

2015-17

Enterprise Risk Management Plan

Risk and Audit
Committee

June 16, 2015

Criteria and Approach

The work plan for Enterprise Risk Management Division was created based upon:

- Establishment of a collaborative, integrated assurance model (Risk, Audit and Compliance)
- Proposed focus areas for the Risk Management program
- Interviews of leadership conducted by the integrated assurance team that resulted in updates to recalibrate the Enterprise Risk Dashboard and create work plans for 2015-16. The team included representatives from:
 - Office of Audit Services
 - Enterprise Compliance
 - Enterprise Risk Management
- Desire to further integrate risk management into improvements to strategic and operational processes
- Expected bandwidth and availability of ERMD staff

Appendix - 2015-17 Objectives

Business Continuity Management	Ensure integrated business and technology recovery plans for the enterprise	January 2016
<ul style="list-style-type: none"> • The risk level for Business Continuity Management has increased on the Enterprise Dashboard; currently landing in the top 6 risks. • Business Continuity is a major strategic priority for ERMD, as a core function within the organization. • Business Continuity includes enterprise-wide integration and coordination of plans for business continuity, disaster recovery, and emergency response. 		
Record Retention/Destruct	Develop risk assessment and recommended practices for record retention/destruction to align with strategic and business plan	June 2016
<ul style="list-style-type: none"> • Information Security remains in the top 6 risks on the Enterprise Risk Dashboard. • Large scale data breach, fraud prevention, and physical security are included on the Risk Register. • Improved Record Retention/Destruction policies and practices will reduce the risks of information exposure. 		

Appendix - 2015-17 Objectives

Key Risk Indicators Development/ Implementation (Phase II)	Identify and implement key risk indicators aligned with the strategic measures to be included in the Enterprise Strategic Planning initiative	June 2016
<ul style="list-style-type: none"> • Strategic Planning and Implementation remains a low risk on the Enterprise Risk Dashboard. • Strategic Measures are being developed to measure effectiveness of the enterprise and require complementary risk indicators to develop a comprehensive management tool. 		
Asset-Liability Management (ALM)	Assist the ALM Team in identifying and mitigating risk to ensure a sound and sustainable pension fund	June 2017
<ul style="list-style-type: none"> • Pension Funding (Asset Liability Management) remains the top risk on the Enterprise Dashboard. • Investment Office, Financial Office and Actuarial Office have taken an integrated review of assets and liabilities with steps designed to mitigate risks over the long-term. • Assist in pension funding risk mitigation strategy development. 		

Appendix - 2015-17 Objectives

Financial Integrity and State Manager's Accountability Act (FISMA) – GC 1340	Partner with management to ensure a satisfactory system of internal controls is maintained, and periodically conduct a review and report on the adequacy of internal controls	December 2017
<ul style="list-style-type: none"> • Department of Finance has issued new draft guidance on internal control monitoring framework and guidelines for reporting by December 31, 2015. • FISMA requires state agencies to establish an ongoing internal control monitoring system to ensure a satisfactory system of internal controls is maintained, and periodically conduct a review and report on the adequacy of internal controls. • State agencies are also required to report on top risks and mitigations. 		