

Security Analysis and Risk Management Association

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Managing Security Risks in an Uncertain World

Priorities and Challenges for the Next President of the United States

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There is no greater responsibility conveyed to the President of the United States than the protection of this nation and its citizens. Accordingly, the President, his senior policy advisors, and the heads of federal departments and agencies must have a sound and objective basis for assessing threats to the nation's security and a rational framework for setting priorities and mobilizing a coordinated national response.

Knowing the right things to do, and making the tough choices needed to organize and allocate limited federal resources, will require that the administration candidly assess the likelihood and consequence of potential threats and communicate those risks in a way that wins the understanding, trust, and support of the Congress, state and local governments, the private sector, and the American people. Strengthening the nation's resilience and its ability to mitigate and respond to significant risks must be based on a national framework for risk management that translates risk-based priorities into well-integrated national policy, plans, and programs.

This single change in the way that government does business could have profound and positive implications for the nation's defense and homeland security efforts for generations to come.

THE NEED FOR PRESIDENTIAL LEADERSHIP.

Though the wisdom of applying risk management concepts to guide decision-making on security has been widely endorsed by prior administrations, the Congress, academia, and many practitioners, a coherent national policy still does not exist. The challenges associated with national and homeland security have also been approached separately, ignoring opportunities to capitalize on shared interests and interdependencies that could strengthen and extend security investments to deliver better solutions more economically. Old programs continue, new programs emerge, and spending grows in the absence of an overarching strategy - all at a cost that the nation can no longer afford.

More than seven years since the September 11 attacks, the Government Accountability Office, the Congressional Research Service, the Homeland Security Committees in the House and Senate, and numerous independent experts continue to note the lack of federal leadership in applying risk management practices to security decision-making. A lack of interagency cooperation, competing approaches, and an artificial divide between the homeland security and national security communities have all contributed to this inertia. Given the global challenges and fiscal realities we now face, the President cannot let this continue. He must act decisively to establish a risk management policy for the nation and assign clear responsibility for its stewardship.

THE CURRENT SITUATION.

Security risk management programs have developed independently and unevenly across federal departments and agencies. Federal departments have not adequately coordinated their security risk management efforts, or taken steps to ensure the structure, processes, and qualified risk analysts are in place. In addition, there is no formal system or framework to standardize technical and professional development, or to otherwise build the professional infrastructure required.

There is no national system to guide risk practitioners and ensure collaboration and interoperability in development and application of risk management approaches. Absent meaningful interagency coordination, an advisory board, and/or a recognized standard-setting body, there is no way to synchronize divergent methods. As a result, there are no commonly recognized or compatible standards, and the resulting analysis is often less than useful at the national or interagency level.

There is no comprehensive federal doctrine to guide the implementation of risk management programs or to ensure compatibility and integration across the interagency community. There are no common references to guide leaders and practitioners when considering how to best meet their risk management needs or to integrate their efforts at a national level. Absent this doctrine, there is no way to leverage independent assessments of risk to guide priority setting and resource allocation.

SARMA RECOMMENDATIONS.

Issue a Presidential directive to create a National Security Risk Management Program. The directive would establish a national program for security risk management and provide central coordination over all efforts to implement supporting policies, programs, and practices across the interagency community. Such a program would accelerate progress, reduce duplication of effort, and eliminate organizational conflicts and other barriers to implementation and integration.

Require federal departments and agencies to create a Chief Security Risk Officer (CSRO) function, positioned and empowered to synchronize, coordinate, and monitor all security risk management efforts within their organizations. This concept has been in widespread use by the private sector for decades. Implementing such a position within the appropriate federal departments and agencies would elevate the importance of security risk management and provide singular leadership and accountability for policies, procedures, and the advancement of risk management initiatives at the department and/or agency level.

Direct the DHS CSRO to harmonize homeland security risk management policies and programs to ensure consistency, compatibility, and integration, not only within DHS but with state and local governments, and private industry. In addition to reconciling and ensuring coordination across the department, the DHS CSRO would serve as the homeland security risk management advocate to state and local government and private industry, thereby extending the benefits of a common risk management framework to all sectors as part of a truly integrated and “national” effort.

Create a security risk management governance structure to span the interagency community and bring standardization and rigor to the assessment of security risks. This structure would have two essential components: 1) *A Chief Security Risk Officer Council* that would be the authoritative body for security risk management strategy, policy, and standards and oversee the implementation of the risk management directive; and 2) *An Interagency Security Risk Management Staff* to serve as a Center-of-Excellence, providing program development support, technical expertise, and training to federal, state, and local governments, and the private sector.

CONCLUSIONS.

Risk management is an approach essential to helping our nation’s leadership address the enormous security challenges we face now and will continue to face well into the future. However, a comprehensive national framework is needed. Even with Presidential leadership, this task will not be easy. It will require a broad-based partnership across the federal interagency community, and must include state and local government, the private sector, academia, and related professional associations. The Security Analysis and Risk Management Association stands ready to assist the President in whatever way it can to help advance this important goal.

SARMA is a non-profit professional association serving those responsible for analyzing and managing security risks to systems, structures, operations and information systems from man-made threats. SARMA provides a collaborative and open environment to promote the further development, standardization, and professionalization of the security analysis and risk management disciplines.