Montgomery County, Maryland

Office of the County Executive

Office of Internal Audit

County-Wide Risk Assessment
and
Multi-Year Internal Audit Plan for
Executive Branch Departments

May 2, 2016

MCIA-16-5

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1. Background

This report summarizes work performed by SC&H Group under contract with the Montgomery County (County) Office of Internal Audit (MCIA) in support of the County's overall risk management effort. SC&H conducted an assessment of the current risk environment within the County's Executive Branch offices[1], and used the results to establish a multi-year (Fiscal Years 2017 – 2020) internal audit plan focused on the County's highest risk areas. The work performed by SC&H under this project also supports the establishment of an ongoing and sustainable risk assessment program through the development of a process to periodically assess whether new significant risks have emerged that would warrant inclusion in the multi-year audit plan.

SC&H conducted the engagement by utilizing a risk assessment methodology that followed industry-standard practices, and tailored it as needed to properly consider the operating environment and associated risks that are specific to the County. SC&H's methodology is based on the latest COSO Framework and coincides with the framework outlined in ISO 31000:2009. SC&H worked side-by-side with the County's Internal Audit Manager (IA Manager) to conduct the risk assessment, which resulted in a risk-based multi-year audit plan for the County, and a set of refresh procedures that can be used to periodically re-assess the County's risk environment.

2. Executive Summary

Every organization includes elements of risk that exist throughout the operating environment; this includes government organizations such as the County. A risk is an event that could occur that would have an adverse impact on the ability of the County to meet its' goals and objectives. The presence of risk is not an indication that there is a problem within an organization. Rather, the presence of risk means that there are factors that exist both within the organization, and externally throughout the environment in which the County operates, that should be considered and evaluated by the County to ensure that they are appropriately accounted for and effectively managed to achieve organizational and program success.

In evaluating risk, SC&H considered two criteria: the likelihood of an event occurring and the potential impact should the event occur. The combination of these two criteria provides an estimation as to the severity of the threat that an individual risk presents to the organization and its effectiveness/efficiency in providing services to County residents.

In conducting the risk assessment, SC&H relied on data and information gathered from a number of data sources – including interviews with County executives; a survey administered to senior County managers within each department; review of County documents, expenditures, and performance metrics; examination of previous audit/review reports issued by Internal Audit, the County's Office of Legislative Oversight and Office of Inspector General. For each department, SC&H identified the major programs, functions, and business processes that would compose the risk areas that would be evaluated.

For each of the risk areas identified, SC&H assessed the level of risk (likelihood, impact, and overall) associated with each risk area and assigned a risk rating of High, Moderate, or Low to each risk area. Please reference the "Risk Ranking Method" section of **4.2 Analysis and Risk Assessment Phase** below for more information on the risk scores. The scores of each

[1] The Montgomery County Judicial and Legislative branches, and the County agencies were excluded from the scope of the risk assessment and audit plan processes.

risk area were then used as the basis for the development of the County's multi-year internal audit plan. A total of 99 separate auditable risk areas were identified within the County. Of those, 32 risk areas received an overall High risk rating. High risk does not mean that specific problems have been identified in a given program, but rather is determined by considering the following:

- The risk (likelihood) of a significant event has a high probability of occurring over the next 12 months if certain circumstances occur and controls/processes are not designed and functioning effectively; and
- The result (impact) should an identified event occur would likely be significant and or long-lasting to a department or the County.

For the remaining risk areas, 39 received a Moderate risk rating and 28 received a Low risk rating. Additional information regarding the 99 risk areas and the likelihood, impact, and overall risk scores assigned to each can be found in **Appendix A – Audit Universe** below.

A multi-year (FY 2017 – 2020) internal audit plan was then developed that focused the County's internal audit resources on the 32 high risk areas. The internal audit plan can be found in *Table 7*, below. As with any plan, this Plan will be reviewed each year to determine whether adjustments to the upcoming year's audit focus are required based on resources, new information (including new risk assessment data), or other factors.

Additionally, to assist the County in maintaining an effective risk management environment, SC&H developed a set of refresh procedures that will allow the County to periodically re-assess its risk environment. This re-assessment will determine whether there are new risks that have emerged that should be considered and factored into the scoring of the applicable risk areas, if the scores assigned to any of the existing risks should be changed to more accurately reflect the current corresponding operating environment, and whether changes to the assigned risk scores warrant a modification to the internal audit plan. These refresh procedures have been provided by SC&H to the County's IA Manager.

3. Objectives

Montgomery County requested assistance to develop an ongoing and sustainable risk assessment process in support of the County's overall risk management effort. The risk assessment project included achieving the following objectives:

- Current Risk Assessment: Assess and prioritize the County's current risk environment[2] and establish a multi-year (FY 2017 – 2020) internal audit plan designed to address the County's most significant audit risks.

- Sustainable Process: Develop a process that would allow the County to periodically (annually or biennially) assess whether new significant risks have emerged (e.g. resulting from new legislation, County initiatives, underlying internal control conditions, or other factors) for inclusion in the multi-year audit plan.

[2] A previous County Government risk assessment was conducted in 2010.

4. Approach and Methodology

To accomplish the Current Risk Assessment objective, SC&H conducted a data-driven risk assessment that followed industry-standard practices tailored in consideration of the operating environment and associated risks that are specific to the County.

4.1. Data Collection Phase

Data collection was performed to understand the County's operating environment and potential risks, and to conduct the analysis required to rank each of the identified areas of potential risk along with development of a multi-year audit plan designed to address those risks. The following approach was used:

Review of Background Information. A key element in assuring that we have a comprehensive understanding of the County's departmental operational environment is the review of available information, data, and performance metrics. This allowed us to identify contributing factors that could increase or decrease the likelihood and/or impact of a negative event occurring, and also to assess any trends in performance that could signal departmental improvements or potential issues. For the County's risk assessment, we included in our review the following sources of information:

- Strategic plans
- The comprehensive annual financial report
- Single Audit Report
- The County's Budget
- Board and Committee meeting agendas and the resulting meeting minutes
- Contractor spending - by Department – for FY14 and FY15
- CountyStat performance measurement information

Interviews with County Executives. With the participation of the IA Manager, we conducted a series of information-gathering interviews with County executives to obtain their perspectives on functions/topics within the County that might represent high risk areas. Interviews with the following individuals were conducted:

- Chief Administrative Officer
- Assistant Chief Administrative Officer
- Inspector General & Deputy Inspector General
- Director, Office of Management and Budget
- Director, Finance and Chief Operating Officer, Finance
- Chief Information Officer (Director, Department of Technology Services)
- Director, Office of Legislative Oversight
- CountyStat

Review of Previously-Issued Audit/Review Reports. SC&H reviewed reports issued by MCIA, Office of Inspector General (OIG), and the Office of Legislative Oversight (OLO), documenting findings and recommendations from previously-conducted reviews or audits. Particular focus was given to reports that were issued over the last three years in order to consider the relevance and timeliness of the observations and recommendations included in each report. This provided a population of 60 reports that were reviewed as part of the risk

assessment process. For each report, we documented the objectives of the review, the issues and deficiencies that were identified through the review, and the potential impact of each.

Comprehensive Management Survey. SC&H conducted a survey that consisted of 38 open-ended and structured-response questions that were designed to solicit honest, anonymous feedback regarding the risks and threats to departments throughout the County. The survey was built in a specialized survey website and a link to take the survey was distributed to over 321 managers and directors (all Management Leadership Service (MLS) level M1s & M2s, and selected M3s) across all County departments. A final response rate of ~35% was obtained, which represented input from all County departments.

Additional Information-Gathering. Targeted follow-up questionnaires were sent to the departments listed below in order to obtain additional information regarding specific functions and programs within each department, and the risk factors that were present within each of the departments:

Departments:

- Office of the County Attorney (OCA)
- Department of Health and Human Services (DHHS)
- Department of Transportation (DOT)
- Office of Emergency Management and Homeland Security (OEMHS)
- Department of General Services (DGS)
- Department of Technology Services (DTS)
- Department of Corrections and Rehabilitation (DOCR)
- Office of Human Resources (OHR)

4.2. Analysis and Risk Assessment Phase

Following the aggregation of all of the information that was obtained through the data collection phase, SC&H identified the major programs, functions, and business processes that would compose the risk areas to be evaluated. Collectively, these auditable risk areas make up the County's "*audit universe*."

Audit Universe: The audit universe is a population of key departments/functions identified throughout the County. It recognizes each of the departments within the County's Executive Branch, along with their main operational functions, and a listing of the key activities that were identified through the gathering of information through the risk assessment procedures that were performed. The audit universe maps to the risk universe (discussed below) and allows for measuring/quantifying risks. The audit universe also allows for a comprehensive view of what can be evaluated and what has/has not yet been evaluated in prior periods.

As part of the risk assessment process, SC&H documented risks that were relevant to the County and its operations. For each of the risks that were identified, characteristics were considered including likelihood, impact, inherent risk, and residual risk. Risks were identified that reflected the ***Likelihood*** that a negative event could occur, and also the ***Impact*** that a negative event would have on the County if it were to occur. Together, these risks are known as the *risk universe*.

Risk Universe: The risk universe includes County-wide risks and risks identified within each of the departments and their underlying functions. The risk universe is shown with all risk categories, by departmental/functional level. The purpose of having one risk universe, rather than multiple (e.g. per department/function) is to provide for a consistent way to measure, compare, and quantify County risks. The benefit of this is to identify the highest risks from a departmental/functional perspective, while still ensuring critical areas are addressed.

The set of risks that were identified and considered for each departmental function throughout the risk assessment process consist of:

Risk Evaluation: Likelihood

Table 1

Risk Types	Factors Affecting Likelihood
Strategic	1. Inability to meet County/departmental goals, objectives, or strategy due to: a. An ineffective or inefficient model and/or approach; b. An improper or ineffective organizational structure; c. Improper, ineffective, and/or lack of strategic planning visions, communications, techniques, and/or actions
Legal and Regulatory	1. Noncompliance with legal, regulatory, and/or contractual requirements resulting in fines, penalties, or other adverse impacts to the County/department
Environmental, Health, and Safety	1. A condition or vulnerability that has an adverse effect on the environment or negatively impacts the health to employees and/or citizens 2. Failure to ensure that the County facilities and/or the environments in which County personnel operate are designed and maintained to protect the safety of the employees 3. A lack of controls, safeguards, education, or due care that endangers the health and safety of County personnel and/or the public
Physical Security	1. The failure to prevent, deter, and detect physical threats to County personnel, property, or operations, such as the following: a. Environmental threats, including damages that are caused by naturally-occurring events such as hurricanes, tornados, fires, floods, etc. b. Human Threats, including all injuries or damages caused intentionally or unintentionally by people, such as accessing restricted areas, terrorist attacks, unsafe use of County equipment, etc.
Information Technology	1. Technology used does not effectively support the current and future needs of the County/departments 2. Compromise to the integrity, access, reliability, and/or availability of data or operating systems 3. Potential for system failure and lack of business continuity/data recovery

Risk Types	Factors Affecting Likelihood
	4. Lack of adequate system/application maintenance and/or upgrades 5. Inadequate information technology support; within and/or external to departments
Customer Service and Delivery	1. Failure to provide service to customers[1] in a timely and effective manner 2. Failure to service customers during emergency situations 3. Failure to respond to customers in a timely or effective manner 4. Failure to respond and resolve issues in a timely manner *[1] Customers refer to all those serviced by the County, internal and external (e.g. employees, citizens, and officials)*
Fraud	1. Susceptibility to theft, waste, and abuse of County/departmental resources 2. Assets and information vulnerable to theft or manipulation
Personnel/HR	1. Lack of proper skill set, resources, and/or training 2. Inadequate and/ or inconsistent succession planning 3. Lack of formalized/standard County-wide and/or departmental policies and procedures (development, monitoring, maintenance, etc.) 4. Inconsistent/incomplete employee (or contractor) on-boarding/off-boarding practices 5. Inconsistent/incomplete employee (or contractor) on-boarding/off-boarding communication
Information and Communication	1. Inaccurate, inconsistent, or untimely information or communication to customers[1] 2. Ineffective receipt of customer[1] information 3. Lack of County-wide/departmental change communication 4. Ineffective governmental marketing techniques 5. Improper/inaccurate social media communication *[1] Customers refer to all those serviced by the County, internal and external (e.g. employees, citizens, and officials)*
Political	1. Susceptibility to changes in policy and program importance subject to the viewpoint of Council members and citizen advocates 2. Funding and resource allocations subject to change based on changes in legislative initiatives
Economy	1. Changes in funding availability and program viability alteration based on the strength of the local economy
Organizational Interaction	1. High dependence on other parts of the County 2. Lack of/inconsistent necessary interaction between departments

Risk Evaluation: Impact

Table 2

Risk Types	Factors Affecting Impact
Reputation	1. Improper instructions, communication, and interactions with customers[1], regulators, or constituents that may result in negative public perception and/or could harm the reputation of the County/ departments 2. Negative customer[1] feedback *[1] Customers refer to all those serviced by the County, internal and external (e.g. employees, citizens, and officials)*
Business Operations	1. A condition or issue that prevents the operations from functioning effectively and/or efficiently 2. A condition or issue that prevents the County/department from meeting internal/external goals and objectives 3. Vulnerability in operations due to volume and/or complexity of transactions and/or activities 4. Vulnerability due to the degree of process automation
Financial	1. Incompletely/inaccurately presented financial information 2. Circumstances that could result in significant financial implications to the County/department 3. Failure to meet financial obligations or requirements 4. Failure to comply with funding requirements, resulting in impairments to future funding
Property	1. The degree of related activities that can be detrimental to County/ personal property 2. Damage to County/personal property

Risk Ranking Method

Once the population of risks that affected the Likelihood and Impact were identified and defined, SC&H ranked each risk for each of the documented departmental functions that comprised the audit universe, assigning rankings based on data and information obtained during the data collection phase, and the experience, knowledge, and insight of SC&H related to the potential risks specific to the County's internal and external environments.

The risk rankings were assigned based on the following:

Risk Ranking Definitions

Table 3

LIKELIHOOD

Rank	Rating	Description
1	**Low/ Unlikely**	The risk (likelihood) of a significant event occurring is non-existent, is remote, is only able to occur during extraordinary circumstances, or sufficient evidence was not identified through the Risk Assessment process that would elevate the Likelihood rating from Low.
2	**Moderate**	The risk (likelihood) of a significant event occurring has a moderate chance of occurring during the next 12 months if certain circumstances occur and controls/processes are not designed and functioning effectively.
3	**High/ Imminent**	The risk (likelihood) of a significant event has a near imminent/certain chance of occurring during the next 12 months if certain circumstances occur and controls/processes are not designed and functioning effectively.

Table 4

IMPACT

Rank	Rating	Description
1	**Low/ Negligible**	The result (impact) of an identified event and/or risk to the implementation of strategy or achievement of objectives is insignificant to the County/department, or sufficient evidence was not identified through the Risk Assessment process that would elevate the Impact rating from Low.
2	**Moderate**	The result (impact) of an identified event and/or risk to the implementation of strategy or achievement of objectives is negative, but not substantial or long-lasting to the County/department.
3	**High/ Critical**	The result (impact) of an identified event and/or risk to the implementation of strategy or achievement of objectives is significant/ catastrophic and long-lasting to the County/department.

Types of impacted areas and functions include, but are not necessarily limited to:

- Budgetary constraints/restrictions
- Citizen feedback
- Financial loss/errors/misstatements
- Fraud
- Funding reductions
- Government perception
- Operations (e.g. effectiveness and efficiency)
- Privacy/information security
- Program suspensions
- Property damage
- Publicity
- Reputation (short-term/long-term)
- Safety

Risk Assessment Matrix

Once the Likelihood and Impact risk rankings were assigned, SC&H utilized the formula reflected in *Table 5* to determine the OVERALL risk ranking (see *Table 6*) for each risk area.

Table 5

IMPACT				
	3 High/ Critical	3	6	9
	2 Moderate	2	4	6
	1 Low/ Negligible	1	2	3
		1 Low/ Unlikely	2 Moderate	3 High/ Imminent
		LIKELIHOOD		

Table 6

OVERALL RISK: LIKELIHOOD & IMPACT

Rank Range	Rating
1 - 2	Low
3 - 5	Moderate
6 - 9	High

Based on the risk assessment performed by SC&H, a total of 99 separate auditable risk areas were identified from across each of the departments within the County. Of those, 32 risk areas received an overall "High" risk rating, 39 risk areas received a "Moderate" risk rating, and 28 risk areas received a "Low" risk rating. Additional information regarding the 99 risk areas and the likelihood, impact, and overall risk scores assigned to each can be found in **Appendix A – Audit Universe** below.

5. Multi-Year (FY 2017 – 2020) Internal Audit Plan

The results from the scoring were incorporated into an audit universe summary, which became the basis of the risk-based Multi-Year Internal Audit Plan ("Plan") for the fiscal years 2017 through 2020. The plan is provided in *Table 7* on the following page.

In developing this Plan, consideration was given to the following:

- Most effective fiscal year in which to conduct an audit of a given risk area (timing),
- Whether there was a need to conduct a preliminary review of the risk area to better define processes and specific risks that would serve as the focus of the subsequent formal audit,
- Workload balancing of internal audit resources across the four-year period,
- Workload balancing for specific departments that had multiple audits proposed by scheduling the audits across different periods, whenever possible.

For the complete audit universe, including all audit universe areas that were ranked but not included in the audit plan, refer to **Appendix A – Audit Universe**.

Table 7

Multi-Year Internal Audit Plan (FY 2017 - 2020)

AUDITS			RISK RANKINGS			INTERNAL AUDIT PLAN	
Reference	Department	Audit Area	Overall Likelihood	Overall Impact	Overall Risk	Preliminary Review (See NOTE)	Formal Audit (Fiscal Year)
1	Department of General Services (DGS)	Facilities Management	3	3	9		2017
2	Department of Health and Human Services (DHHS)	Customer Information Privacy / HIPAA Compliance	3	3	9		2017
3	Department of Health and Human Services (DHHS)	Physical Safety and Security of Employees and Customers	3	3	9		2017
4	Department of Finance (Finance)	Risk Management - Worker's Compensation	3	2	6		2017
5	Department of Liquor Control (DLC)	Inventory & Warehouse Management	3	3	9		2017
6	Office of Procurement (Procurement)	Contractor Compliance & Enforcement	3	3	9		2017
7	Office of Human Resources (OHR)	HR: Workforce Planning/Recruiting/Onboarding	3	3	9	2017	2018
8	Office of Procurement (Procurement)	Procurement Process	3	3	9		2018
9	Department of Liquor Control (DLC)	Retail Stores	3	2	6		2018
10	Department of Technology Services (DTS)	IT: Network Security	3	3	9		2018
11	Department of Health and Human Services (DHHS)	Grants and Medicaid Funds Management	3	3	9		2018
12	Department of Correction and Rehabilitation (DOCR)	DOCR Operations	3	2	6	2017	2018
13	Montgomery County Police Department (MCPD)	Public Safety - Body Cameras	2	3	6	2017	2018
14	Department of Technology Services (DTS)	IT: Disaster Recovery	3	3	9		2018
15	Public Information	MC311	3	2	6		2018
16	Department of General Services (DGS)	Building Design & Construction	3	3	9		2019
17	Department of Transportation (DOT)	Contract Management	3	3	9		2019
18	Office of Emergency Management and Homeland Security (OEMHS)	Business Continuity	2	3	6		2019
19	Department of Finance (Finance)	Accounting: Cashiering	3	3	9		2019
20	Department of Health and Human Services (DHHS)	Integrated Case Management System	3	3	9		2019
21	Department of Technology Services (DTS)	IT: Applications (e.g. ERP, GIS, SCADA, CMMS, CC&B)	3	3	9		2019
22	Department of General Services (DGS)	Contract Management	3	2	6		2019
23	Office of Procurement (Procurement)	Contract Administration Program	2	3	6		2019
24	Montgomery County Police Department (MCPD)	911 Services	3	3	9		2020
25	Department of Environmental Protection (DEP)	Contract Management - Watershed Restoration	3	2	6		2020
26	Department of Finance (Finance)	Purchasing Cards	3	2	6		2020
27	Department of Technology Services (DTS)	IT: Data Management and Operations	3	2	6	2019	2020
28	Department of General Services (DGS)	Fleet Management	2	3	6	2019	2020
29	Department of Health and Human Services (DHHS)	Contract Management	2	3	6		2020
30	Department of Technology Services (DTS)	IT: Inventory Control	2	3	6		2020
31	Montgomery County Fire & Rescue Services (MCFRS)	Supplies & Equipment	2	3	6		2020
32	Montgomery County Police Department (MCPD)	Inventory Management	2	3	6		2020

NOTE: A preliminary review is intended to provide an initial assessment of existing policies, procedures, and processes for a high-risk area identified for a formal audit in a subsequent year. No formal report or recommendations would result from the preliminary review. Observations and suggestions resulting from the review would be provided to the County and the Department for their awareness and any appropriate action in advance of the subsequent formal audit.

FY 2017	3	6
FY 2018	0	9
FY 2019	2	8
FY 2020	0	9
Total	**5**	**32**

Periodic Risk Assessment Refresh Methodology Development

The County's risk environment is not static: risk areas not identified or contemplated in the conduct of this risk assessment are likely to arise during the course of executing the Plan; and risk levels for identified risk areas may change from the risk ratings identified during the current assessment. To ensure the County's internal audit resources are most appropriately focused as the Plan is executed in future years, SC&H developed a methodology/tool the County could apply when reassessing its risk environment on a periodic basis. The intent of the methodology is to ensure that the County understands and considers both current and future risks, performs audits that appropriately address those risks, and is in compliance with professional standards (the development of a risk-based plan being a component of compliance). SC&H accomplished this task by developing a scheduled process for the County to follow that focuses on tasks to perform throughout a period (e.g. fiscal year) that will help it reassess risk areas and audit areas. To complement the process, we created a set of tools for the County to utilize during the periodic reassessment that will help to streamline the process including, but not limited to:

- A Gantt chart that can be used to plot the timeline of the refresh activities
- Lists of interview and survey questions that can be used to gather information as part of the refresh process
- Templates with which to document the information obtained from County executives and other key personnel
- Workpapers that can be used to compile and evaluate responses and information
- Workpapers that can provide results and schedules based on any changes to the risk scores and audit plan

The refresh procedures and accompanying toolkit were provided under separate cover to the IA Manager.

Appendix A – Audit Universe

AUDIT DETAILS		RISK RANKINGS		
Department	**Audit Area**	**Likelihood**	**Impact**	**Overall Risk**
Department of Finance (Finance)	Accounting: Cashiering	3	3	9
Department of General Services (DGS)	Building Design & Construction	3	3	9
Department of General Services (DGS)	Facilities Management	3	3	9
Department of Health and Human Services (DHHS)	Customer Information Privacy/HIPAA Compliance	3	3	9
Department of Health and Human Services (DHHS)	Grants and Medicaid Funds Management	3	3	9
Department of Health and Human Services (DHHS)	Integrated Case Management System	3	3	9
Department of Health and Human Services (DHHS)	Physical Safety and Security of Employees and Customers	3	3	9
Department of Liquor Control (DLC)	Inventory & Warehouse Management	3	3	9
Department of Technology Services (DTS)	IT: Applications (e.g. ERP, GIS, SCADA, CMMS, CC&B)	3	3	9
Department of Technology Services (DTS)	IT: Disaster Recovery	3	3	9
Department of Technology Services (DTS)	IT: Network Security	3	3	9
Department of Transportation (DOT)	Contract Management	3	3	9
Montgomery County Police Department (MCPD)	911 Services	3	3	9
Office of Human Resources (OHR)	HR: Workforce Planning/Recruiting/Onboarding	3	3	9
Office of Procurement (Procurement)	Contractor Compliance & Enforcement	3	3	9
Office of Procurement (Procurement)	Procurement Process	3	3	9
Department of Correction and Rehabilitation (DOCR)	DOCR Operations	3	2	6
Department of Environmental Protection (DEP)	Contract Management –Watershed Restoration	3	2	6
Department of Finance (Finance)	Purchasing Cards	3	2	6
Department of Finance (Finance)	Risk Management	3	2	6
Department of General Services (DGS)	Contract Management	3	2	6

AUDIT DETAILS		RISK RANKINGS		
Department	**Audit Area**	**Likelihood**	**Impact**	**Overall Risk**
Department of Liquor Control (DLC)	Retail Stores	3	2	6
Department of Technology Services (DTS)	IT: Data Management and Operations	3	2	6
Public Information	MC311	3	2	6
Department of General Services (DGS)	Fleet Management	2	3	6
Department of Health and Human Services (DHHS)	Contract Management	2	3	6
Department of Technology Services (DTS)	IT: Inventory Control	2	3	6
Montgomery County Fire & Rescue Services (MCFRS)	Supplies & Equipment	2	3	6
Montgomery County Police Department (MCPD)	Inventory Management	2	3	6
Montgomery County Police Department (MCPD)	Public Safety – Body Cameras	2	3	6
Office of Emergency Management and Homeland Security	Business Continuity	2	3	6
Office of Procurement (Procurement)	Contract Administration Program	2	3	6
Community Use of Public Facilities (CUPF)	Administration and Oversight	2	2	4
County-Wide Risk Areas	County Governance	2	2	4
Department of Correction and Rehabilitation (DOCR)	Management and Operations - Director's Office	2	2	4
Department of Economic Development (DED)	Management and Operations	2	2	4
Department of Environmental Protection (DEP)	Non-Solid Waste	2	2	4
Department of Environmental Protection (DEP)	Solid Waste	2	2	4
Department of Environmental Protection (DEP)	Water Quality	2	2	4
Department of Finance (Finance)	Accounting: Accounts Payable	2	2	4
Department of Finance (Finance)	Accounting: Fixed Assets	2	2	4
Department of Finance (Finance)	Accounting: General Ledger	2	2	4
Department of Finance (Finance)	Accounting: Grants Management	2	2	4

AUDIT DETAILS		RISK RANKINGS		
Department	**Audit Area**	**Likelihood**	**Impact**	**Overall Risk**
Department of Finance (Finance)	Accounting: Payroll	**2**	**2**	**4**
Department of Finance (Finance)	Accounting: Revenue/Accounts Receivable	**2**	**2**	**4**
Department of Finance (Finance)	County Taxes	**2**	**2**	**4**
Department of Finance (Finance)	Investments Management	**2**	**2**	**4**
Department of Finance (Finance)	Treasury Management	**2**	**2**	**4**
Department of General Services (DGS)	Administration and Oversight	**2**	**2**	**4**
Department of Health and Human Services (DHHS)	Administration and Oversight	**2**	**2**	**4**
Department of Health and Human Services (DHHS)	County-Provided Services	**2**	**2**	**4**
Department of Liquor Control (DLC)	Enterprise Fund Management	**2**	**2**	**4**
Department of Liquor Control (DLC)	Supplier Relations	**2**	**2**	**4**
Department of Technology Services (DTS)	IT: Governance	**2**	**2**	**4**
Department of Technology Services (DTS)	IT: SDLC and Change Management	**2**	**2**	**4**
Department of Technology Services (DTS)	IT: Telephony	**2**	**2**	**4**
Department of Technology Services (DTS)	IT: Vendor and Contractor Management	**2**	**2**	**4**
Department of Transportation (DOT)	Administration and Oversight	**2**	**2**	**4**
Management and Budget (OMB)	Management and Operations	**2**	**2**	**4**
Montgomery County Fire & Rescue Services (MCFRS)	Administration and Oversight	**2**	**2**	**4**
Montgomery County Police Department (MCPD)	Administration and Oversight	**2**	**2**	**4**
Montgomery County Police Department (MCPD)	Evidence Handling	**2**	**2**	**4**
Office of Human Resources (OHR)	Administration and Oversight	**2**	**2**	**4**
Office of Human Resources (OHR)	Health Insurance Fund Management	**2**	**2**	**4**
Office of Human Resources (OHR)	HR: Compensation and Benefits	**2**	**2**	**4**

AUDIT DETAILS		RISK RANKINGS		
Department	**Audit Area**	**Likelihood**	**Impact**	**Overall Risk**
Office of Human Resources (OHR)	Labor Relations	2	2	4
Office of Human Resources (OHR)	Organizational Development & Training	2	2	4
Office of the County Attorney (OCA)	Regulatory Compliance	2	2	4
Department of General Services (DGS)	Asset Management	3	1	3
Department of Finance (Finance)	Accounting: Debt Management	1	3	3
Department of Finance (Finance)	Accounting: General Accounting & Financial Reporting	1	3	3
Department of Environmental Protection (DEP)	Administration and Oversight	2	1	2
Department of General Services (DGS)	Office of Real Estate (ORE)	2	1	2
Department of Housing and Community Affairs (DHCA)	Operations and Oversight	2	1	2
Department of Liquor Control (DLC)	Licensing	2	1	2
Department of Permitting Services (DPS)	Management and Operations	2	1	2
Department of Technology Services (DTS)	IT: Access Provisioning/De-Provisioning	2	1	2
Department of Technology Services (DTS)	IT: Broadband Implementation Strategy and Management	2	1	2
Department of Technology Services (DTS)	IT: Help Desk and Computer Operations	2	1	2
Department of Transportation (DOT)	Parking Lot Districts	2	1	2
Montgomery County Fire & Rescue Services (MCFRS)	Training and Accreditation	2	1	2
Montgomery County Fire & Rescue Services (MCFRS)	Urban Search & Rescue Funds Mgmt.	2	1	2
Montgomery County Police Department (MCPD)	Cash Handling	2	1	2
Office of Emergency Management and Homeland Security	Public Operations and Awareness	2	1	2
Public Libraries	Management and Operations	2	1	2
County Executive's Office	Management and Operations	1	2	2
Office of the County Attorney (OCA)	Legal Operations	1	2	2

AUDIT DETAILS		RISK RANKINGS		
Department	**Audit Area**	**Likelihood**	**Impact**	**Overall Risk**
Board of Elections	Management and Operations	1	1	1
Board of Investment Trustees	Management and Operations	1	1	1
Community Engagement Cluster	Management and Operations	1	1	1
Department of Economic Development (DED)	Workforce Development	1	1	1
Department of Technology Services (DTS)	IT: Mobile	1	1	1
Ethics Commission	Management and Operations	1	1	1
Human Rights	Management and Operations	1	1	1
Intergovernmental Relations	Management and Operations	1	1	1
Office of Consumer Protection (OCP)	Management and Operations	1	1	1
Public Information	Management and Operations	1	1	1
Recreation	Management and Operations	1	1	1
Regional Service Centers	Management and Operations	1	1	1