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ERMWG June
Meeting

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The latest news and trends in enterprise risk management (ERM) from the Council of the Inspectors General on Integrity and Efficiency's (CIGIE) Enterprise Risk Management Working Group (ERMWG).

Gartner's Emerging Risks

The top 5 emerging risks for 2023 Q2 are:

1. Third-Party Viability – The risk that third parties (e.g. service providers, partners, suppliers) may become insolvent amid margin pressures, economic contraction, or other market forces.
2. Mass Generative AI Availability – The risk that massively available, generative AI rapidly surpasses organizational ability to understand associated risks and opportunities.
3. Financial Planning Uncertainty – The risk of financial planning being ineffective due to a high degree of macroeconomic uncertainty.
4. Cloud Concentration Risk – The risk associated with dependence on a particular cloud provider for multiple business capabilities, such that a single failure can result in a disruption to multiple aspects of the business.
5. China Trade Tensions – The risk that geopolitical tension between China and major trading partners causes supply chain disruptions or increases the prices of goods and services.

Access to resources on the Max page for the [CIGIE ERM Working Group](#) under "Child Pages" or feel free to reach out to the Support Group at oig.erm@oig.dol.gov.

About ERMWG

CIGIE's ERMWG contributes to the promotion and implementation of ERM principles in accordance with OMB Circular A-123 within the offices of the Inspectors General (OIG) community. [For the latest, visit the ERMWG page on the CIGIE website.](#)

ERM in the News

How enterprise risk management is making the TSP more resilient

Like many agencies, the Federal Retirement Thrift Investment Board is more aware of their enterprise risks than ever before. Whether it's cybersecurity or the hiring and training of its workforce or mitigating potential fraud in employees' TSP accounts, the FRTIB is scoring and managing these and about a dozen areas in a more standardized way. Thomas Brandt, the chief risk officer at the Federal Retirement Thrift Investment Board, said the agency is ensuring it is more resilient in the [face of current and future risks](#).

Why emerging risk management needs a systemic approach

Enterprises are going to have to take ESG seriously by adopting new software, reporting processes, and supply chain imperatives will be table stakes for all companies with global aspirations. But these also need to be balanced with a broader set of risks comprehensively. These include cybersecurity, IT, GRC (governance, risk management, and compliance), and additional third-party risks outside of the scope of ESG.

NIST Announces First Four Quantum-Resistant Cryptographic Algorithms | NIST

The U.S. Department of Commerce's National Institute of Standards and Technology (NIST) has chosen the first group of encryption tools that are designed to withstand the assault of a future quantum computer, which could potentially crack the security used to protect privacy in the digital systems we rely on every day — such as online banking and email software. The four selected encryption algorithms will become part of NIST's post-quantum cryptographic standard, expected to be finalized in about two years.

OPM takes first step to identify what federal employees need to know to work with AI | Federal News Network

The Office of Personnel Management is taking its first step to define the skills and competencies federal employees will need to work with artificial intelligence. OPM Director Kiran Ahuja, in a governmentwide memo to chief human capital officers, outlined more than 50 total competencies agencies should consider when hiring staff into AI-related positions. "For now, agencies may use the provided competencies as supported by a job analysis for recruitment, selection and hiring," Ahuja wrote in the memo. Agencies remain responsible for vetting the tech skills and qualifications of candidates, and must determine whether the competencies outlined by OPM apply to the positions they're looking to fill.

Gartner Survey Shows Third-Party Risk Management "Misses" Are Hurting Organizations

Enterprise risk management (ERM) teams are struggling to effectively mitigate third-party risk in an increasingly interconnected business environment, according to Gartner, Inc. In a Gartner survey of 100 executive risk committee members in September 2022, 84% of respondents said that third-party risk "misses" resulted in operations disruptions. Gartner defines a third-party risk "miss" as a third-party risk incident resulting in at least one of the outcomes once or more in the 12 months leading up to the survey.

Quantum Computers Could Make Today's Encryption Defenseless

Today's battle of keeping secrets revolves around cybersecurity, and the question of the moment is how we can protect our digital information against more powerful encryption-breaking processors that are likely to be developed in the future. In the midst of geopolitical conflicts, it is crucial for both companies and nation-states to address this question head-on. The time is now to take steps to arm your data with encryption that not only safeguards it against today's cybercriminals, but tomorrow's, too.

Trainings



2023

October	RIMS: Applying and Integrating ERM	Applying and Integrating ERM (rims.org)
	George Mason: CRO Program	Chief Risk Officer School of Business (gmu.edu)
November	2023 AFERM Summit	https://www.aferm.org/events/2023summit/
	SimErgy: December 2023 ERM Boot Camp	SimErgy: December 2023 ERM Boot Camp Online Event - AFERM - Association for Federal Enterprise Risk Management
December	AGA: Risk Management	AGA - Risk Management (agacfm.org)

Podcasts

For podcasts, go to AFERM Risk Chats:

[AFERM Risk Chats - AFERM - Association for Federal Enterprise Risk Management](#)

Access to additional training resources on the Max page for the [CIGIE ERM Working Group](#) or feel free to reach out to the Support Group at oig.erm@oig.dol.gov.

Be Risk SMART

Upcoming ERMWG Meetings

2023:

December 6 @ 1:00
p.m. EST

Newsletter available
now on the CIGIE ERM
Working Group
webpage,
under Attachments.

ERMWG Chair/Co-Chair

Jessica Southwell, DOL OIG
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Submissions to ERM Times

Submit articles or other content to ERM Times
at oig.erm@oig.dol.gov.

Contact ERMWG

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Contact oig.erm@oig.dol.gov to be added to ERMWG meeting invitations or you may contact Jessica Southwell or Temika Edwards directly.