



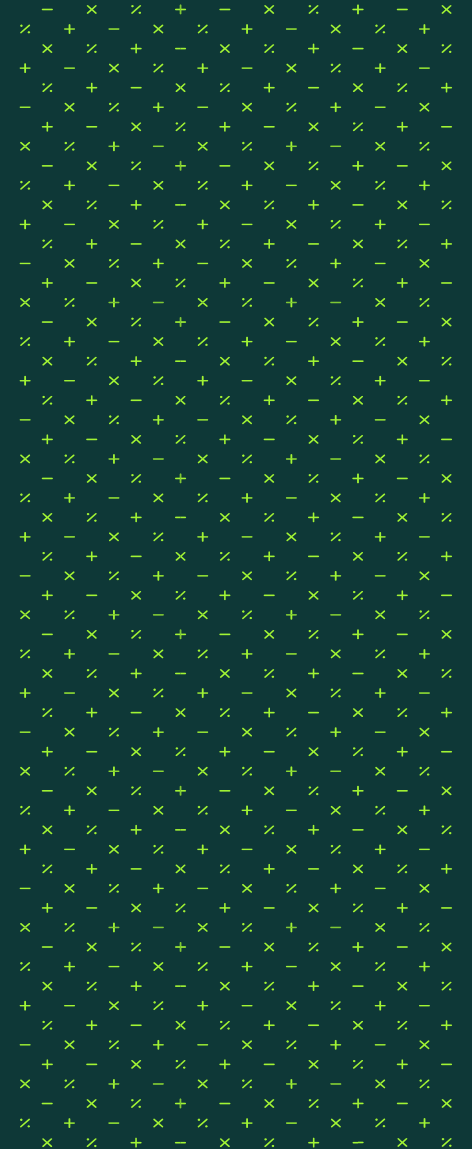
MOSSADAMS

City of Santa Fe

Enterprise Risk Assessment

Audit Committee Meeting

June 28, 2024





Agenda

01 SCOPE AND METHODOLOGY

02 RISK ASSESSMENT FRAMEWORK

03 RISK ASSESSMENT RESULTS



Scope

As the City's internal auditor, Moss Adams conducted its triennial Enterprise Risk Assessment (ERA).

The ERA was conducted between January 2024 and April 2024 and focused on identifying, categorizing, and evaluating risks that may interfere with the City's ability to achieve its mission.



Methodology



PLANNING

We began planning our assessment by requesting a standard set of documents, including but not limited to prior risk assessments, audits, public website documents, and financial reports. We used these to identify the first round of individuals to interview and additional document needs based on business process/functional areas.



FACT-FINDING

Fact-finding encompassed analysis of received documents, employee interviews, and soliciting additional employee feedback via an online survey. During this phase, we gathered information to gain a clear understanding of the organization and the way it operates to achieve its goals and purpose.



ANALYSIS

With the information collected and compiled, we performed a risk assessment that included a thorough review and analysis of the categories of risk factors. This analysis included assessing current risk conditions and trajectory, the level of preparedness efforts to mitigate risks, and the probability and potential impact a negative event may have on the organization's ability to achieve its mission, vision, and strategic goals.



REPORTING







During the reporting phase, we developed a draft report to engage in review and discussion with senior leadership. Based on feedback, we finalized the report for delivery to City leadership.



Risk Assessment Framework

For each of the risk categories assessed, our assessment included an overview of each risk condition, including the current risk level, likelihood, impact, preparedness, and trajectory.

Used to calculate the overall risk level

RISK LEVEL	Level of uncertainty that could impair functions and processes, in the absence of any actions taken to alter either the risk's likelihood or impact.	<ul style="list-style-type: none"> • Low • Low to Moderate • Moderate • Moderate to High • High
IMPACT 	Level of potential impact of a negative event on strategy, people, operations, systems, and resources.	<ul style="list-style-type: none"> • Low • Low to Moderate • Moderate • Moderate to High • High
LIKELIHOOD 	Qualitative assessment of the probability of a negative event occurring, given the current risk conditions.	<ul style="list-style-type: none"> • Low • Low to Moderate • Moderate • Moderate to High • High
PREPAREDNESS 	Level of preparedness through activities and resources to manage risks and minimize and limit potential losses.	<ul style="list-style-type: none"> • Low • Low to Moderate • Moderate • Moderate to High • High
TRAJECTORY 	Trajectory of the risk level, given the current risk conditions.	<ul style="list-style-type: none"> • Decreasing – High • Decreasing – Low • Flat • Increasing – Low • Increasing – High
RISK MITIGATION 	Potential strategies for reducing risk.	Based on the current risk conditions.
RESIDUAL RISK 	Possible remaining exposure after known risks have been mitigated through specific actions.	<ul style="list-style-type: none"> • Low • Low to Moderate • Moderate • Moderate to High • High



Risk Assessment Results

RISK CATEGORY	OVERALL RISK LEVEL
Accounting and Finance	High
Capital Improvement Program	High
Human Resources	High
Organization and Staffing	High
Planning and Strategy	High
Procurement and Contracting	High
Risk Programs	High
Compliance	Moderate to High
Ethics and Fraud, Waste, and Abuse	Moderate to High
Policies and Procedures	Moderate to High
Public Safety	Moderate to High
Reputation and Public Perception	Moderate to High
Asset Management	Moderate
Funding and Economics	Moderate
Governance	Moderate
Information Technology	Moderate
Management and Leadership	Moderate
Operations and Service Delivery	Moderate



High Risk Categories

	Impact	Likelihood	Preparedness	Trajectory
Accounting and Finance	High	High	Low to Moderate	Flat
Capital Improvement Program	High	High	Low	Increasing – Low
Human Resources	High	High	Low to Moderate	Flat
Organization and Staffing	High	Moderate to High	Low to Moderate	Increasing – Low
Planning and Strategy	High	High	Low to Moderate	Flat
Procurement and Contracting	High	High	Low	Flat
Risk Programs	High	Moderate to High	Low to Moderate	Increasing – Low





Questions?

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