

Rebuilding Trust in Government Through ERM

By Thomas Brandt

The opinions expressed in this article are the author's own and do not reflect the views of his employer.

Trust in the federal government is at a historic low. Diminishing levels of public trust have been the subject of several recent reports and studies, based on surveys such as one from the Pew Research Center, shown in **Figure 1**, that reveals only 20% of citizens have confidence in government to do the right thing.¹ Such low levels of public trust impede and impair the government's ability to deliver on mission and reach public goals – starkly evidenced in difficulties to garner and sustain public support for government-led responses to COVID-19.

Trust in government has been on a downward slide since the Watergate era, interrupted by a brief increase after 9/11, but returning to the lows reported today. Pew has measured trust in government for more than half a century and, from their survey reports, one can readily recognize contributing factors to the decline in trust – mainly growing levels of frustration and views that the government can't seem to get things right.² The Pew reports

Figure 1. Low Public Trust in Federal Government Has Persisted for Nearly Two Decades

Percent who say they trust the government in Washington, D.C., to do what is right just about always or most of the time.

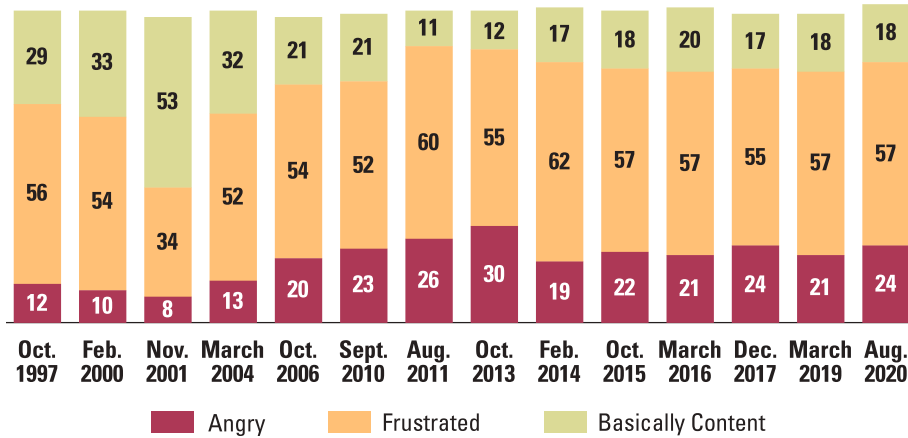


Note: From 1976–2021, the trend line represents a three-survey moving average.

Sources: Pew Research Center (Pew) Survey of U.S. adults conducted April 25–May 1, 2022. Trend sources include Pew American Trends Panel (2020–2022); Pew phone surveys (2019 and earlier); National Election Studies; Gallup; ABC/ *Washington Post*; CBS/*New York Times*; and CNN polls.

Figure 2. Overall Feelings Toward the Federal Government Have Been Steady in Recent Years

Feelings toward the federal government (%)



Note: No answer responses not shown.

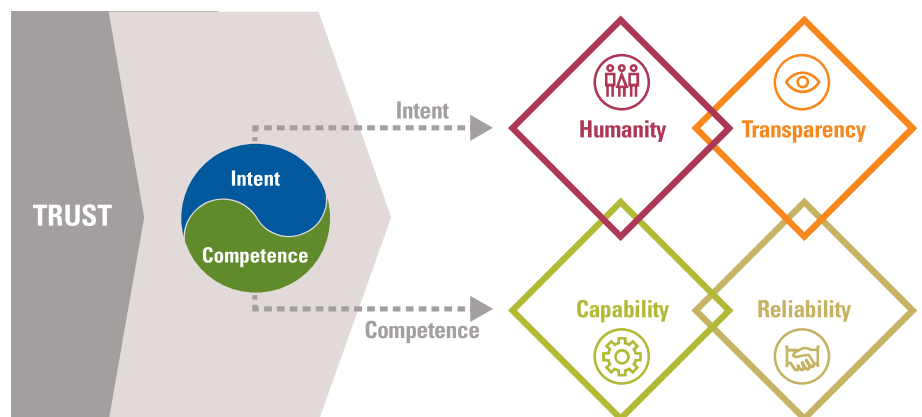
Source: Pew Research Center Survey of U.S. adults conducted July 27–Aug. 2, 2020. Trend sources: Pew American Trends Panel (2020), Pew phone surveys (2019 and earlier).

also confirm a partisan divide in opinions of government, views that tend to flip according to the party in control. But even accounting for the partisan influence, overall notions of government are mostly negative. The American public increasingly views government as bureaucratic, wasteful, corrupt and incompetent. Perceptions that government is not transparent and doesn't listen to the public, have also grown.³

Despite such negative news, all hope has not been lost, as shown in **Figure 2**. The majority of respondents still look to the government to have a role in solving big problems,⁴ and while views of government overall are negative, citizen views of individual agencies, like the National Park Service and Veterans Affairs, are more favorable than other agencies, such as the Internal Revenue Service and Immigration and Customs Enforcement.⁵ Clearly, the nature of the interaction between citizens and government (their customer experience), as well as the role or purpose of each agency, affect and influence perceptions of satisfaction and levels of trust.

A study by Deloitte,⁶ depicted in **Figure 3**, further explains what drives the different views of government that citizens hold. It suggests four “signals” contribute to levels of trust – humanity, transparency, capability and reliability. In addition, the research indicates all government agencies – not just the ones people generally like, but even the ones with enforcement and regulatory missions – can build and attain trust if citizens believe they are consistently doing the right thing while treating people fairly, in

Figure 3. Four Trust Signals Contribute to Greater Trust



Source: Deloitte analysis

a competent and reliable manner, and acting with good intent.

The Partnership for Public Service said the public wants government to be more accountable, more efficient, more transparent and more responsive,⁷ as shown in **Figure 4**, and offered suggestions to improve public trust. Their research showed that delivering on these expectations depends on improvements in government competency and communication, along with a comprehensive and coordinated approach to good governance.

While all good and reasonable points and recommendations, these reports and studies have left one crucial solution off the table. The answer is enterprise risk management (ERM). A clear case for ERM in government exists, if restoring public trust depends on agencies delivering on their mission, improving their performance, and lessening the occurrence of negative events. When properly carried out and appropriately resourced, ERM offers a range of benefits that can help government achieve positive outcomes, including:

- greater awareness of the risks facing the organization.
- proactive vs. reactive approaches to risk.

An Unmodified Opinion, Continued

Figure 4. Ways People Want to See Federal Government Improve

Percentages of people who included a response among their top three choices.

More accountable	50
Solve big problems facing country	44
More efficient with public resources	41
More transparent	38
More responsive to public	31
Protect individual liberties	29
More compassionate to those facing hard times	27
Lessen regulations	16
Be more modern	11

Source: Partnership for Public Service survey of 2,301 U.S. adults from Oct. 18–24, 2021.

- greater ability to achieve strategic objectives and deliver on the mission.
- enhanced management decision-making.
- better execution of strategy.
- reduced likelihood of negative risk events.
- more compliance with legal, regulatory and reporting requirements.
- improved efficiency and effectiveness of operations.

In a comparison of ERM benefits with the factors shown in studies and surveys to lead to erosion in public trust, it should be clear why government should implement and practice ERM throughout the system. Yet, six years after the Office of Management and Budget (OMB) set out expectations for agencies to implement ERM in its update to OMB Circular A-123, now entitled *Management's Responsibility for Enterprise Risk Management and Internal Control*, the extent to which ERM has been adopted across the federal government remains uneven.⁸ Concerns are also growing among federal ERM practitioners

that the momentum for ERM has plateaued, leaving some wondering whether federal ERM has a future.

I believe it is essential for federal ERM to have a future. If the government is ever going to get back on track in solving the big problems, delivering on mission, and improving efficiency and effectiveness, it needs the help of ERM. To obtain value from the practice of ERM, however, 10 specific steps must be taken:

- 1 ERM must be integrated into agencies' strategy, planning, performance, and investment decision-making processes. Otherwise, ERM outputs may not be viewed as value-added.
- 2 OMB must adopt ERM. From a "practice what you preach" perspective, OMB needs a chief risk officer, and it needs to develop an annual risk profile. By modeling the behavior it desires from agencies, OMB can strengthen ERM usage across government.
- 3 Agencies need to consider and address reputational risk as part of their ERM approach. Government leaders consistently

underestimate the impact of ignoring or downplaying reputational risk. Rather than waste time debating whether reputation is its own risk or the byproduct of other manifesting risks, accept the bottom line that reputation and public trust go hand-in-hand. You can't fix one without addressing the other.

4 Congress and each presidential administration must address top risks as part of their budgeting and oversight responsibilities. Congressional committees should request and consider agency ERM information, especially when things go awry. In the spirit of a letter⁹ the chair of the U.S. Senate Committee on Banking, Housing and Urban Affairs recently sent to the president and CEO of Wells Fargo & Company demanding they improve risk management practices, committee chairs should ask the same of government agencies when risk events occur.

5 Legislation requiring the practice of ERM should be enacted, perhaps through an update to the Government Performance and Results Act (GPRA) Modernization Act of 2010. While the update to OMB Circular A-123 has helped, it doesn't yet "have teeth." Legislation could help ERM take firmer hold in government.

6 The Government Accountability Office (GAO) should build on their 2016 report of good ERM practices and review and report on the adoption and maturity of ERM across government.

7 GAO should also consider ERM efforts in their High-Risk List reporting and incorporate an evaluation of agency efforts in their high-risk selection and scoring criteria.

8 The Inspector General (IG) community should also audit agency ERM efforts. Agency ERM practitioners have not generally welcomed IG scrutiny of ERM, out of concern that IGs will overlook the positive steps taken to establish ERM programs, often with limited agency support and resources. However, this area is exactly where IG's can help, especially if they follow guidance developed by the Council of the Inspectors General on Integrity and Efficiency.¹⁰ An IG audit can help agencies strengthen ERM by drawing leadership attention to it and convincing leaders to commit to and fully support their ERM programs.

9 The continued and/or expanded help of other "good government" stakeholders and partners, like AGA, Pew, the Partnership for Public Service, the Senior Executives Association, the National Academy for Public Administration, the Volker Alliance, etc., is needed to support the practice, adoption and maturity of ERM through training, research and development. Many of the goals and objectives these organizations strive for in the

public sector can come to fruition with the advocacy and promotion of ERM.

10 The ERM practitioner community must persevere, celebrate any small successes, share good practices, and generate insights that bring value to agency leadership by enabling better decision-making.

There **is a future for ERM**. Stemming the decline in public trust depends on it. By getting better at ERM, agencies can improve their mission delivery and avoid or reduce mistakes that create the crises that inevitably erode public confidence and faith in government. But federal agencies can't get there alone. A whole of government approach is required to make ERM work. **■**

Endnotes

1. Pew Research Center, *Americans' Views of Government: Decades of Distrust, Enduring Support for Its Role*, June 6, 2022.
2. Pew Research Center, *Americans' Views of Government: Low Trust, but Some Positive Performance Ratings*, Sept. 14, 2020.
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4. Ibid.

5. Ibid, p. 18.
6. Eggers, William D. et al, *Rebuilding Trust in Government: Four Signals that Can Help Improve Citizen Trust and Engagement*, Deloitte Center for Government Insights, March 9, 2021.
7. Ibid, p. 23.
8. 2021 Guidehouse and AFERM. *ERM Survey*, Oct. 2021.
9. May 31, 2022, Letter from Senator Brown to Wells Fargo, banking.senate.gov
10. CIGIE, *ERM Practitioner's Guide for Offices of Inspectors General*, Oct. 2019 (ignet.gov).



Thomas Brandt is a risk management practitioner in the federal government. With nearly three decades of federal service, he is currently the

Chief Risk Officer (CRO) and Director of Planning and Risk for the Federal Retirement Thrift Investment Board. He previously served as CRO for the IRS. He is a fellow with the National Academy of Public Administration, a past president of the Association for Federal ERM, and also served as chair of the OECD Forum on Tax Administration's ERM Community of Interest from 2018–2021.

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