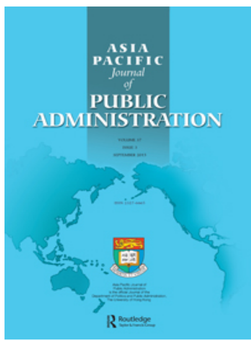

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The growing movement for enterprise risk management in government: the United States begins to catch up

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After lagging the United Kingdom and Canada in managing risk of government agencies and programmes, the United States is beginning to catch up with action by a small and growing group of government officials seeking to apply a management approach known as "enterprise risk management" (ERM). Too often, information is bottled up in the middle or lower ranks of an organisation. In response, ERM seeks to open channels of communication so managers have access to information needed to make good decisions. Rather than limiting the focus to specific identified risks, ERM asks the larger question: What are the risks that could prevent my agency from achieving its goals and objectives? Recognising the value of ERM in improving government management, US central organisations – the Office of Management and Budget and the Government Accountability Office – are now working to institutionalise the new movement, which in the US government began from a confederation of officials across multiple government agencies rather than as a mandate from the top of an administrative hierarchy at the centre of government. This reflects the peculiar "stateless" aspect of US public administration.

Keywords: enterprise risk management; decision making; risk; government management; administrative state; United States

Introduction

After years of lagging countries such as the United Kingdom and Canada in managing risk of government agencies and programmes, the United States is beginning to catch up. Yet once again, progress in the US is taking a different path. In contrast to interest and mandates prescribed by central government organisations, such as became evident in the early 2000s in the UK (eg., National Audit Office, 2000; HM Treasury, 2004) and Canada (eg., Treasury Board Secretariat, 2001, 2004),[1] progress in the US has begun with action by a small and growing group of government officials concerned about the parade of scandals that have erupted across US government departments and agencies. As risks materialised, leaders at the US Office of Personnel Management (OPM), the US Department of Veterans Affairs (VA), the US Internal Revenue Service (IRS), and even the US Secret Service, among others, have been caught unawares and forced to resign.

Far from the glare of media attention, concerned government officials began their movement to help strengthen agencies and their management. The movement seeks to

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apply a management approach known as "enterprise risk management" to provide, among other benefits, a form of organisational self-defense. Unlike many government reform efforts, the movement has been gaining strength quietly. Even the name "enterprise risk management" (ERM) makes eyes glaze over.

Behind the scenes, the ERM movement has grown from a small group of federal officials who gathered seven years ago to try to show the benefits of ERM for government managers, to include senior government officials and agencies from across government. A new association, the Association for Federal Enterprise Risk Management (AFERM) is gaining membership each month; in September 2014, AFERM held its annual conference that sold-out to some 250 participants, including representatives of numerous federal agencies. Recognising the importance of ERM and its attractiveness as a tool to improve government management, US central bodies – the Office of Management and Budget (OMB) and the Government Accountability Office (GAO) – are now working to institutionalise the new movement.

Improving information flow to decision makers

As a management tool, ERM gains its potency because it addresses a fundamental organisational issue: the flow of information to improve the quality of decision making. Too often, information is bottled up in the middle or lower ranks of an organisation. ERM seeks to open channels of communication so that managers have access to the information they need to make good decisions.

Information gets bottled up for many reasons. One is increased complexity. Organisational complexity means that information may be distributed in different places; and technical complexity means that more pieces of information may be needed to make a good decision. Another issue is rapid technological change: even if a manager had been current when entering the workforce, it is likely that newer junior employees are more up to date on new technologies and their implications. For federal agencies, it seems that, as in the cases of IRS and VA, among others, Washington may be out of touch with its field offices where much of the work gets done. Also, and most importantly, it seems that there is a "layer of cork," so to speak, in many organisations that prevents important information – and especially negative information – from surfacing to decision makers who need it. Sometimes the layer exists at the fault line between political appointees and career civil servants; other times a bevy of special assistants may try to shield bosses from bad news. The problem can be especially acute when an agency head proclaims a major new initiative while subordinates shield him or her from the fact that the agency lacks capacity to implement it.

Gaps in information flow exist in the private sector as well as in government. This became clear in the financial crisis. Firms that successfully navigated the crisis encouraged a constant flow of communication. When the retail banking division of JPMorgan Chase (JPM) noticed an increase in mortgage delinquencies in 2006, it reported the information to top management which then investigated, validated the information, and instructed JPM investment banking units to unload their subprime mortgages. Goldman Sachs, which also responded in 2006 to signs of risk in the mortgage market, maintained a "culture of over-communication; multiple formal and informal forums for risk discussions coupled with a constant flow of risk reports" (Goldman Sachs, 2007). Dan Sparks, formerly head of the Goldman mortgage desk, told the Financial Crisis Inquiry Commission that he reported bad news to the firm's top management because "Part of my job was to be sure people I reported to knew what they needed to know" (Stanton, 2012).

The same pattern existed at Wells Fargo and TD Bank, two other firms that successfully navigated the crisis.

While each of the successful firms had its own strategy for detecting and responding to signs of troubled financial markets, the process was the same: top management learned of warning signs, investigated and validated the information, and devised an effective response. In firms that went out of business or required substantial government assistance, the pattern was the opposite: information became available but top management failed to listen to warnings from concerned people in the organisation. One chief risk officer at a large financial firm explained that she faced a difficult choice: either become a pain in management's neck with her warnings or become known as the risk officer at a place that blew itself up. She left the company in 2006 and the company failed in 2008 (Stanton, 2012).

Often building on painful experience, government agencies know that there are major risks in their programmes. Many have devised approaches to deal with specific major risks. Federal loan and loan guarantee agencies monitor credit risk and perhaps operational risk; public health agencies monitor the risks of an outbreak of disease; and a major department such as the Department of Homeland Security may monitor its risks in making major acquisitions.

Enterprise risk management: a focus on major risks

The movement for ERM goes beyond this. Rather than limiting the focus of risk management to specific risks that agencies have already identified, ERM asks the larger question: What are the risks that could prevent my agency from achieving its goals and objectives?[2] ERM seeks to encompass the range of major risks that could threaten agencies' ability to implement their programmes and missions. ERM does not seek to address the myriad of smaller risks that may exist and that too often distract management from the larger ones.

There are good reasons why ERM has become so attractive to agencies that consider it. The risks that an organisation anticipates may not be those that cause harm. Frank Pollack, CEO of the Pentagon Federal Credit Union (PenFed), provided a good example to the annual meeting of the AFERM in 2013. He said PenFed had avoided subprime mortgage lending and did not take significant losses in the financial crisis. But just as it was enjoying its success, it was hit by a cyberattack. Then a short time later it suffered a flood that knocked out significant systems. He recognised that the risks it had anticipated were not the only risks that might cause harm. He then turned to ERM and the organisation rapidly built a robust programme.

Another more tragic example occurred at the US Marine Corps' Camp Lejeune in North Carolina. While the base focused on training marines to deal with combat risks, it failed to respond to warning signs of groundwater contamination over several decades that affected marines and their families and caused hundreds of deaths and cases of cancer and other life-threatening illness. This is the type of failure that ERM tries to avoid by helping an organisation to generate information about a broad range of risks rather than merely those that it already anticipates (Stanton & Webster, 2014).

The logic of ERM fits well with conclusions from research about how leaders make decisions. Finkelstein, Whitehead and Campbell (2008) studied decision making in both public and private sector organisations and found that bad decisions come from two elements. First, an influential person such as a CEO or an agency head makes an error in judgment. This can come from a variety of causes, such as "fighting the last war" or

misplaced favouritism towards a particular subordinate who has an idea. Second, facts are not brought to the table to challenge the flawed thinking, expose errors, and correct them before the decision is implemented. Both elements tend to be present when organisations make major bad decisions. ERM addresses this directly by encouraging the flow of information to decision makers and creating constructive processes to evaluate the information.

Importantly, while ERM can encourage the flow of information to a decision maker, it is the decision maker in the end who makes the decision. Thus, although ERM promotes better decisions, it cannot substitute for a decision that a leader may seek to make for any of a number of reasons. The flawed roll-out of President Obama's health-care plan comes to mind here; it is at least conceivable that decision makers believed that the negative political environment surrounding the new programme meant that they had to ignore warnings about the lack of readiness, and simply roll out the programme quickly and wait for better implementation to catch up. ERM cannot substitute for a political or mistaken managerial judgment; it merely can make better information available for the decision maker to consider.

The insights of Canadian ERM authority John Fraser show how ERM works.[3] He summarises ERM as consisting of two key processes: conversations and prioritisation. In his view, responsibility for managing risks rests with the business units that have them. The risk office does not manage major risks directly, but rather serves as a facilitator of both processes. At Hydro One, the Ontario-owned power company where he is a senior officer, the small number of enterprise risk management staff conducts interviews and workshops to facilitate the flow of information up the hierarchy and across the organisation. This allows the organisation to gain a better picture of major risks across silos. The risk staff facilitate prioritisation of identified risks through meetings of business unit heads who come to understand each other's risks and how risks in one part of the organisation may affect others. The organisation then allocates resources to address the highest priority risks in terms of their likelihood and potential severity – on the understanding that an organisation may decide to accept some risks, to mitigate or shed others, or to try to ensure that some identified major risks are thoroughly dealt with.

Organisational issues

For ERM to be effective, major organisational issues need to be taken into consideration. In the US federal government, the agency rather than the department is often the optimal level for ERM. This is because effective ERM depends on creating a collaborative senior management team. Such a team exists most often at the agency level, rather than across a larger and more diverse department. It is easier for an agency than for a department to weld business unit heads into a management team concerned with risks across the organisation. Also, risks are more likely to cut across silos at the agency level than across a department. For a department such as the Treasury, for example, components such as the Office of Comptroller of the Currency or US Fiscal Service may continue to perform with their reputations unaffected by problems at the IRS.

Independence of its constituent agencies means that a departmental risk office can add value by monitoring, guiding and supporting ERM at the individual agencies, rather than by trying to administer ERM across the entire department. David Mader, the OMB Controller and head of the US Office of Federal Financial Management, explains this perspective:

> Maybe there's a construct that says we need at a department level a risk committee. When you think about some of the larger departments, DHS [the US Department of Homeland Security], [or] HHS [the US Department of Health and Human Services], that have a broad portfolio of very different kinds of bureaus and agencies . . . if I were the deputy secretary of HHS, I think I would be looking for some kind of risk board that on a very periodic basis could be doing a constant assessment of the entire organisation (Miller, 2014).

The risk office of the US Department of Commerce, which consists of 12 quite different agencies, ranging from the National Oceanic and Atmospheric Administration to the US Patent and Trademark Office, provides a good model here. It developed a comprehensive ERM framework and an agency-wide policy, and created tools and templates to help institutionalise ERM. Coupled with the design of an ERM maturity assessment tool, this provided support for individual departmental units such as the US Census Bureau to have their own ERM functions (US Government Accountability Office, 2012).[4]

Alternatively, when ERM may not be possible at the departmental level, a department may decide to address a single salient kind of risk. In the case of DHS, Undersecretary for Management Rafael Borras decided to centralise review of all major acquisitions.[5] He created an Office of Program Assessment and Risk Management to support a centralised departmental investment committee, and standardised important elements of information that constituent parts of DHS needed to submit when seeking a major acquisition. For instance, if a systems acquisition will require several years of funding, how can the department ensure that components exist to provide some value even if funding lapses before the system is completely built? When an organisation such as DHS is so large that one cannot weld together a senior management team that thinks in terms of the welfare of the organisation as a whole, this kind of specialised risk management may be a good approach to deal with major common risks that cut across the organisation.

Another issue affecting the ability of an organisation to have effective ERM processes relates to the matter of third-party government. Rather than delivering public services directly, most departments and agencies rely on third parties to deliver their services (Salamon, 2002). Federal credit agencies, for example, may rely on lenders to provide government-guaranteed loans; other programmes may rely on specialised intermediaries such as doctors and hospitals for Medicare, or grantees for science programmes of the National Institutes of Health and National Science Foundation. Virtually all programmes rely on contractors to deliver services, as the National Security Agency discovered with Edward Snowden when risks materialised.

From the perspective of ERM, the bureaucratic fault line between an agency and the third parties that implement their programmes can impede the flow of necessary information to the top of an agency. Indeed, as was seen in poor communications between petroleum company BP and the contractors managing much of BP's deepwater drilling that led to the Gulf oil catastrophe, this problem applies to the private sector as well as government. Risk managers are turning increasing attention to ways of encouraging information flow from and about third parties so that they can be integrated into ERM processes.

Support from the top: an essential element

Support from the top of the organisation is critical for ERM to be effective. The financial crisis demonstrated how, without "tone at the top," as the saying goes, risk

management can become an idle gesture rather than a working reality. US financial firms whose leaders were uncongenial to risk management fired (in the case of Freddie Mac), sidelined (in the case of Lehman), excluded (in the case of AIG), disregarded (in the case Fannie Mae), or layered their risk officers far down in the organisation (in the case of Countrywide).

By contrast, leaders of successful firms brought their risk officers together with business unit heads in a process of “constructive dialogue” (Stanton, 2012, 2015). They fostered a respectful exchange of views between business unit heads who saw the potential benefits of moving forward on a transaction or new initiative and risk officers who saw the downsides. The dialogue allowed the CEO, CFO or other top manager to gain a good sense of the risk-reward tradeoffs of a decision. Frequently, the discussion led to a synthesis that represented a stronger combination of potential rewards and risks than otherwise would have been possible.

Support from the top is essential to bring senior managers to the table as a management team and to encourage conversations that surface risks and prioritisation of identified risks. Most basically, it serves to protect the risk function from those who may object to hearing bad news, and to ensure that feedback about potential risks is actually heard and taken into account in decision making.

An increasing number of US federal agencies is adopting, or at least striving to adopt, ERM. Sometimes a new head will come to an organisation and, based on his or her own past experience, will call for the establishment or strengthening of ERM. This happened when Neel Kashkari, a veteran of Goldman Sachs which had a strong financial risk management programme, became head of the new Office of Financial Stability, which was responsible for administering hundreds of billions of dollars of Troubled Asset Relief Program (TARP) funds to help stabilise the US financial sector after the financial crisis. New heads of the Office of Federal Student Aid and the Defense Logistics Agency also insisted on the establishment of strong ERM programmes at their organisations. These agency heads used their influence to ensure that the risk management function became integrated with the strategic planning function, the budget process, management reviews, and generally into the agency’s culture and decision making.

ERM requires work and attention to sustain. Arrival of a new agency head who lacks a sense of priority for ERM may result in degradation of the risk management function. The new head may not want to try to force ERM onto resistant heads of business units. Or there may be urgent priorities that distract the new agency head from attention to sound decision making processes or other matters that relate to stewardship of the organisation rather than desired immediate actions. ERM is not a panacea; there is no guarantee that, even with good communications and risk-awareness, agencies can detect and address all major vulnerabilities. That said, ERM offers the opportunity for significant improvement in the capabilities of many agencies.

Increased federal attention to ERM

Fortunately, the larger context for ERM is turning favourable. The Office of Management and Budget is increasingly focusing on risk management as a management priority for federal agencies. The record of an interview with OMB Controller David Mader sets out how OMB’s approach seeks to accommodate the different missions and cultures of different federal organisations:

> Mader said OMB is talking to agencies and private sector organisations who have established risk management practices and organisations to figure out how best to proceed. He said OMB will issue guidance or a memo or some sort of document in the second quarter of fiscal 2015. "For sure, we have to have core structure and some core attributes that define this risk program, things that people do need to do . . . I don't think when you look at the breadth of agencies, one-size fits all. I think if you set the expectations that you will manage risk and allow each of the agencies to decide how best to construct that. I think it will vary across government (Miller, 2014).

In January 2013, the OMB issued a revised circular for federal agencies that provide loans or loan guarantees. An OMB circular carries weight: it gives information or instructions to guide agencies in implementing their management or budget functions. In the revision, known as Circular A-129, the OMB (2013, p. 10) prescribed that "Senior management [should] establish appropriate performance and other indicators for each program, and establish risk thresholds to balance policy goals with risks and costs to the taxpayer." The OMB backed this up by requiring each credit agency to conduct biennial programme reviews, including analysis of risks and risk-mitigation strategies, and to submit these as part of the agency's budget submission.

Then in summer 2014, the OMB issued an update to Circular A-11, *Preparation, Submission and Execution of the Budget*, which in a new part calls on agencies to "assess and manage risk as a part of strategic and data-driven reviews in support of the broader organisational risk management framework, as appropriate for their missions, and in accordance with agency-specific programs." While not mandating ERM, the OMB circular articulates its benefits:

> Agencies are expected to manage risks and challenges related to delivering the organization's mission. ERM is a tool that can help agencies to properly identify and manage risks to performance. With a view of risk organization-wide, agencies can be better positioned to quickly gauge which risks are directly aligned to strategic objectives, and which have the highest probability of impacting mission. When significant, prioritized, risks are vetted and escalated appropriately, challenges and opportunities can be routinely analyzed and incorporated into performance plans. When well executed, ERM improves agency capacity to prioritize efforts, optimize resources, and assess of changes in the environment. Agencies are encouraged to consider instituting Enterprise Risk Management (ERM) to ensure that strategies and actions are informed by a common understanding of risk which is important to inform priorities and allocate resources (OMB, 2014, Section 270-13).

The circular does not require that agencies practice ERM, but rather encourages the application of ERM and presents it in some detail as a best practice. This flexibility is wise, at least in the US administrative context. US experience has taught that requiring risk management can turn the effort into a formality and compliance exercise and even into a gesture rather than an effective tool that management itself seeks to apply. It is far better to continue to encourage risk management and promote a change in organisational culture and practice rather than simply to require activities that too easily can become a rote exercise. Over time, just as the OMB induced agencies to turn the planning elements of the Government Performance and Results Act into a more useful management tool, the OMB can encourage agencies to apply ERM in a systematic manner.

How the US is different

The US approach addressed here is quite different from the approach to risk management taken by some other countries when central government organisations simply mandate improved risk management and then supervise government departments and

agencies to ensure good implementation. Thus, in the UK, for example, the National Audit Office (NAO) published a report on managing risk in government departments in 2000. In 2001, HM Treasury produced a document titled, *Management of Risk – A Strategic Overview*, soon known as "the Orange Book," as a resource for government organisations seeking to adopt risk management practices. In 2002, the Cabinet Office Strategy Unit published a report, *Risk: Improving Government's Capability to Handle Risk and Uncertainty,* calling for a two year programme "to better embed risk in policy-making, planning and delivery; improve handling of strategic risks; develop management and communication of risk to the public; improve leadership and develop the right culture; and enhance skills and guidance" (NAO, 2004a, p. 23). In November 2002, HM Treasury began implementation of the two-year programme; and in December 2004, the final programme report was prepared for the Prime Minister (NAO, 2004a, p. 23).

The NAO followed up the report reviewing progress (NAO, 2004a) with pertinent case studies (NAO, 2004b). By late 2004, the Managing Director of the Government Financial Management Directorate of HM Treasury could write in an update to the Orange Book that there had been considerable progress:

> Perhaps the most significant shift since the publication of the 2001 "Orange Book" is that all government organisations now have basic risk management processes in place. This means that the main risk management challenge does not now lie in the initial identification and analysis of risk and the development of the risk management process, but rather in the ongoing review and improvement of risk management (HM Treasury, 2004, Foreword).

An entry on an HM Treasury website (HM Treasury, undated) shows how the UK government drove the adoption of risk management practices in government:

> Departments are responsible for taking forward most of the Strategy Unit report's recommendations – integrating responsibility for improvements with accountability for delivery - and they can look to the Treasury, the Delivery Unit, the Civil Contingencies Secretariat, the Strategy Unit, and others, for support and guidance in developing their risk management capabilities. Ministers and Permanent Secretaries and their Boards are vital in leading change, in particular to help support changes in behaviour. Risk improvement managers (RIMs) in each department have been appointed to drive change within their organisation and form an interdepartmental network - helping to spread good practice.

In essence, attention to effective risk management came much sooner to the UK government than in the US and was implemented effectively and more directly.

This also occurred in Canada. In 1997, a Canadian review panel sought to increase the scope of financial management to include consideration of the "Nature and role of modern comptrollership, to ensure that it is relevant, robust and responsive to changing conditions and risks" (Comptrollership, 1997, p. i). The Treasury Board of Canada Secretariat followed up with its *Integrated Risk Management Framework* of April 2001, the 2004 *Integrated Risk Management Implementation Guide*, the *Guide to Integrated Risk Management* (revised 11 July 2011), and the *Framework for the Management of Risk* (effective 27 August 2010) (Treasury Board Secretariat, 2001, 2004, 2010, 2011).[6] The *Framework* makes clear that improved risk management is not merely a voluntary exercise:

> Evidence that a federal department or agency has effective risk management practices in place may lead to Treasury Board and Secretariat oversight being adjusted to an organization's capacity for managing risk, where circumstances permit. Conversely, ineffective risk management may lead to additional controls and oversight. Where necessary, the

> Secretariat may encourage deputy heads to undertake appropriate remedial measures in support of their responsibilities for the monitoring of risk management within their organization (Treasury Board Secretariat, 2010).

The contrast of the slower and more decentralised approach of the US with the way that the UK and Canada implemented improvements in risk management is striking. Stillman's (1999) analysis of the administrative state as it evolved in the US, as contrasted with the administrative state in the UK and elsewhere in Europe, helps to shed light on the difference. Stillman begins with the observation that the US began as a group of colonies which bore the brunt of a very effective imperial administrative apparatus. In consequence, the framers of the US Constitution placed great emphasis on checks and balances and distributed power within government (and among levels of government).

As US Supreme Court Justice Louis Brandeis (1926) pointed out long ago about the US Constitution:

> The doctrine of the separation of powers was adopted by the [constitutional] convention of 1787 not to promote efficiency but to preclude the exercise of arbitrary power. The purpose was not to avoid friction, but, by means of the inevitable friction incident to the distribution of the governmental powers among three departments, to save the people from autocracy.

This has implications for the administrative structure of the US government. Indeed, Stillman (1999, p. 33) observes that "America was formed . . . not only without a state, but with a hodgepodge of competing beliefs, doctrines, principles, myths, and postulates, often in conflict with one another, that ... serve to continuously pulverize administrative effectiveness and to negate possibilities for any consistent administrative design.[7]

In this context, the movement for ERM in the US government began from a network of officials across multiple government organisations rather than as a mandate from the top of an administrative hierarchy at the centre of government. This is similar to some other US administrative reform efforts.

ERM means a change in organisational culture

US agencies that have adopted successful ERM programmes have moved to make risk management more permanent. They have integrated ERM with their strategic planning and budget processes. Strategic plans need to take account of the major risks that could prevent the accomplishment of major goals and objectives; and the budgeting process needs to take account of higher priority spending that may be needed to correct major vulnerabilities before they turn into the kind of nightmares that have beset too many agencies in recent years. Management reviews also need to take account of risks and not just assume that objectives can be achieved.

Risk-awareness needs to be built into agency cultures and decision making so that people feel free to bring their concerns to higher levels of the organisation for consideration. Reporting major problems needs to be the way that an agency does business, rather than an act of courage by anyone who attempts to warn about a possible problem (Chaleff, 2009). Especially without strong influence from the top of an administrative hierarchy, this is a tall order. Powerful agency unit heads may not want to open their fiefdoms to scrutiny. New political appointees may be in a hurry to put

their stamp on an agency and may not welcome being slowed down by consideration of major risks that could thwart their ambitious agendas.

There are answers to these objections. An agency head can stress that unit heads will be held seriously accountable if problems emerge that could have been addressed and avoided by prompt reporting to the top. A wise new political appointee will seek to survey an agency for vulnerabilities created under their predecessors that could tarnish the incumbent if they cause harm on his or her watch.

Concluding observation

Increased risk management, and ERM in particular, will continue to expand across US federal organisations as managers increasingly see the benefits of trying to anticipate risks and systematically improve their decision making. Agencies and departments will know they have succeeded when their cultures change, when risk awareness permeates their planning and budget processes, and when bad news flows to the top so that leaders can deal with it in time.

Notes

1. For early attention to risk management in Ireland, see, eg., Department of Finance (2004); and for Australia, see, eg., Barrett (1996, 2003) and Australian Public Service Commission (2007)
2. The Association for Federal Enterprise Risk Management (AFERM) emphasises that standing still and missing opportunities also constitutes risk. AFERM defines ERM as “a discipline that addresses the full spectrum of an organization’s risks, including challenges and opportunities, and integrates them into an enterprise-wide, strategically-aligned portfolio view. ERM contributes to improved decision-making and supports the achievement of an organization’s mission, goals, and objectives” www.AFERM.org/resources.php, accessed 12 May 2015.
3. John Fraser is Senior Vice-President, Internal Audit, and former Chief Risk Officer, at Hydro One Networks Inc., a Canadian power company owned by the Province of Ontario. He is a recognised authority on ERM and has written extensively on the subject. HydroOne has been the subject of a Harvard Business School case study concerning its ERM programme. Fraser has been of great assistance in briefing US officials about ERM and its implementation.
4. The risk management function at the US Census Bureau was recognised in a report of the US Government Accountability Office (2012) as a positive example of how an agency facilitated the identification of risks to address before designing and implementing a plan to consolidate the agency’s field structure from twelve offices to six.
5. With respect to the acquisition risk programme of the Department of Homeland Security, see Stanton and Webster (2014).
6. Apparently, Canadian progress was uneven: see Prime Minister’s Advisory Committee (2009, p. 5).
7. This brief summary cannot do justice to Stillman’s elegant recounting of the history of the administrative structure of the US, especially as the US government added capacity in response to outside developments, but without building the core of an administrative state as is familiar in other countries.

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