assessment Division Work



What's a “risk”?

- What do you think of when someone mentions “risk”?



Different Perspectives of “risk”

- **Audit Risk:**

“**6.05** Audit risk is the possibility that the auditors’ findings, conclusions, recommendations, or assurance may be improper or incomplete, as a result of factors such as evidence that is not sufficient and/or appropriate, an inadequate audit process, or intentional omissions or misleading information due to misrepresentation or...Audit risk includes the risk that auditors will not detect a mistake, inconsistency, significant error, or fraud in the evidence supporting the audit.”

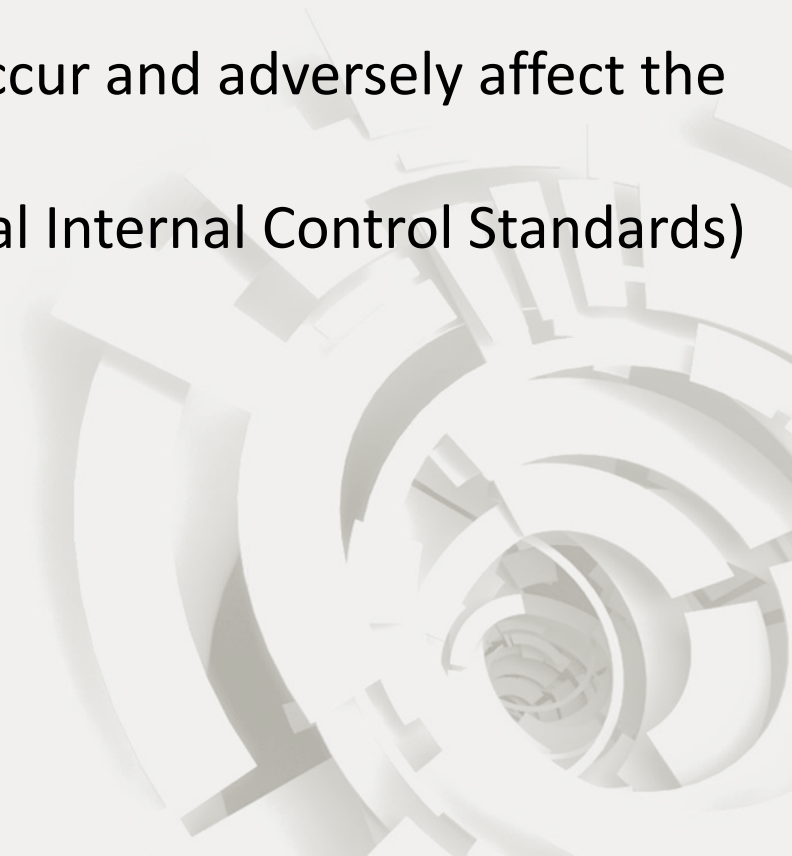
(Source: GAO-12-331G Government Auditing Standards)

Different Perspectives of “risk”

- **Risk:**

“The possibility that an event will occur and adversely affect the achievement of objectives.”

(Source: GAO-14-704G Federal Internal Control Standards)

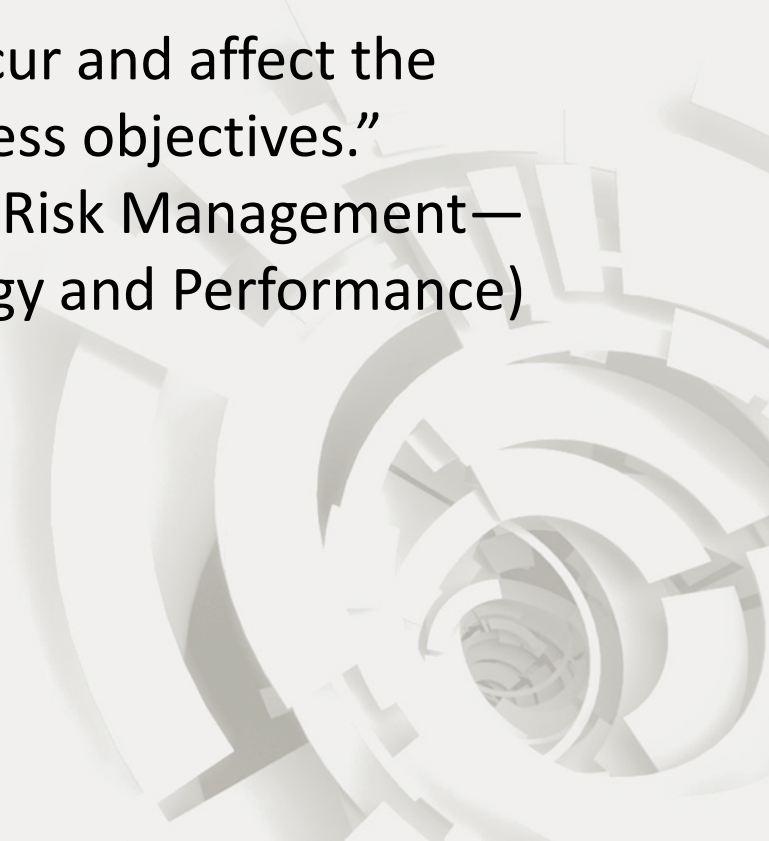


Different Perspectives of “risk”

- **Risk:**

“The possibility that events will occur and affect the achievement of strategy and business objectives.”

(Source: COSO Enterprise Risk Management—
Aligning Risk with Strategy and Performance)

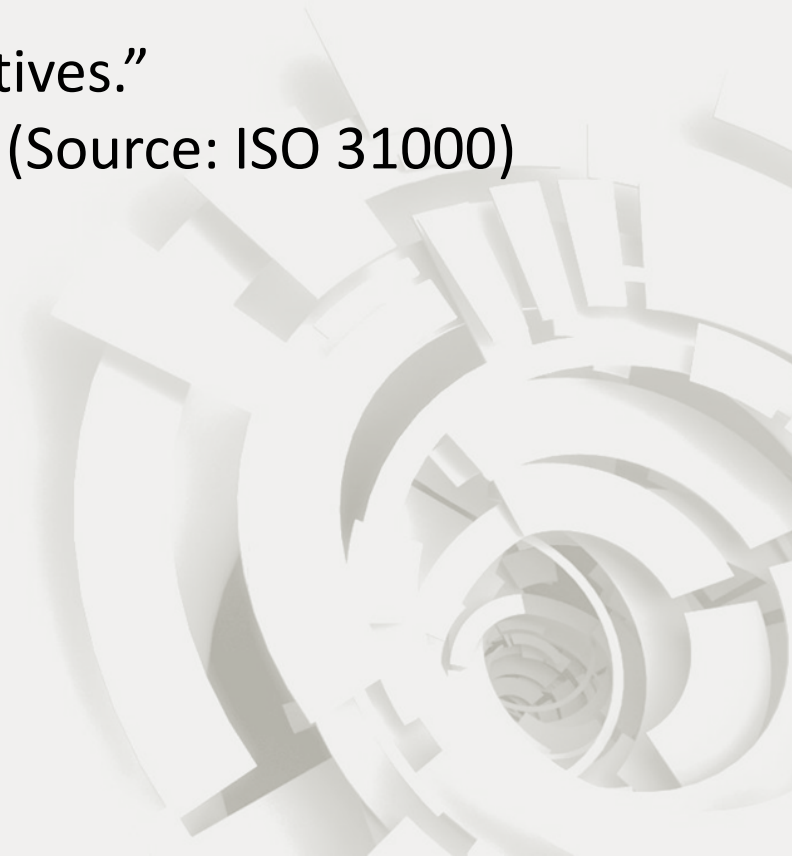


Different Perspectives of “risk”

- **Risk:**

“The effect of uncertainty on objectives.”

(Source: ISO 31000)



Different Perspectives of “risk”

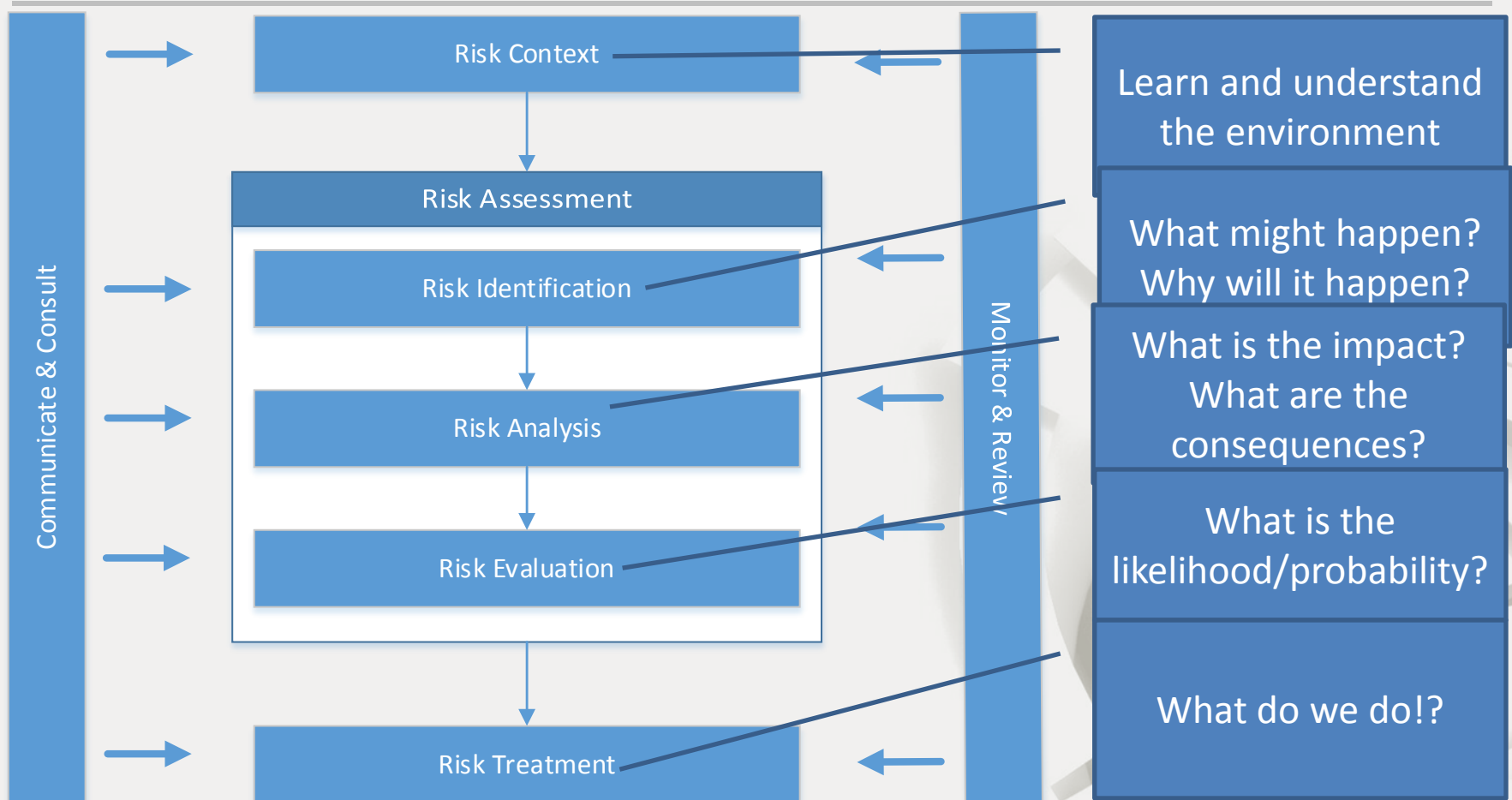
- Risk:

“The effect of uncertainty on achievement of objectives. An effect is a deviation from the desired outcome – which may present positive or negative results.”

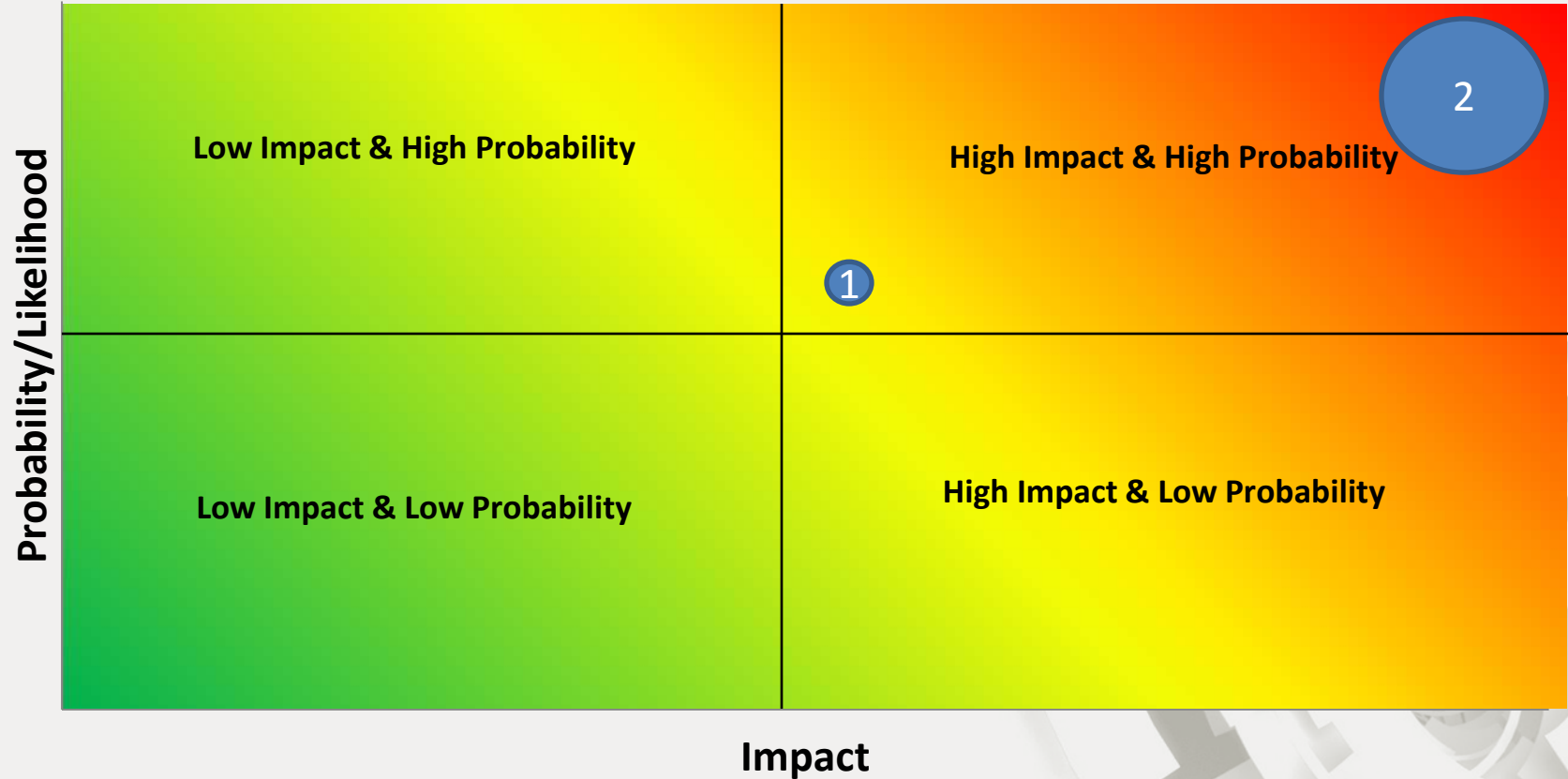
(Source: ERM Playbook)



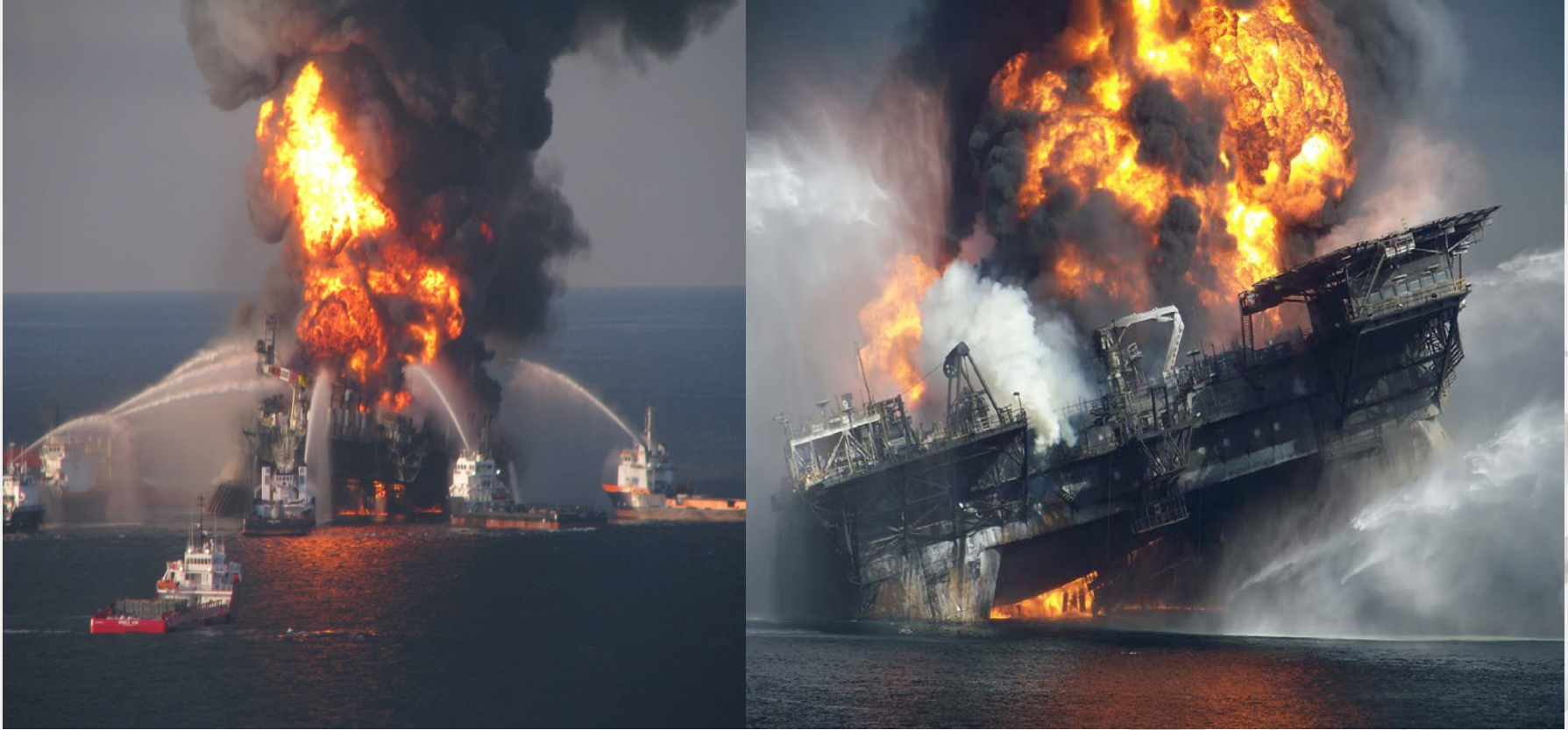
Assessing Risks



A way to measure risk

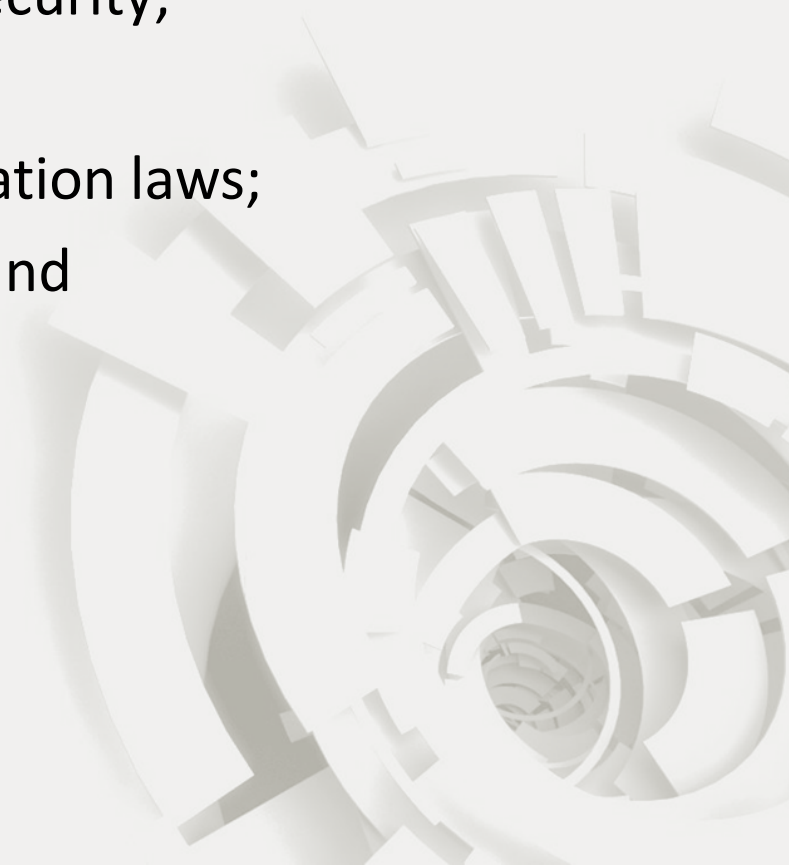


What's the Value in Assessing Risk?



DHS' Mission

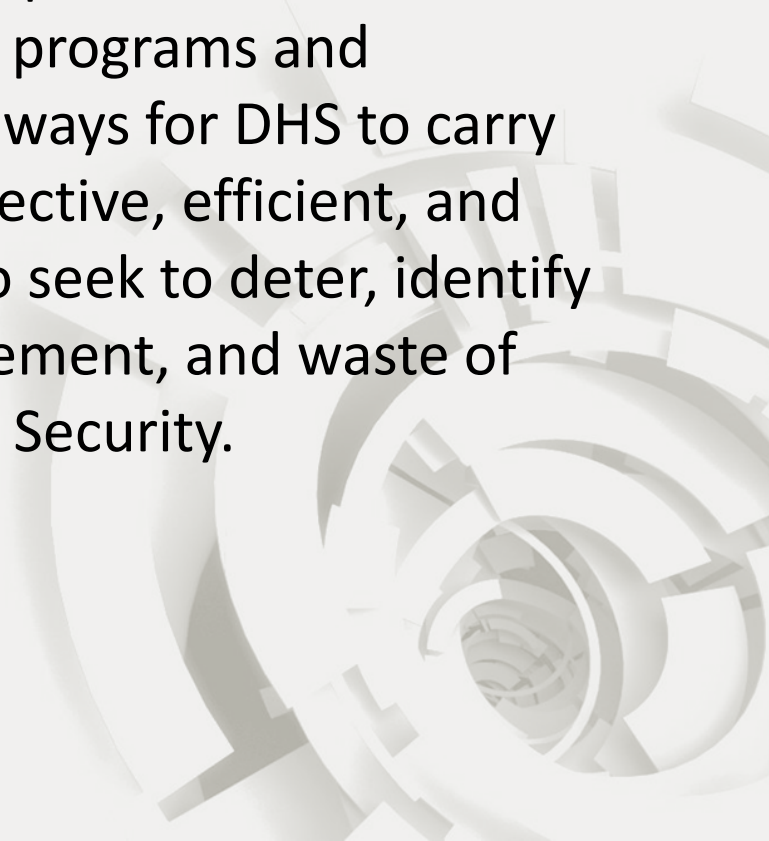
1. Prevent terrorism and enhancing security;
2. Secure and manage our borders;
3. Enforce and administer our immigration laws;
4. Safeguard and secure cyberspace; and
5. Ensure resilience to disasters



DHS Component Missions

- 27 Components tasked to meet 5 major mission areas
- Each Component has it's own set of missions:
 - CRCL: "...preserving individual liberty, fairness, and equality under the law..."
 - DNDO: "...prevent nuclear terrorism by continuously improving capabilities to deter, detect, respond to and attribute attacks, in coordination with domestic and international partners..."
 - NPPD: "...lead the national effort to protect and enhance the resilience of the nation's physical and cyber infrastructure..."
 - S&T: "...deliver effective and innovative insight, methods and solutions for the critical needs of the Homeland Security Enterprise..."

DHS-OIG's Mission

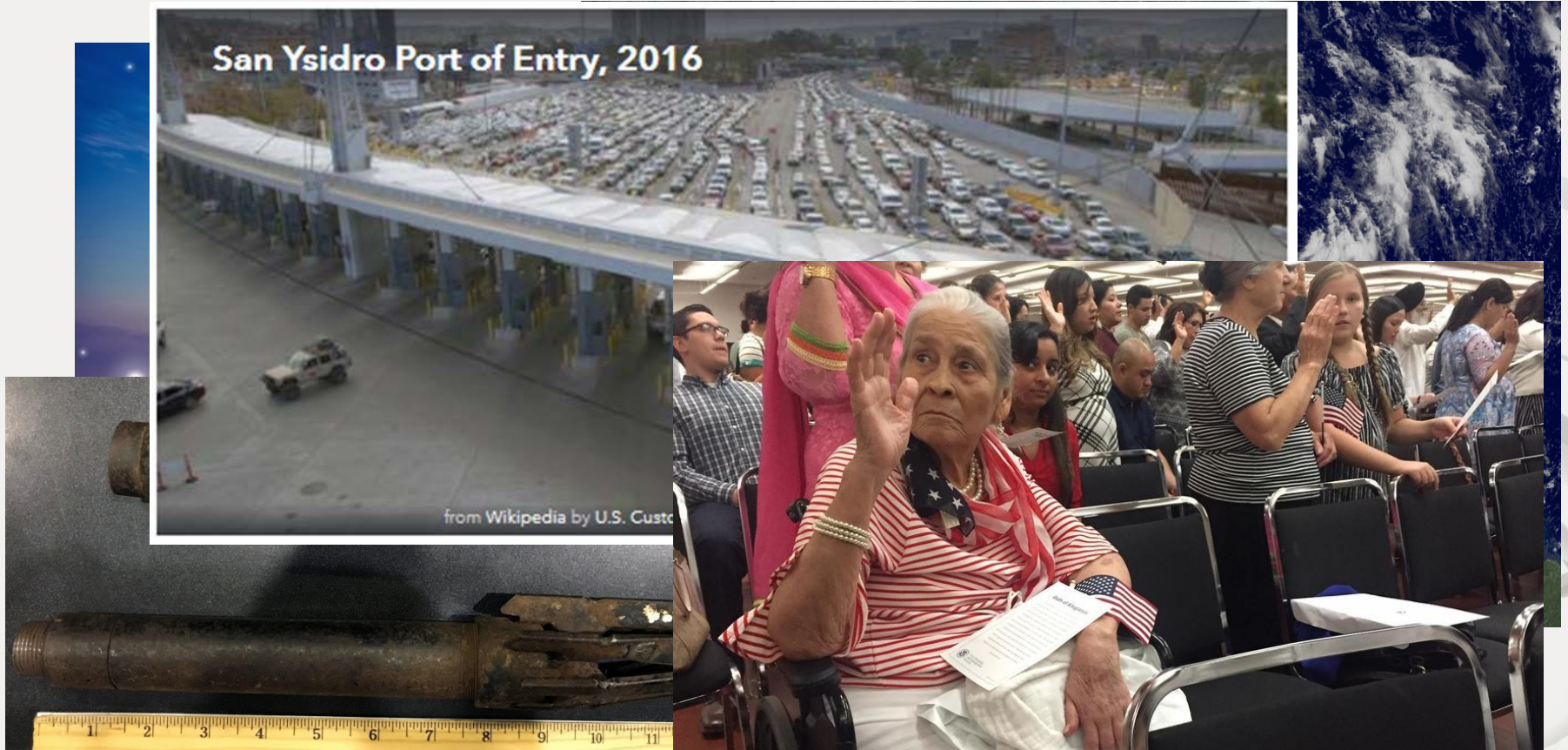
- The OIG conducts and supervises independent audits, investigations, and inspections of the programs and operations of DHS, and recommends ways for DHS to carry out its responsibilities in the most effective, efficient, and economical manner possible. We also seek to deter, identify and address fraud, abuse, mismanagement, and waste of taxpayer funds invested in Homeland Security.
- 

DHS-OIG's Mission

- Affect positive change...
 - In state & local programs and operations
 - In DHS program and operations
 - To prevent wasting taxpayer funds



What are potential risks that DHS faces?



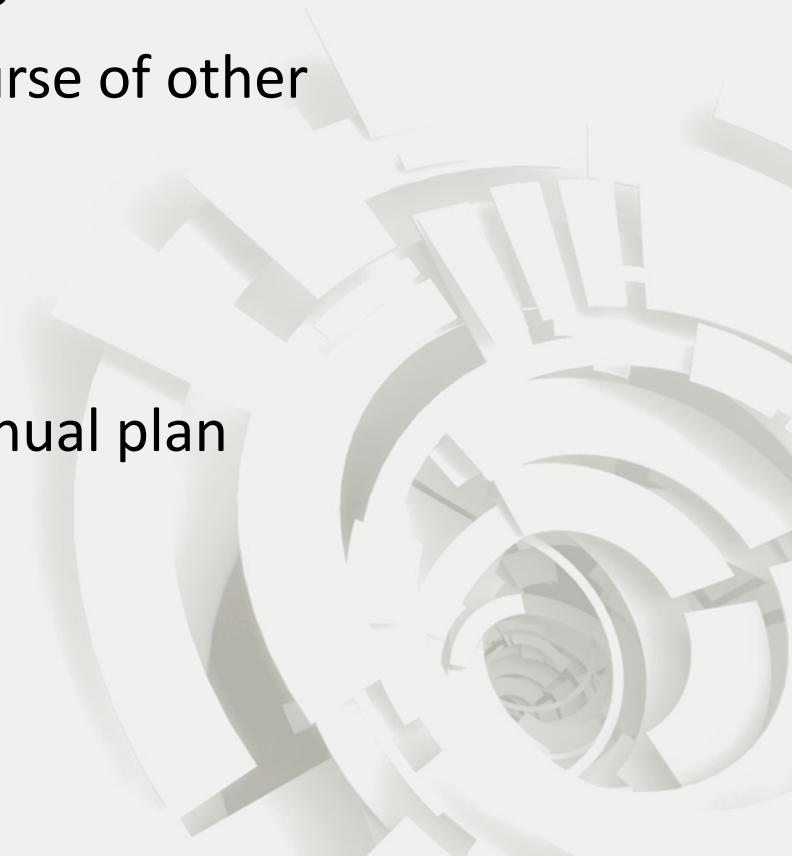
What could prevent us from seeing risks?

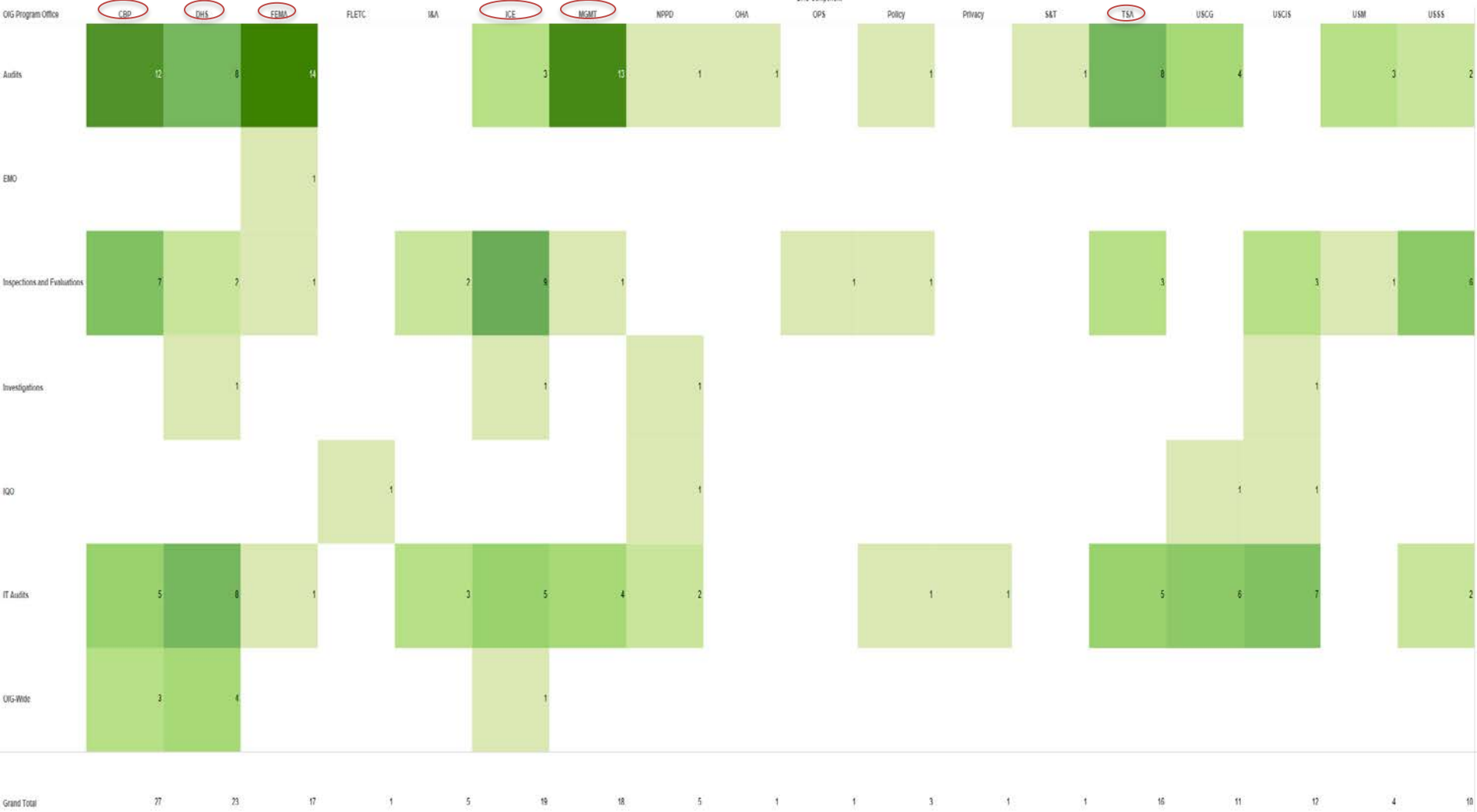
- Some common obstacles could be...
 - Not fully understanding the environment and emerging threats
 - Withholding information because...
 - Knowledge gaps or failure to integrate knowledge
 - Not applying lessons learned
 - Constant churn in personnel



DHS-OIG Annual Planning

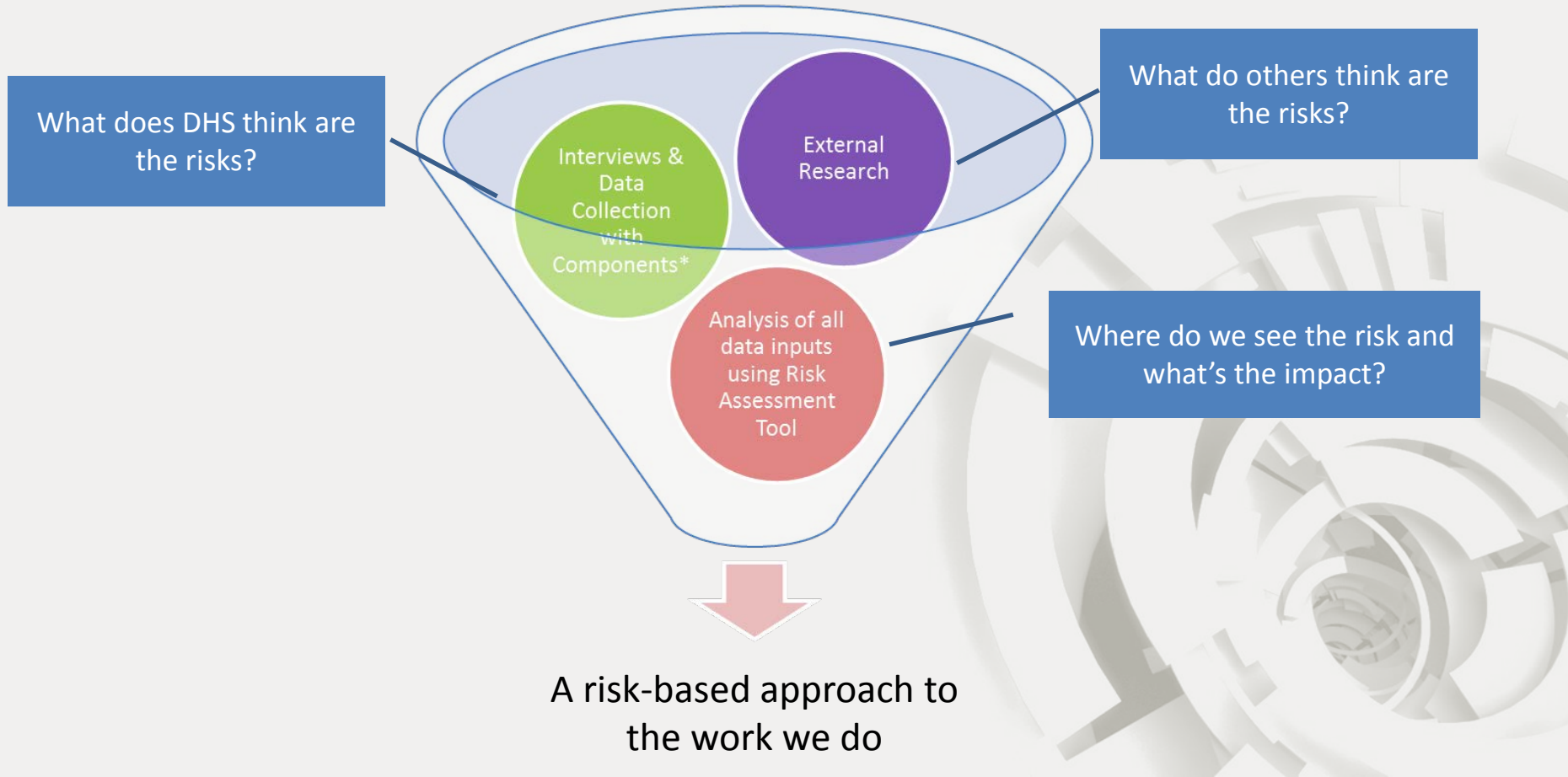
- Generally reactive in the work we do
- Some work identified during the course of other audit/inspection/investigative work
- Congressional requests
- Changes in legislation
- Working towards a **risk-informed** annual plan





OIG Reports by DHS Component FY15-17

Risk Assessment Division



What we are developing to assess risks

- Legal Authorities
- Resource Maps
- Risk Assessments
- Stakeholder Maps
- Risk Alerts



OERIM Goal – Develop a Holistic View of DHS Risk

1 Agency-wide Risk Profile



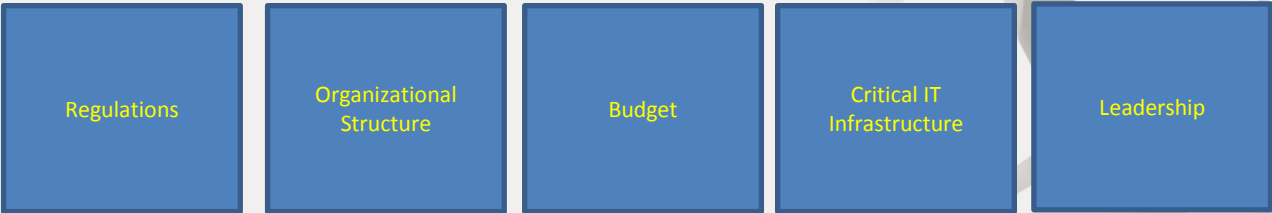
7 DHS Mission Area Risk Profiles



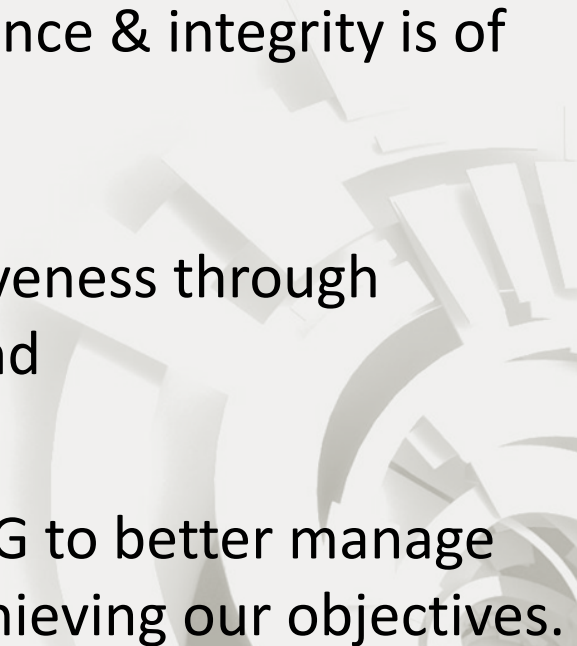
16 DHS Component Risk Profiles



Division / Program Office Risk Assessments



Value Proposition & Benefits

- As an OIG our credibility, independence & integrity is of utmost importance
 - Maximize OIG efficiency and effectiveness through prudent use of limited resources; and
 - Improve transparency within the OIG to better manage risks that would prevent us from achieving our objectives.
- 

Questions

Contact Info:

David Lu, Risk PM

Email: david.lu@oig.dhs.gov

Phone: (202) 254-4379

