Enterprise Risk Management (ERM) Update

Presented By
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Thrift Savings Plan
Federal Retirement Thrift Investment Board
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Agenda

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FRTIB's Annual ERM Program Cycle

Risk Assessment

Identify & Assess Risks to Strategic Goals

- OPR
- Executive Owners
- Office SMEs

Risk Profile

Review & Conclude on Enterprise Risks

- OPR
- Executive Owners
- Enterprise Risk & Internal Control Steering Committee (ERISC)
- Executive Leadership Council (ELC)
- Board

Risk Treatment Plan

Prioritize & Respond to Enterprise Risks

- OPR
- Risk Owners/SMEs
- ERISC
- ELC
- Board

Monitoring & Reporting

Monitor & Communicate Enterprise Risks and Status

- OPR
- ERISC
- ELC
- Board

Risk Appetite Statement

Update Risk Appetite (as needed)

- OPR
- Risk Owners/SMEs
- ERISC
- ELC
- Board

✓ Repeatable
✓ Collaborative
✓ Accountable
✓ Transparent

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CY 2022 Risk Treatment Plans

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Risk Treatment Plan – Insider Threat Management

Risk Assessment
Identify & Assess Risks to Strategic Goals

Risk Profile
Review & Finalize Enterprise Risks

Risk Treatment Plan
Prioritize & Respond to Enterprise Risks

Monitoring & Reporting
Monitor & Communicate Enterprise Risks and Status

Statement	Executive Owner	Risk Score as of 12/31/21	Risk Treatment Plan Status* (12/31/22)	Final Risk Score (12/31/22)
Lack of an operational Insider Threat Program that protects agency defined critical assets may result in harm to Agency critical assets, FRTIB operations, and/or FRTIB personnel as a result of malicious and/or unintentional acts conducted by an FRTIB insider.	ORM	Medium High	On Target	Medium

* Categorization of Risk Treatment Plans:
- On Target
- Some Delay = 1-4 months
- Delayed = 4+ months

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Risk Treatment Plan – Cybersecurity

Statement	Executive Owner	Risk Score as of 12/31/21	Risk Treatment Plan Status* (12/31/22)	Final Risk Score (12/31/22)
There is a risk the Agency may fail to adequately protect and secure information resulting in unauthorized access, denial of services or compromise of sensitive information.	OTS	Medium High	On Target	Medium High

* Categorization of Risk Treatment Plans:
- **On Target**
- **Some Delay = 1-4 months**
- **Delayed = 4+ months**

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Risk Treatment Plan – Supply Chain Risk Management

Statement	Executive Owner	Risk Score as of 12/31/21	Risk Treatment Plan Status* (12/31/22)	Final Risk Score (12/31/22)
There is a risk that compromises to FRTIB suppliers, their supply chains, and their products and services for IT and communication products and services will severely limit the delivery of the core recordkeeping, investment management, and other people, processes, and systems required to deliver TSP services.	OPR	Medium High	On Target	Medium High

* Categorization of Risk Treatment Plans:
- **On Target**
- **Some Delay = 1-4 months**
- **Delayed = 4+ months**

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Risk Treatment Plan – Human Capital Management

Risk Assessment — Identify & Assess Risks to Strategic Goals

Risk Profile — Review & Finalize Enterprise Risks

Risk Treatment Plan — Prioritize & Respond to Enterprise Risks

Monitoring & Reporting — Monitor & Communicate Enterprise Risks and Status

Statement	Executive Owner	Risk Score as of 12/31/21	Risk Treatment Plan Status* (12/31/22)	Final Risk Score (12/31/22)
There is a risk the Agency may not be able to effectively recruit and retain a highly-skilled workforce, failure to execute succession planning and knowledge transfer, results in a failure to achieve FRTIB business objectives.	ORM	Medium High	On Target	Medium Low

* Categorization of Risk Treatment Plans:
- On Target
- Some Delay = 1-4 months
- Delayed = 4+ months

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Risk Treatment Plan – TSP Fraud

Risk Assessment
Identify & Assess Risks to Strategic Goals

Risk Profile
Review & Finalize Enterprise Risks

Risk Treatment Plan
Prioritize & Respond to Enterprise Risks

Monitoring & Reporting
Monitor & Communicate Enterprise Risks and Status

Statement	Executive Owner	Risk Score as of 12/31/21	Risk Treatment Plan Status* (12/31/22)	Final Risk Score (12/31/22)
There is a risk fraudulent actors may obtain unauthorized access to TSP participant accounts resulting in financial loss to the participants or reputational damage to the FRTIB status as a trusted provider of retirement services.	OPS	Medium High	N/A	N/A

* Categorization of Risk Treatment Plans:
- On Target
- Some Delay = 1-4 months
- Delayed = 4+ months

*This risk underwent reevaluation in consideration of the new anti fraud activities being performed by the Converge vendor

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Risk Treatment Plan – Procurement

Risk Assessment
Identify & Assess Risks to Strategic Goals

Risk Profile
Review & Finalize Enterprise Risks

Risk Treatment Plan
Prioritize & Respond to Enterprise Risks

Monitoring & Reporting
Monitor & Communicate Enterprise Risks and Status

Statement	Executive Owner	Risk Score as of 12/31/21	Risk Treatment Plan Status* (12/31/22)	Future Risk Score** (12/31/22)
There is a risk that the agency may be directive in contractor performance for current and future Performance Based Contracts, most importantly Converge and AITS.	OED	Medium High	On Target	Medium

* Categorization of Risk Treatment Plans:
- **On Target**
- **Some Delay = 1-4 months**
- **Delayed = 4+ months**

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Risk Treatment Plan – Contract Management

Risk Assessment
Identify & Assess Risks to Strategic Goals

Risk Profile
Review & Finalize Enterprise Risks

Risk Treatment Plan
Prioritize & Respond to Enterprise Risks

Monitoring & Reporting
Monitor & Communicate Enterprise Risks and Status

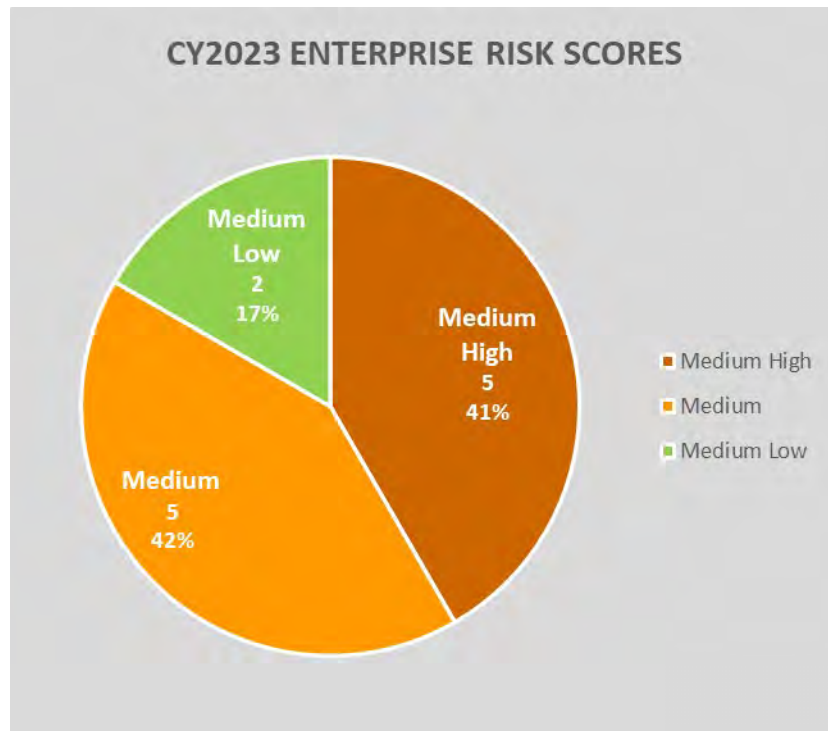| Statement	Executive Owner	Risk Score as of 12/31/21	Risk Treatment Plan Status* (12/31/22)	Final Risk Score (12/31/22)
There is a risk that our quality assurance and surveillance personnel are not sufficient in experience, expertise, and quantity to adopt to the Agency's change in acquisition strategy for operations. This may result in insufficient oversight and quality assurance efforts for new or emerging contracts.	OED	Medium High	On Target	Medium

* Categorization of Risk Treatment Plans:
- **On Target**
- **Some Delay = 1-4 months**
- **Delayed = 4+ months**

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CY 2023 Enterprise Risks

CY 2023 Enterprise Risks

Risk	Risk Score
Human Capital Management	Medium Low
Insider Threat Management	Medium Low
Records Management	Medium
Cybersecurity	Medium High
Economic Change Events	Medium
Supply Chain Risk Management	Medium High
Compliance	Medium
Data Privacy	Medium
Procurement	Medium High
Contract Management	Medium High
TSP Fraud	Medium
Reputational Risk of TSP Operations to Customer Experience	Medium High

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CY 2023 Enterprise Risk Scores

CY 2023 Risk Response

Risk Assessment — Identify & Assess Risks to Strategic Goals → Risk Profile — Review & Conclude Enterprise Risks → Risk Treatment Plan — Prioritize & Respond to Enterprise Risks → Monitoring & Reporting — Monitor & Communicate Enterprise Risks and Status

CY 2023 Risk Profile → Medium High Risk 5 →
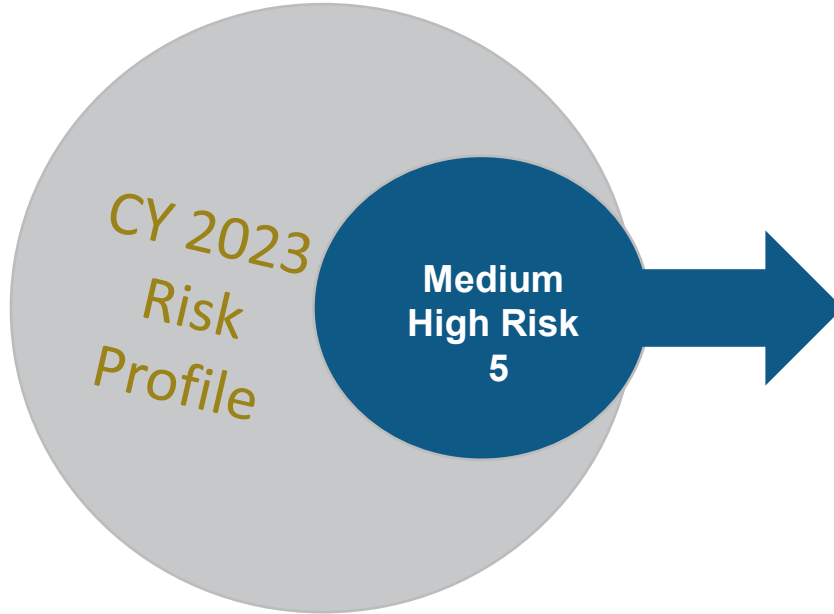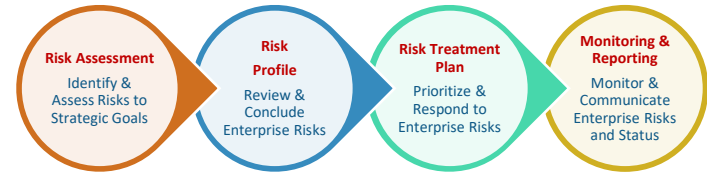
Risk Treatment Plan	Executive Owner
Cybersecurity	OTS
Procurement	OED
Contract Management	OED
Supply Chain Risk Management	OPR
Reputational Risk of TSP Operations to Customer Experience	OPE*

*New Risk

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Questions?

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