
Annual Citywide Risk Assessment and Audit Work Plan

FISCAL YEAR 2014

JUNE 2013

Office of the City Auditor
City of San Diego



This Page Intentionally Left Blank



THE CITY OF SAN DIEGO

DATE: June 28, 2013
TO: Honorable Members of the Audit Committee
FROM: Eduardo Luna, City Auditor
SUBJECT: **Annual Citywide Risk Assessment and Audit Work Plan – Fiscal Year 2014**

Attached is the Annual Audit Work Plan proposed by the Office of the City Auditor for Fiscal Year 2014. This report will be presented at the July 8th Audit Committee meeting for your review and approval. The list of 27 proposed audit assignments for FY 2014 includes performance audits regarding various City departmental activity groups and other audit projects and activities.

The Audit Work Plan was developed by considering the required audits mandated by the City Charter and the San Diego Municipal Code, results of the FY 2014 Citywide Risk Assessment, and input from City Council and other sources. We designed our work plan to address what we considered to be risk areas, while limiting the scope of work to what we can realistically accomplish with the staff resources available.

Respectfully submitted,

Eduardo Luna
City Auditor

cc: Honorable Mayor Bob Filner
Honorable City Councilmembers
Scott Chadwick, Interim Chief Operating Officer
Nelson Hernandez, Assistant Chief Operating Officer
Ken Whitfield, City Comptroller
Jan Goldsmith, City Attorney
Andrea Tevlin, Independent Budget Analyst

OFFICE OF THE CITY AUDITOR
1010 SECOND AVENUE, SUITE 555 • SAN DIEGO, CA 92101
PHONE (619) 533-3165 • FAX (619) 533-3036

TO REPORT FRAUD, WASTE, OR ABUSE, CALL OUR FRAUD HOTLINE (866) 809-3500



This Page Intentionally Left Blank

Table of Contents

Mission Statement	1
Introduction	1
Audit Resources	2
Performance Audits and Other Audit Activities	3
Citywide Risk Assessment FY 2014	5
Exhibit 1	6
Interpreting Risk Assessment Results	9
Audit Work Plan (July 2013 through June 2014)	10
Additions to Audit Work Plan	10
Performance Audits FY 2014 – Carry Over From FY 2013 Audit Work Plan	11
Performance Audits FY 2014 – Proposed Audits	12
Additional Audit Activities FY 2014	17
Additional Potential Audits	19
Next Steps	19
Attachment A - Management Questionnaire	20
Attachment B – Calculation of Weights Used for Risk Factors	24
Attachment C – Citywide Risk Assessment	25

This Page Intentionally Left Blank

Mission Statement

The mission of the Office of the City Auditor is to advance open and accountable government through accurate, independent, and objective audits and investigations that seek to improve the economy, efficiency, and effectiveness of City government.

Introduction

Government Auditing Standards and the Institute of Internal Auditors' Standards encourage the chief audit executive to establish a risk-based approach to determine the priorities for City Auditor activities. The Auditor's Office has completed a FY 2014 Citywide Risk Assessment as a means to help identify, measure, and prioritize the City's potential audits based on the level of risk to the City. Each Activity Group's risk score was considered when selecting audits for the City Auditor's FY 2014 Audit Work Plan.

Audit Resources

The FY 2014 budget for the Office of the City Auditor includes 21 staff members at a budgeted cost of approximately \$2.9 million for salaries, fringe benefits, and non-personnel expenses such as office equipment, training and supplies. The City Auditor’s FY 2014 budget also includes costs for the City’s Comprehensive Annual Financial Report (CAFR) audit that will be conducted by an outside independent audit firm. The City Auditor administers the CAFR audit contract. During FY 2014, the Office of the City Auditor will have three audit managers and 14 auditors to conduct audits and investigations with an estimated 23,545 audit hours available to perform audits. The estimated audit hours available were calculated as follows:

Calculation of Estimated Audit Hours Available for FY 2014		
<u>One full time equivalent (FTE) Auditor:</u>		<u>Hours</u>
40 hours a week x 52 weeks a year = total annual hours available		2,080
Less: Hours for vacation, sick leave and holidays		-200
Less: Estimated hours for indirect audit activity including: training, City committee meetings, staff meetings, other miscellaneous activities		-345
Total annual audit hours available per Auditor		1,535
<u>Number of</u> <u>Auditors</u>		<u>Audit</u> <u>Hours</u>
3	Audit Managers ¹	3,837
14	Auditors ¹	19,708
Total Estimated Audit Hours Available for FY 2014		23,545
<u>Note:</u> Audit supervision and administrative hours for the City Auditor, Assistant City Auditor and two Executive Assistants are not included.		
¹ Audit hours were reduced to reflect anticipated vacancies and for managers performing administrative activities.		

Performance Audits and Other Audit Activities

The City Charter requires the Office of the City Auditor to conduct all of its audits under Government Auditing Standards, and there are three main types. They are financial audits, performance audits and attestation engagements. The City of San Diego hires an outside independent audit firm to perform the City's financial statement audit of the City's CAFR. The City Auditor conducts performance audits of the City's departments, agencies and their activities. Under Government Auditing Standards, performance audits provide objective analysis so that management and those charged with governance and oversight can use the information to improve program performance and operations, reduce costs, facilitate decision making, and contribute to public accountability. A performance audit is a dynamic process that includes consideration of applicable standards throughout the course of the audit. Performance audit objectives may vary widely and include assessments of program effectiveness, economy and efficiency, internal controls, compliance with laws and regulations, and prospective analysis. Examples of Performance Audit objectives may include but are not limited to:

- Assessing the extent to which legislative, regulatory or organizational goals and objectives are being achieved;
- Analyzing the relative efficiency and cost-effectiveness of a program or activity;
- Evaluating whether the audited entity is following sound procurement practices;
- Assessing the reliability, validity, or relevance of performance measures concerning program effectiveness and results, or economy and efficiency;
- Assessing internal controls designed to provide reasonable assurance of achieving effective and efficient operations, and reliable financial and performance reporting; and

- Determining if program activities are in compliance with laws, regulations, contract provisions, grant agreements and other requirements.

The Office of the City Auditor also performs some attestation engagements based on agreed-upon procedures, which consists of specific testing procedures performed on a subject matter.

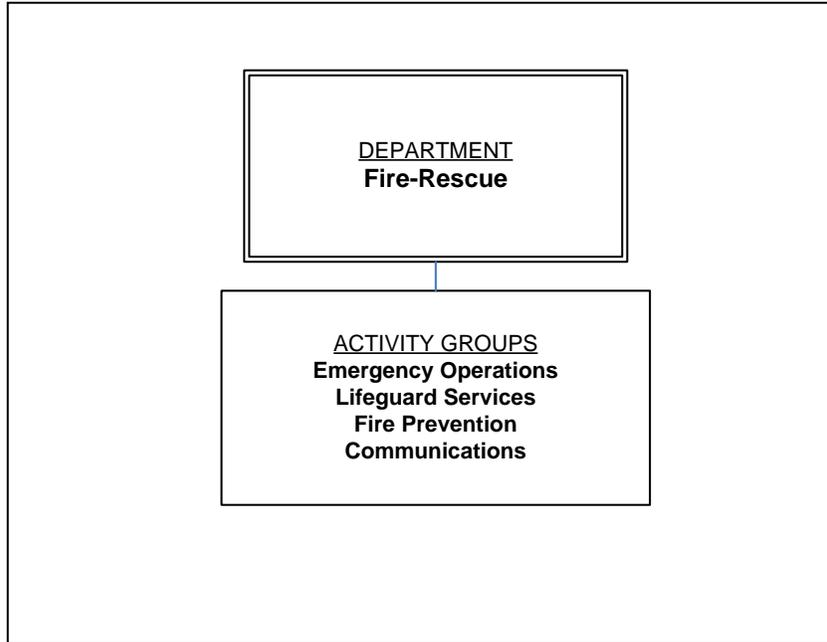
Additionally, we will perform other non-audit services such as investigating complaints received from the City's Fraud Hotline regarding allegations of fraud, waste and abuse. We will perform investigations following the procedures recommended by the Association of Certified Fraud Examiners for allegations of improper financial activity, fraud, waste and/or abuse that appear to be material in nature.

Citywide Risk Assessment - Fiscal Year 2014

Risk assessment is a process of systematically scoring (or rating) the relative impact of a variety of “risk factors.” A risk factor is an observable or measurable indicator of conditions or events that could adversely affect the organization. Risk factors can measure inherent risks (such as a large organizational structure) or organizational vulnerability (such as level of cash and assets easily converted to cash). The first step in creating the City’s risk assessment model was to define the audit universe. The audit universe is a listing of all of the City’s significant Auditable Units (all of the City’s potential audits that could be performed). We created a list of City Departments and significant City Agencies and their primary Activity Groups as the Auditable Units. To accomplish this we utilized the City’s FY 2014 proposed budget data from SAP and the component unit information in the City’s most current financial statements. We have reduced the number of Activity Groups from prior risk assessments by combining together some activities within Departments in order to target more areas of risk using our existing resources, address cross-cutting issues which impact multiple units within a department, and create efficiencies in conducting future audits of Activity Groups. However, a Department may still be broken out into several Activity Groups as in the example shown in Exhibit 1.

Exhibit 1

Sample Department and Activity Groups



The next step in creating the risk assessment model was to identify and rank the major risks associated with each of the City's significant Auditable Units (Activity Groups).

To achieve this, a management questionnaire was developed, which measured a variety of "risk factors" (**See Attachment A – Management Questionnaire**).

The questionnaire used had ten measurable risk factors as follows:

1. Interface with the external public.
2. "Mission critical" nature of activity group for the department to achieve its goals and objectives.
3. Support of internal operations is considered critical to achieving the objectives of other department's mission or goals
4. Failure to achieve the activity group's mission or goals leads to public displeasure or negative media coverage.
5. Level of cash or cash convertible nature of activity group's transactions.
6. Activity group's tracking and use of activity performance metrics.
7. Regulation effect or impact on operations.
8. Number of Budgeted Employees (FTE).
9. Budgeted Annual Revenues.
10. Budgeted Annual Expenses.

In FY 2012, a management questionnaire was completed for each of the City's Auditable Units to determine a risk score of 0 (low), 3 (medium low), 5 (medium), 7 (medium high), or 9 (high) for each of the ten risk factors listed above. Some additional surveys were conducted in FY2013. The FY2013 risk scores were used for risk factors 1 through 7 (listed above), and the risk scores for factors 8 through 10 (FTE, Revenue, Expenses) were updated based on the FY2014 proposed budget. Audit staff reviewed the results and adjusted some scores based on professional judgment.

Also, weights were assigned to each factor based on relative importance as determined by input from audit staff (**See Attachment B – Calculation of Weights Used for Risk Factors**), and a reduction in risk score was calculated for activities that have been audited in the prior three fiscal years.

The final step in completing the Citywide Risk Assessment was to calculate the total risk score for each Auditable Unit (list of the potential audits) in order of highest risk score to the lowest by tabulating the information gathered from the questionnaires and applying the weights assigned to the risk factors. We then calculated the overall risk score for each Activity Group, by stratifying the resulting rating in descending order by tenths, and identifying the top 30 percent (or those ranking 10, 9, or 8) as High Risk. The next 40 percent (ranking 7, 6, 5, 4) were identified as Medium Risk, and the bottom 30 percent (score of 3, 2 or 1) or risk scores were ranked as Low Risk (**See Attachment C – Citywide Risk Assessment**).

Interpreting Risk Assessment Results

The weighted scores for ten risk factors were tabulated for each significant Departmental Activity Group identified in **Attachment C – Citywide Risk Assessment**, and the risk scores were considered when preparing the Audit Work Plan – FY 2014 that follows. The Departments and Activity Groups with a high risk score merely indicates that the services they provide or the functions they are responsible for are by nature a high risk activity because of such factors as having a large amount of expenditures and revenues, having a high level of liquid assets such as cash, or a high degree of public interest. A high risk score does not mean that an Activity Group is being managed ineffectively or that it is not functioning properly. High risk areas may indicate opportunities to address activities which are mission critical, provide substantial support for other internal City operations, reflect high public need, or consume significant financial resources. The overall results identify the activities with the highest risk factors that may warrant and benefit from additional management action or audit services.

Audit Work Plan (July 2013 through June 2014)

In FY 2014, we are continuing three audits that were initiated in the previous fiscal year, and we are planning to undertake complex audits that will require additional audit resources. The following Audit Work Plan includes our scheduled performance audits as well as additional audit activities. Included is the proposed audit objective for each assignment and estimated audit hours. We will perform an in depth risk assessment on each activity group selected for audit to ensure our audit objective covers the areas of highest risk for that activity group and adjust the audit objective, procedures, and hours accordingly. Our estimated audit hours are based on our knowledge of the complexity of the activity groups selected for audit. The actual hours may vary based on the audit scope determined by the detailed risk assessment for each engagement, as well as the extent and complexity of findings revealed during audit testing.

Additions to Audit Work Plan

Requests to add audits to the Audit Work Plan during the fiscal year will be presented to the Audit Committee with a City Auditor analysis of the impact the proposed audit will have on the other audits on the Work Plan. Audit priority will be given to those requests that pertain to the health and safety of citizens, potential for significant financial savings or increased revenues, and issues of integrity.

Audit Work Plan – Fiscal Year 2014

PERFORMANCE AUDITS FY 2014 – CARRY OVER FROM FY 2013 AUDIT WORK PLAN						
Work Plan Item No.	Risk Assess Ln #	Risk Score	Activity Group Audit	Audit Objectives	FY 2014 Audit Hours	Status
1	81	398	Office of the City Comptroller - Payroll	The objective of this audit is to review the City's payroll process related to add-on pay to determine if the payments are being properly made and adequate controls are in place.	1,000	Fieldwork
2	105	326	Department of Information Technology – Web Services	The objective of this audit is to determine if the listing of online services offered by City departments is current and complete and evaluate barriers to expanding online services.	600	Fieldwork
3	54	485	Public Utilities – Customer Support	The objective of this audit is to identify key risks that may impact the Customer Support operations and provide recommendations to improve the overall efficiency and effectiveness of the operations.	500	Fieldwork

PERFORMANCE AUDITS FY 2014 – PROPOSED AUDITS						
Work Plan Item No.	Risk Assess Ln #	Risk Score	Activity Group Audit	Audit Objectives	FY 2014 Audit Hours	Status
4 5	7	647	Public Utilities – Water Department and Metropolitan Wastewater Audits	We plan to conduct two Public Utilities audits. The tentative objectives of these audits are: 1) to review the accuracy and reasonableness of overhead rates charged by City Departments for services provided to Public Utilities 2) to review the accuracy and reasonableness of the Public Utilities reserves. This audit was requested by Councilmember Sherman.	1,800	Not Started
6	34	535	San Diego Convention Center - Information Technology Review	We plan to conduct an IT audit on the Financial Systems to assess the strength of the access and monitoring controls over the financial system and corresponding reporting ability. This audit was requested by the San Diego Convention Center.	240	Not Started

PERFORMANCE AUDITS FY 2014 – PROPOSED AUDITS						
Work Plan Item No.	Risk Assess Ln #	Risk Score	Activity Group Audit	Audit Objectives	FY 2014 Audit Hours	Status
7	8	646	Environmental Services - Waste Reduction and Disposal	The tentative objective of this audit is to review the efficiency and effectiveness of Environmental Services' Waste Reduction and Disposal program.	1,600	Not Started
8	16 51	608 489	Public Works and Transportation and Storm Water – Utilities Undergrounding Audit Phase II	The tentative objective of this audit is to determine if the City is effectively managing costs and achieving efficiencies for the Utilities Undergrounding program. This audit was requested by Councilmember Faulconer.	1,200	Not Started
9	14 39	612 512	Petco Park and Qualcomm Stadium	The tentative objective of this audit is to review potential revenue that could be generated from the sale of tickets and lease of City Boxes. This audit was requested by Councilmember Faulconer.	600	Not Started

PERFORMANCE AUDITS FY 2014 – PROPOSED AUDITS						
Work Plan Item No.	Risk Assess Ln #	Risk Score	Activity Group Audit	Audit Objectives	FY 2014 Audit Hours	Status
10	19	596	Vehicle Abatement Program	The tentative objective of this audit is to review the efficiency and effectiveness of this program. This audit was requested by Councilmember Faulconer.	1,200	Not Started
11	35	530	Citywide Other/Special Funds	The tentative objective of this audit is to review the controls associated with the disbursement and oversight of special funds.	1,000	Not Started
12	62	458	Real Estate Assets - Residential Property Leases	The tentative objective of this audit is to review efficiency and effectiveness of Real Estate Assets leasing of residential properties and comparing lease rates to comparable market conditions. This audit was requested by Councilmember Faulconer.	800	Not Started
13	45	496	Community Parking Districts	The tentative objective of this audit is to review the efficiency and effectiveness of the Community Parking District program and compliance with relevant state and local laws. This audit was requested by Councilmember Faulconer.	1,100	Not Started

PERFORMANCE AUDITS FY 2014 – PROPOSED AUDITS						
Work Plan Item No.	Risk Assess Ln #	Risk Score	Activity Group Audit	Audit Objectives	FY 2014 Audit Hours	Status
14	91	387	Graffiti Abatement Program	The tentative objective of this audit is to review the efficiency and effectiveness of the Graffiti Abatement program and Pay and Spray Rewards Program. This audit was requested by Councilmember Sherman.	1,000	Not Started
15	4 15 36 52 56 74 85 89 109	672 612 522 488 478 422 391 388 304	Fire-Rescue	The tentative objective of this audit is to review the City's Fire-Rescue Department's Overtime expenditures. This audit was requested by Councilmember Sherman.	1,400	Not Started
16	50	490	Fleet Services - Fuel	The tentative objective of this audit is to review the efficiency and effectiveness of the City's fuel program as well as compliance with applicable laws and regulations.	1,200	Not Started
17	53	485	Office of Homeland Security	The tentative objective of this audit is to review the efficiency and effectiveness of Homeland Security's emergency preparedness program.	1,000	Not Started

PERFORMANCE AUDITS FY 2014 – PROPOSED AUDITS						
Work Plan Item No.	Risk Assess Ln #	Risk Score	Activity Group Audit	Audit Objectives	FY 2014 Audit Hours	Status
18	28	564	Personnel Department - Recruiting	The tentative objective of this audit is to review the efficiency and effectiveness of the Personnel Department's recruitment and hiring process for selected classifications.	1,100	Not Started
19	91	387	Neighborhood Code Compliance Division	The tentative objective of this audit is to review the efficiency and effectiveness of this program; identify any redundancies in the program and opportunities for cooperation with other government agencies; review the effectiveness of online services and constituent communication. This audit was requested by Councilmember Faulconer.	1,200	Not Started

ADDITIONAL AUDIT ACTIVITIES FY 2014						
Work Plan Item No.	Risk Assess Ln #	Risk Score	Activity	Description	FY 2014 Audit Hours	Status
20	N/A	N/A	On-going Expense and Revenue Audits	On-going audits of City expenditures and revenues (i.e. contract payments, accounts payable, accounts receivable, billings and budgeting practices, etc.) to ensure compliance with the appropriate terms and regulations.	700	On-going
21	N/A	N/A	Fraud, Waste and Abuse Hotline	The Office of the City Auditor administers the City's Fraud Hotline to provide individuals a way to confidentially report evidence of fraud, waste or abuse involving City of San Diego employees or operations. Investigations are performed for all material accusations.	1,535	On-going
22	N/A	N/A	Follow-up on Previously Issued Audit Reports	The Office of the City Auditor tracks and follows-up on all audit recommendations to determine if they were properly implemented by City management.	1,200	On-going
23	N/A	N/A	Close-out Audits	Close-out audits are required by the City Charter, Article VII, Section 111 when City Officials leave office. The primary audit objective is to verify that there are no outstanding debts owed by the City Official to the City, and to ensure that access to critical information and processes has been revoked. Each Close-out audit takes approximately 40 hours to complete and we estimate approximately 6 audits may be necessary in FY 2014.	240	As Necessary

ADDITIONAL AUDIT ACTIVITIES FY 2014						
Work Plan Item No.	Risk Assess Ln #	Risk Score	Activity	Description	FY 2014 Audit Hours	Status
24	N/A	N/A	Annual Mission Bay Fund Audit	The Annual Mission Bay Funds Audit is required by the City Charter, Article V, Section 55.2 (e). The objective of this audit is to verify the prior fiscal year collection, allocation, and use of Mission Bay Funds are in compliance with City Charter requirements.	240	Not Started
25	N/A	N/A	Annual Central Stores Inventory Audit FY14	The San Diego Municipal Code Section §22.0501 requires an annual count of inventory in City storerooms and warehouses. The objective of this audit is to confirm the valuation of Central Stores inventory.	40	Not Started
26	N/A	N/A	Kroll – Internal Control Audit	The Kroll Report recommended the City retain an independent auditor to perform an audit of its internal controls. If this recommendation is implemented, the Office of the City Auditor will administer the contract.	250	Not Started
27	N/A	N/A	Electronic Workpaper System Implementation	The Office of the City Auditor will be implementing an electronic workpaper system that will initially take staff resources to create and input templates, and train staff on how to use the system.	800	Not Started
Total Planned Audit Hours for FY 2014					23,545	

Additional Potential Audits

Due to limited staff resources, we will not be able to accommodate all requests for audit services or risk areas identified by the FY2014 Citywide Risk Assessment. In the event we complete all planned audits, we propose initiating audits from the below list.

- Risk Management - Employee Health Insurance
- American with Disabilities Act Infrastructure Projects
- Utilization of the City's surplus property
- San Diego County Water Authority
- Open Government Practices/Public Records Act Requests

Next Steps

I will provide the Audit Committee with monthly activity reports describing the status and progress towards completing the audit assignments listed, as well as quarterly fraud hotline statistics reports. The Audit Committee will receive the results of all completed audits in the form of an audit report, and I will present audit results at scheduled Audit Committee and City Council meetings upon request.

Respectfully submitted,



Eduardo Luna
City Auditor

Office of the City Auditor
Annual Risk Assessment
Management Questionnaire

1. To what extent does your activity group interface with the external public?

Description / Purpose: Assess how frequently your activity group works/interacts directly with the public or City residents. Little to no interaction is not a negative indicator, but rather an indicator that your activity group serves internal customers – internal customer interaction is addressed in question 3.

	Risk Score
a. None.	0
b. Rarely or infrequently.	3
c. Monthly to quarterly level of interface.	5
d. Weekly level of interface.	7
e. Continual interface with the external public several times daily or more.	9

2. To what extent is your activity group considered to be “mission critical” for the department to achieve its goals and objectives?

Description / Purpose: Ascertain the significance that your activity group plays in your department’s overall mission relative to other activity groups. Little to no contribution is not a negative indicator, but rather an indicator that your activity group may provide services and be focused on other internal customers.

a. No contribution towards the department’s goals / objectives.	0
b. Minimal contribution towards attaining the department’s goals and objectives.	3
c. Moderate contribution towards attaining the department’s goals and objectives.	5
d. Significant contribution towards attaining the department’s goals and objectives.	7
e. The success of the department’s goals and objectives is fully dependent on this activity group.	9

3. To what extent does your activity group support internal operations or are considered critical to achieving the objectives of other entity’s/department’s mission/goals?

Description / Purpose: Determine the level of support and role your department plays in helping other departments achieve their overall mission. This question identifies the interconnectedness that one activity group has with other internal operations.

a. No support provided to other operations / departments.	0
b. Infrequent (i.e. annual) support provided to other operations / departments.	3
c. Periodic (i.e. monthly) support provided to other operations / departments.	5
d. Regular (i.e. weekly) support provided to other operations / departments.	7
e. Ongoing support provided to other operations / departments every day.	9

4. To what extent would failure to achieve your activity group’s mission or goals lead to public displeasure or negative media coverage?

Description / Purpose: Assess how the activity group’s level of visibility to the public, public interest in the group’s activities, interest of the media, or other public safety related factors would lead to an increased potential loss or embarrassment if the activity group did not perform its critical mission or goals. This could also be called the newspaper test – how much negative press or public disapproval would a failure cause?

- a. No risk of loss or embarrassment. 0
- b. Low risk of loss or embarrassment. 3
- c. Moderate risk of loss or embarrassment. 5
- d. Significant risk of loss or embarrassment. 7
- e. Very high risk of loss or embarrassment. 9

5. To what extent is there potential loss due to the cash or cash convertible nature of your activity group’s transactions?

Description / Purpose: Assess the risk associated with cash or cash-convertible assets. Be sure to factor in the amount of cash collected as compared to business transacted by other means (credit card, electronic funds transfer, invoice, journal entry, etc) , as well as risks associated with the volume, type and nature of existing assets that are susceptible to theft such as equipment, supplies and inventories.

- a. None. 0
- b. Minimal amount of cash transactions or assets are difficult to convert to cash. 3
- c. Moderate amount of cash transactions or assets can be converted to cash with some difficulty. 5
- d. Nature of operations is primarily cash or assets are easily converted to cash. 7
- e. Fully cash or cash equivalent operations. 9

6. To what extent does your activity group track activity performance / metrics?

Description / Purpose: *Determine the extent to which your activity group captures, assesses, and responds to performance measurement data.*

- | | | |
|----|---|---|
| | We continuously capture performance metrics on key operations, assess achievement of goals and trends in the information, and adjust operations to improve upon our performance in all key areas. | 0 |
| a. | We track performance information in all key operations, assess and use data to improve operations, but we do not engage this process in a continuous, fluid manner. | 3 |
| b. | We track performance information in all our key operations and may assess data to some extent, but we do not use data to improve performance in all key areas. | 5 |
| c. | We collect some performance information, but the information does not account for all our key operations or we do not assess the data. | 7 |
| d. | We do not track performance measures or metrics. | 9 |
| e. | | |

7. To what extent do regulations affect or have impact on operations?

Description / Purpose: *Assess how government regulations (federal, state, or local) impact your activity group operations and the exposure to sanctions and potential penalties for noncompliance. Please be sure to factor in the complexity, volume, and change in regulations, including ordinances, municipal codes, administrative regulations, MOUs, federal and state laws and regulations, contract conditions, and grant provisions that pertain to your department.*

- | | | |
|----|---|---|
| a. | None. | 0 |
| b. | Few regulations and little risk of noncompliance. | 3 |
| c. | Risk of either substantial regulations or significant penalties. | 5 |
| d. | Complex, voluminous, or frequently changing regulations with significant penalties. | 7 |
| e. | Heavily regulated with serious consequences for noncompliance. | 9 |

The information detailed below was obtained from the FY 2012 Proposed Budget and scored accordingly.

8. Total number of budgeted full time employees (FTEs) for this Activity Group

- | | | |
|----|------------------------|---|
| a. | None. | 0 |
| b. | Greater than 0 to 10. | 3 |
| c. | Greater than 10 to 25. | 5 |
| d. | Greater than 25 to 75. | 7 |
| e. | Greater than 75. | 9 |

9. Total annual budgeted revenues for this Activity Group

a. \$0 to \$500,000.	0
b. \$500,001 to \$5,000,000.	3
c. \$5,000,001 to \$10,000,000.	5
d. \$10,000,001 to \$25,000,000.	7
e. Greater than \$25,000,000.	9

10. Total annual budgeted expenditures for this Activity Group

a. \$0 to \$1,000,000.	0
b. \$1,000,001 to \$10,000,000.	3
c. \$10,000,001 to \$25,000,000.	5
d. \$25,000,001 to \$40,000,000.	7
e. Greater than \$40,000,000.	9

CITY OF SAN DIEGO
 Citywide Risk Assessment FY2014
 Calculation of Weights Used for Risk Factors (Based on City Auditor Staff Input)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)				
COMPARATIVE RISK FACTORS	Interface with the external public.	"Mission critical" nature of activity group for the department to achieve its goals and objectives.	Support of internal operations is considered critical to achieving the objectives of other entity's/department's mission/goals.	Failure to achieve the activity group's mission or goals leads to public displeasure or negative media coverage.	Potential loss due to the cash or cash convertible nature of your activity group's transactions.	Activity group's tracking of activity performance / metrics.	Regulations affect or impact on operations.	Number of Budgeted Employees (FTE).	Budgeted Annual Revenues.	Budgeted Annual Expenses.	Total	Percent	Weight	Maximum Possible Score [1]
1. Interface with the external public.		3	3	5	4	4	6	5	2	0	32	6.49%	6	60
2. "Mission critical" nature of activity group for the department to achieve its goals and objectives.	8		8	9	7	6	8	7	5	4	62	12.58%	13	130
3. Support of internal operations is considered critical to achieving the objectives of other entity's/department's mission/goals.	8	3		8	6	7	9	8	4	2	55	11.16%	11	110
4. Failure to achieve the activity group's mission or goals leads to public displeasure or negative media coverage.	6	2	3		6	6	6	6	1	0	36	7.30%	7	70
5. Potential loss due to the cash or cash convertible nature of your activity group's transactions.	7	4	5	5		5	7	6	2	2	43	8.72%	9	90
6. Activity group's tracking of activity performance / metrics.	7	5	4	5	6		8	4	1	0	40	8.11%	8	80
7. Regulations affect or impact on operations.	5	3	2	5	4	3		5	2	0	29	5.88%	6	60
8. Number of Budgeted Employees (FTE).	6	4	3	5	5	7	6		2	0	38	7.71%	8	80
9. Budgeted Annual Revenues.	9	6	7	10	9	10	9	9		2	71	14.40%	14	140
10. Budgeted Annual Expenses.	11	7	9	11	9	11	11	9	9		87	17.65%	18	180
Total	67	37	44	63	56	59	70	59	28	10	493	100.0%	100	1000

Notes:
 Eleven staff members in the Office of the City Auditor were asked to record if they felt the factors listed on the left of this schedule has a greater level of inherent risk when compared to the factor listed on top of the schedule. The numbers above represent the results of this survey and will be used to calculate the weighted risk factors in the Citywide Risk Assessment.

e.g. The items highlighted above show that 11 people felt that the Budgeted Annual Expenses has greater inherent risk to a department's Interface with the external public, and 7 people felt that the Budgeted Annual Expenses has greater inherent risk than "mission critical" activities for a department to achieve their goals and objectives.

Annual Citywide Risk Assessment and Audit Work Plan – Fiscal Year 2014

City of San Diego
Citywide Risk Assessment FY 2014

Attachment C

See Footnotes for explanations of columns → [1] [2] [3] [4] [5] [6] [7] [8] [9] [10] [11] [12] [13] [14] [15] [16] [17] [18] [19] [20] [21] [22] [23] [24]

#	Department	Activity Group	Wt FTEs		Wt Exp		Wt Rev		Wt ExP		Wt MC		Wt InOp		Wt Pub		Wt Csh		Wt Met		Wt Regs		Risk Score	Adjustments	Adjusted Risk Score	Rank 10ths
			FTEs	8	Exp	18	Rev	14	Exp	6	MC	13	InOp	11	Pub	7	Csh	9	Met	8	Regs	6				
1	Park & Recreation	Developed Regional Parks	9	72	7	126	9	126	9	54	9	117	7	77	9	63	7	63	0	0	7	42	740		740	10
2	Police	Administration	7	56	7	126	7	98	9	54	9	117	9	99	9	63	5	45	0	0	9	54	712		712	10
3	Police	Centralized Investigations	9	72	9	162	5	70	9	54	7	91	7	77	9	63	3	27	3	24	9	54	694		694	10
4	Fire-Rescue	Emergency Operations	9	72	9	162	5	70	9	54	9	117	7	77	9	63	3	27	0	0	5	30	672		672	10
5	Environmental Services	Collection Services	9	72	9	162	3	42	9	54	9	117	5	55	9	63	5	45	0	0	9	54	664		664	10
6	Police	Neighborhood Policing	9	72	9	162	3	42	9	54	7	91	7	77	9	63	0	0	5	40	9	54	655		655	10
7	Public Utilities	Public Utilities	5	40	9	162	9	126	5	30	9	117	5	55	9	63	0	0	0	0	9	54	647		647	10
8	Environmental Services	Waste Reduction & Disposal	9	72	7	126	9	42	9	54	9	117	5	55	9	63	7	63	0	0	9	54	646		646	10
9	Emergency Medical Services		5	40	5	90	7	98	9	54	9	117	9	99	9	63	3	27	0	0	9	54	642		642	10
10	Transportation & Storm Water	Storm Water	9	72	9	162	7	98	7	42	3	39	0	0	9	63	9	81	7	56	3	18	631		631	10
11	City Treasurer	Treasury Operations	5	40	3	54	7	98	9	54	9	117	9	99	9	63	7	63	0	0	7	42	630		630	10
12	Public Works - Engineering & Capital Projects	Field Engineering	9	72	5	90	7	98	9	54	7	91	9	99	7	49	3	27	0	0	7	42	622		622	10
13	Development Services	Entitlements	9	72	5	90	7	98	9	54	9	117	7	77	7	49	3	27	0	0	5	30	614		614	9
14	QUALCOMM Stadium		5	40	5	90	7	98	9	54	9	117	3	33	9	63	7	63	0	0	9	54	612		612	9
15	Fire-Rescue	Lifeguard Services	9	72	5	90	3	42	9	54	9	117	9	99	9	63	5	45	0	0	5	30	612		612	9
16	Public Works - Engineering & Capital Projects	Right-of-Way Design	9	72	5	90	7	98	9	54	7	91	9	99	5	35	3	27	0	0	7	42	608		608	9
17	City Attorney	Civil Litigation	7	56	5	90	3	42	9	54	9	117	9	99	9	63	3	27	0	0	9	54	602		602	9
18	Park & Recreation	Open Space	7	56	9	162	7	98	9	54	7	91	3	33	7	49	3	27	0	0	5	30	600		600	9
19	Police	Patrol Operations	9	72	9	162	9	126	9	54	7	91	9	99	9	63	0	0	3	24	9	54	745	(149)	596	9
20	Muni	Wastewater Collection	9	72	9	162	0	0	9	54	9	117	5	55	5	35	5	45	0	0	9	54	594		594	9
21	City Attorney	Civil Advisory	5	40	5	90	3	42	9	54	9	117	9	99	9	63	3	27	0	0	9	54	586		586	9
22	Department of Information Technology	Department of Information Technology	3	24	3	54	5	70	9	54	9	117	9	99	9	63	7	63	0	0	7	42	586		586	9
23	Water	Construction & Maint	9	72	7	126	0	0	9	54	9	117	3	33	9	63	7	63	0	0	9	54	582		582	9
24	San Diego Housing Commission		9	72	9	162	9	126	9	54	0	0	3	33	7	49	3	27	3	24	5	30	577		577	9
25	City Attorney	Criminal Litigation	9	72	5	90	0	0	9	54	9	117	9	99	9	63	3	27	0	0	9	54	576		576	8
26	Transportation & Storm Water	Street	9	72	9	162	9	126	9	54	7	91	9	99	9	63	3	27	0	0	3	18	712	(142)	570	8
27	Personnel	Personnel	3	24	3	54	0	0	9	54	9	117	9	99	9	63	3	27	9	72	9	54	564		564	8
28	Personnel	Recruiting & Exam Management	3	24	3	54	0	0	9	54	9	117	9	99	9	63	3	27	9	72	9	54	564		564	8
29	Development Services	Administration & Support Services	9	72	5	90	3	42	9	54	9	117	7	77	7	49	3	27	0	0	5	30	558		558	8
30	Water	Water Ops & Engineer	9	72	7	126	0	0	7	42	9	117	3	33	9	63	5	45	0	0	9	54	552		552	8
31	Development Services	Facilities Financing Program	3	24	3	54	5	70	9	54	9	117	7	77	7	49	3	27	3	24	9	54	550		550	8
32	Park & Recreation	Golf Operations	7	56	5	90	7	98	9	54	5	65	0	0	7	49	5	45	7	56	5	30	543		543	8
33	Development Services	City Planning	5	40	3	54	3	42	9	54	9	117	7	77	7	49	3	27	3	24	9	54	538		538	8
34	San Diego Convention Center		9	72	7	126	9	126	9	54	5	65	0	0	5	35	3	27	0	0	5	30	535		535	8
35	Citywide Other/Special Funds		0	0	9	162	9	126	9	54	9	117	9	99	9	63	0	0	0	0	7	42	663	(133)	530	8
36	Fire-Rescue	Administrative Operations	5	40	3	54	0	42	9	54	7	91	9	99	7	49	3	27	3	24	7	42	522		522	8
37	Library	Central Library	9	72	5	90	5	70	9	54	9	117	0	0	7	49	3	27	3	24	3	18	521		521	7
38	Risk Management		7	56	3	54	5	70	9	54	9	117	9	99	5	35	0	0	0	0	5	30	515		515	7
39	PETCO Park		0	0	5	90	7	98	3	18	7	91	5	55	5	35	3	27	7	56	7	42	512		512	7
40	Public Works - Engineering & Capital Projects	Architectural Engineering & Parks	5	40	3	54	5	70	9	54	7	91	9	99	5	35	3	27	0	0	7	42	512		512	7
41	City Attorney	Administration	5	40	3	54	0	0	9	54	9	117	9	99	9	63	3	27	0	0	9	54	508		508	7
42	City Attorney	Community Justice	5	40	3	54	0	0	9	54	9	117	9	99	9	63	3	27	0	0	9	54	508		508	7
43	Public Utilities	FIT	7	56	9	162	0	0	3	18	9	117	5	55	7	49	3	27	0	0	3	18	502		502	7
44	Civic San Diego		5	40	3	54	5	70	8	48	9	117	4	44	6	42	3	27	3	24	6	36	502		502	7
45	Economic Development		5	40	5	90	5	70	9	54	9	117	7	77	7	49	5	45	3	24	9	54	620	(124)	496	7
46	Environmental Services	Energy Sustain. & Environ. Protection	5	40	3	54	3	42	9	54	9	117	5	55	9	63	3	27	0	0	7	42	494		494	7
47	Environmental Services	Office of the Director	5	40	3	54	7	42	9	54	9	117	5	55	9	63	3	27	0	0	7	42	494		494	7
48	Department of Information Technology	Enterprise Resource Planning	3	24	5	90	7	98	0	0	7	91	9	99	7	49	0	0	3	24	3	18	493		493	7
49	Human Resources		3	24	3	54	0	0	9	54	9	117	9	99	9	63	3	27	0	0	9	54	492		492	6
50	Public Works - General Services	Fleet Services	9	72	9	162	9	126	3	18	9	117	9	99	7	49	3	27	0	0	5	30	700	(210)	490	6
51	Transportation & Storm Water	Admin & Right-of-Way Coordination	3	24	9	162	9	126	7	42	3	39	0	0	9	63	9	81	7	56	3	18	611	(122)	489	6
52	Fire-Rescue	Special Operations	3	24	3	54	3	42	9	54	9	117	7	77	9	63	3	27	0	0	5	30	488		488	6
53	Office of Homeland Security		3	24	3	54	3	42	9	54	9	117	7	77	9	63	0	0	0	0	9	54	485		485	6
54	Public Utilities	Customer Support Service	9	72	5	90	0	0	9	54	9	117	9	99	9	63	9	81	0	0	5	30	606	(121)	485	6
55	Citywide Administration		5	40	3	54	3	42	5	30	7	91	7	77	7	49	5	45	3	24	5	30	482		482	6
56	Fire-Rescue	Logistics	3	24	3	54	3	42	7	42	7	91	7	77	7	49	5	45	3	24	5	30	478		478	6

Annual Citywide Risk Assessment and Audit Work Plan – Fiscal Year 2014

City of San Diego
Citywide Risk Assessment FY 2014

Attachment C

See Footnotes for explanations of columns →

#	Department	Activity Group	FTEs	Wt FTEs 8	Wt Exp 3	Wt Rev 4	Wt ExP 5	Wt MC 6	Wt InOp 7	Wt Pub 8	Wt Csh 9	Wt Met 10	Wt Regs 11	Risk Score	Adjustments	Adjusted Risk Score	Rank 10ths									
57	Transportation & Storm Water	Transportation Engineering Operations	5	40	3	54	5	70	7	42	5	65	7	77	7	49	3	27	3	24	5	30	478		478	6
58	Water	Meter Services	5	40	3	54	0	0	9	54	9	117	3	33	9	63	7	63	0	0	9	54	478		478	6
59	Park & Recreation	Community Parks I	9	72	5	90	3	42	9	54	7	91	7	77	7	49	7	63	3	24	5	30	592	(118)	474	6
60	Development Services	Building & Safety	9	72	5	90	7	98	9	54	9	117	5	55	7	49	3	27	0	0	5	30	592	(118)	474	6
61	Park & Recreation	Community Parks II	9	72	5	90	3	42	9	54	9	117	7	77	9	63	5	45	0	0	5	30	590	(118)	472	5
62	Real Estate Assets		5	40	3	54	9	126	9	54	9	117	7	77	5	35	3	27	3	24	3	18	572	(114)	458	5
63	Concourse & Parking Garage		0	0	3	54	3	42	9	54	9	117	7	77	7	49	5	45	0	0	3	18	456		456	5
64	City Clerk	Legislative Services	3	24	3	54	0	0	7	42	7	91	9	99	9	63	3	27	0	0	9	54	454		454	5
65	Personnel	Classification & Liaison	3	24	3	54	0	0	9	54	9	117	9	99	9	63	3	27	9	72	9	54	564	(113)	451	5
66	Library	Branch Libraries	9	72	5	90	0	0	9	54	9	117	0	0	7	49	3	27	3	24	3	18	451		451	5
67	Financial Management		5	40	3	54	0	0	3	18	9	117	9	99	9	63	3	27	0	0	5	30	448		448	5
68	Public Utilities	EMTS	9	72	7	126	0	0	7	42	9	117	3	33	9	63	5	45	0	0	9	54	552	(110)	442	5
69	Water	Water Operations	3	24	9	162	0	0	5	30	7	91	3	33	5	35	5	45	0	0	3	18	438		438	5
70	Debt Management		3	24	3	54	3	42	3	18	7	91	7	77	7	49	3	27	0	0	9	54	436		436	5
71	Library	Administration	3	24	3	54	3	42	7	42	9	117	3	33	7	49	3	27	3	24	3	18	430		430	5
72	Public Works - General Services	Facilities	9	72	5	90	3	42	9	54	9	117	7	77	7	49	3	27	7	56	5	30	614	(184)	430	5
73	Citywide Program Expenditures		0	0	9	162	0	0	0	0	7	91	5	55	9	63	3	27	0	0	5	30	428		428	4
74	Fire-Rescue	Fire-Rescue	0	0	3	54	0	0	9	54	9	117	7	77	9	63	3	27	0	0	5	30	422		422	4
75	Public Works - Contracting	Public Works - Contracting	3	24	3	54	3	42	5	30	7	91	7	77	5	35	0	0	3	24	7	42	419		419	4
76	City Clerk	Elections & Information Management	3	24	0	0	0	0	9	54	7	91	9	99	9	63	5	45	0	0	7	42	418		418	4
77	Park & Recreation	Administrative Services	3	24	3	54	0	0	9	54	7	91	9	99	5	35	3	27	0	0	5	30	414		414	4
78	City Treasurer	Revenue Collections	5	40	5	90	7	98	9	54	9	117	5	55	7	49	5	45	0	0	7	42	590	(177)	413	4
79	Water	Reservoir Management	5	40	3	54	3	42	9	54	5	65	0	0	5	35	7	63	0	0	9	54	407		407	4
80	Police	Administrative Services	9	72	9	162	0	0	7	42	7	91	7	77	5	35	3	27	5	40	5	30	576	(173)	403	4
81	City Comptroller		7	56	5	90	3	42	0	0	9	117	7	77	5	35	3	27	3	24	5	30	498	(100)	398	4
82	Purchasing & Contracting		5	40	5	90	7	98	9	54	9	117	9	99	5	35	0	0	0	0	5	30	563	(169)	394	4
83	City Treasurer	City Treasurer	3	24	3	54	0	0	3	18	7	91	9	99	7	49	3	27	0	0	5	30	392		392	4
84	Department of Information Technology	Communications	5	40	3	54	5	70	0	0	3	39	9	99	3	21	3	27	3	24	3	18	392		392	4
85	Fire-Rescue	Communications	5	40	5	90	3	42	9	54	9	117	9	99	9	63	0	0	3	24	5	30	559	(168)	391	3
86	Public Works - Engineering & Capital Projects	Project Implementation	9	72	5	90	5	70	9	54	7	91	7	77	5	35	3	27	0	0	7	42	558	(167)	391	3
87	Major Revenues		0	0	0	0	9	126	3	18	7	91	3	33	9	63	3	27	0	0	5	30	388		388	3
88	Public Utilities	Long Range Planning	5	40	5	90	0	0	7	42	7	91	3	33	5	35	3	27	0	0	5	30	388		388	3
89	Fire-Rescue	Fire Prevention	5	40	3	54	5	70	9	54	9	117	7	77	7	49	3	27	3	24	7	42	554	(166)	388	3
90	Office of the IBA		3	24	3	54	0	0	5	30	9	117	9	99	9	63	0	0	0	0	0	0	387		387	3
91	Development Services	Neighborhood Code Compliance	5	40	3	54	0	0	9	54	9	117	5	55	7	49	0	0	0	0	3	18	387		387	3
92	Special Promotional Programs	Safety & Maint - Visitor Related Facilities	0	0	9	162	0	0	0	0	9	117	5	55	5	35	0	0	0	0	3	18	387		387	3
93	City Administration		3	24	3	54	0	0	5	30	9	117	5	55	7	49	0	0	3	24	5	30	383		383	3
94	Metro	Wastewater Treatment & Disposal	9	72	9	162	0	0	3	18	9	117	0	0	9	63	5	45	0	0	9	54	531	(159)	372	3
95	Commission for Arts & Culture		0	0	3	54	0	0	9	54	7	91	7	77	5	35	0	0	3	24	5	30	365		365	3
96	Special Promotional Programs	Arts, Culture, & Community Festivals	0	0	3	54	0	0	0	0	9	117	5	55	7	49	0	0	9	72	3	18	365		365	3
97	Public Utilities	Employee Services and Quality Assurance	5	40	5	90	0	0	3	18	7	91	5	55	3	21	3	27	0	0	3	18	360		360	2
98	Airports		3	24	3	54	3	42	5	30	9	117	0	0	5	35	3	27	0	0	5	30	359		359	2
99	Ethics Commission		0	0	0	0	0	0	7	42	9	117	7	77	7	49	3	27	5	40	0	0	352		352	2
100	Development Services	Solid Waste Local Enforcement Agency	0	0	0	0	3	42	9	54	5	65	5	55	7	49	5	45	0	0	7	42	352		352	2
101	City Clerk	Records Management	3	24	0	0	0	0	3	18	7	91	9	99	7	49	3	27	0	0	7	42	350		350	2
102	City Retirement System		5	40	3	54	0	0	5	30	9	117	9	99	9	63	3	27	3	24	7	42	496	(149)	347	2
103	Special Promotional Programs	Economic Development Programs	0	0	3	54	0	0	0	0	9	117	3	33	7	49	0	0	9	72	3	18	343		343	2
104	Police	Family Justice Center	0	0	0	0	0	0	9	54	7	91	7	77	9	63	0	0	3	24	3	18	327		327	2
105	Department of Information Technology	Information Technology	5	40	3	54	3	42	0	0	9	117	7	77	5	35	0	0	3	24	3	18	407	(81)	326	2
106	San Diego Data Processing Center		0	0	3	54	3	42	0	0	5	65	9	99	5	35	0	0	0	0	5	30	325		325	2
107	Public Utilities	EPM	5	40	5	90	0	0	5	30	7	91	7	77	5	35	5	45	0	0	9	54	462	(139)	323	2
108	Special Promotional Programs	Discretionary Funding	0	0	5	90	0	0	0	0	9	117	5	55	5	35	0	0	0	0	3	18	315		315	2
109	Fire-Rescue	Emergency Medical Services-Fire	0	0	0	0	3	42	9	54	9	117	7	77	9	63	3	27	0	0	9	54	434	(130)	304	1
110	Department of Information Technology	IT Services Sourcing	0	0	3	54	0	0	0	0	9	117	7	77	5	35	0	0	0	0	3	18	301		301	1
111	Park & Recreation	Environmental Growth 2/3	0	0	3	54	5	70	0	0	3	39	0	0	3	21	0	0	9	72	5	30	286		286	1
112	Public Works - General Services	Administration	0	0	3	54	0	0	0	0	9	117	5	55	5	35	0	0	0	0	3	18	279		279	1
113	Muni	Wastewater Treatment & Disposal	3	24	3	54	0	0	3	18	9	117	0	0	9	63	5	45	0	0	9	54	375	(113)	263	1

See Footnotes for explanations of columns →

#	Department	Activity Group	Wt FTEs		Wt Exp		Wt Rev		Wt ExP		Wt MC		Wt InOp		Wt Pub		Wt Csh		Wt Met		Wt Regs		Risk Score	Adjustments	Adjusted Risk Score	Rank 10ths
			FTEs	8	Exp	18	Rev	14	ExP	6	MC	13	InOp	11	Pub	7	Csh	9	Met	8	Regs	6				
114	Park & Recreation	Environmental Growth 1/3	0	0	3	54	3	42	0	0	3	39	0	0	3	21	0	0	9	72	5	30	258		258	1
115	Public Works - Engineering & Capital Projects	Engineering & Capital Projects	0	0	0	0	0	0	5	30	7	91	7	77	7	49	0	0	0	9	54	301	(90)	211	1	
116	Park & Recreation	Los Penasquitos Reserve	0	0	0	0	0	0	9	54	5	65	0	0	5	35	0	0	0	5	30	184		184	1	
117	Public Works - General Services	Publishing Services	3	24	3	54	3	42	0	0	3	39	5	55	3	21	3	27	3	24	3	18	304	(122)	182	1

Note: City Council Offices were not surveyed due to a conflict of interest, since the Office of the City Auditor reports directly to the Audit Committee of the City Council.

Footnotes:

- [1] FTE - Risk score associated with the number of budgeted full time employees (FTE). See Exhibit A - Management Questionnaire, question number 8.
- [2] Wt FTE - A weight (wt) of 8 was multiplied by the FTE risk score. See Exhibit B - Calculation of Weights Used for Risk Factors, line number 8.
- [3] Exp - Risk score associated with the amount of budgeted expenditures (Exp). See Exhibit A - Management Questionnaire, question number 10.
- [4] Wt Exp - A weight (wt) of 18 was multiplied by the Exp risk score. See Exhibit B - Calculation of Weights Used for Risk Factors, line number 10.
- [5] Rev - Risk score associated with the amount of budgeted revenue (Rev). See Exhibit A - Management Questionnaire, question number 9.
- [6] Wt Rev - A weight (wt) of 14 was multiplied by the Rev risk score. See Exhibit B - Calculation of Weights Used for Risk Factors, line number 9.
- [7] ExP - Risk score associated with Interface with the external public (ExP). See Exhibit A - Management Questionnaire, question number 1.
- [8] Wt ExP - A weight (wt) of 6 was multiplied by the ExP risk score. See Exhibit B - Calculation of Weights Used for Risk Factors, line number 1.
- [9] MC - Risk score associated with the "Mission Critical" activities (MC). See Exhibit A - Management Questionnaire, question number 2.
- [10] Wt MC - A weight (wt) of 13 was multiplied by the MC risk score. See Exhibit B - Calculation of Weights Used for Risk Factors, line number 2.
- [11] InOp - Risk score associated with the Internal Operations (InOp). See Exhibit A - Management Questionnaire, question number 3.
- [12] Wt InOp - A weight (wt) of 11 was multiplied by the InOp risk score. See Exhibit B - Calculation of Weights Used for Risk Factors, line number 3.
- [13] Pub - Risk score associated with public (Pub) exposure and interest. See Exhibit A - Management Questionnaire, question number 4.
- [14] Wt Pub - A weight (wt) of 7 was multiplied by the Pub risk score. See Exhibit B - Calculation of Weights Used for Risk Factors, line number 4.
- [15] Csh - Risk score associated with Cash or cash convertible (Csh). See Exhibit A - Management Questionnaire, question number 5.
- [16] Wt Csh - A weight (wt) of 9 was multiplied by the Csh risk score. See Exhibit B - Calculation of Weights Used for Risk Factors, line number 5.
- [17] Met - Risk score associated with Performance/Metrics (Met). See Exhibit A - Management Questionnaire, question number 6.
- [18] Wt Met - A weight (wt) of 8 was multiplied by the Met risk score. See Exhibit B - Calculation of Weights Used for Risk Factors, line number 6.
- [19] Regs - Risk score associated with compliance with laws and regulations (Regs). See Exhibit A - Management Questionnaire, question number 7.
- [20] Wt Regs - A weight (wt) of 6 was multiplied by the Regs risk score. See Exhibit B - Calculation of Weights Used for Risk Factors, line number 7.
- [21] Risk Score - This is the total risk score calculated by adding together all of the nine weighted risk scores.
- [22] Adjustments for audits conducted within the last three years.
- [23] Adjusted Risk Score - This is the total adjusted risk score calculated adjusting [21] as appropriate.
- [24] Rank 10ths - The activity groups were divided into tenths. Rank 10, 9, 8 (High Risk) 7, 6, 5, 4 (Medium Risk) 3, 2, 1 (Low Risk).