Historical Changes to OMB Circular A-123:

- **1981** – OMB First Issued Circular No. A-123, Internal Control Systems
- **1982** – OMB Issued Internal Control Guidelines, and the Federal Managers Financial Integrity Act was enacted
- **1983** – OMB Issued an Updated Version, No. A-123, Internal Control Systems
- **1986** – OMB Updated A-123 to Require Management Control Plans to Guide Efforts
- **1995** – OMB Updated A-123, Management Accountability for Control to Reflect GPRA, CFO Act, IG Act

Sample CPE Tracking Letter

#ERM20
T100: Integrating Risk Management - Harnessing the Power of All Risk Disciplines

Panelists

• **Larry Koskinen**, Chief Risk Officer, U.S. Department of Housing & Urban Development
• **Robert Milden**, Vice President, eGRC Integrated Solutions, Fannie Mae
• **Col. Scott Ritzel**, Chief Risk Officer, Defense Logistics Agency

**Moderator: Marcus Melton**, Director, Risk Advisory, KPMG
Col. Scott Ritzel
Chief Risk Officer, Defense Logistics Agency

DLA’s ERM Framework
Robert Milden
Vice President, eGRC Integrated Solutions, Fannie Mae

Larry Koskinen
Chief Risk Officer
U.S. Department of Housing & Urban Development
Importance of Risk Reporting at HUD

- Strategic Planning (Align to strategic priorities and incorporate declared risks)
- Performance Planning and Management (Track progress of risk and mitigation efforts)
- Budget Planning and Requests (Resource allocation and costing risk mitigation)
- Capital Planning (Allocating human resources, IT, facilities, and other capital investments)
- Assurance Process (Conducting Control Assessments, Verification Reviews)

HUD Risk Profile
(to be evaluated by RMC)

RMC (Governance Body)

…declared risks and risk responses

HUD Integration Activities

Engagement with key stakeholders and processes is a critical component of integration:

- Integrated Calendars
- Target Operating Models
- Roles and Responsibilities
Grants Data and Analytics

$1.46 MILLION SAVINGS ANNUALLY THROUGH DATA DRIVEN ANALYTIC MODEL

We ingested raw text from hundreds of thousands of reports from the Single Audit Clearinghouse and applied innovated text mining and sentiment analysis to create predictive risk models.

Argus puts advanced analytics tools into the hands of analysts for efficient, focused and minimally subjective risk analysis and prediction.

Sample Enterprise Risk Maturity

<table>
<thead>
<tr>
<th>Total Average Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
</tr>
<tr>
<td>43%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk Maturity by Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
</tr>
<tr>
<td>Risk Appetite and Tolerance</td>
</tr>
<tr>
<td>Risk Governance</td>
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<tr>
<td>Risk Culture</td>
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<tr>
<td>Risk Assessment &amp; Measurement</td>
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<tr>
<td>Risk Management &amp; Monitoring</td>
</tr>
<tr>
<td>Risk Reporting &amp; Insights</td>
</tr>
<tr>
<td>Data &amp; Technology</td>
</tr>
</tbody>
</table>

#ERM20
Questions?