

#	Risk Short Name	Risk Description	Risk Priority
1.	<b>Attracting and Retaining Talent</b>	Inability to attract qualified personnel Inability to retain qualified personnel—for example, employees perceive fewer career advancement opportunities, or the culture creates exposure to high employee turnover	High
2.	<b>Public Safety</b>	Risk of failure to fulfill responsibility to provide for public safety or risk of abuse of power	High
3.	<b>Financial Statement Fraud</b>	Intentional asset or liability overstatement or understatement, or improper expense or revenue recognition	High
4.	<b>Information Security</b>	Compromise of information assets (via internal or external threats) - Customer privacy data - Employee privacy data - Security data	High
5.	<b>Physical Assets</b>	Assets not maintained, damaged, or otherwise compromised so that physical assets are impaired (incl. infrastructure and plant/facilities)	High
6.	<b>Service Delivery</b>	Risk of failure to effectively provide promised services to the public, for example solid waste services, parks programs, or permit review	High
7.	<b>Legal and Regulatory Compliance</b>	Compliance with laws, regulatory compliance violations and personal health and safety exposure, or other regulatory violations—for example, clean water requirements, FAA requirements, or consent decrees (things we must do or not do)	High
8.	<b>Political</b>	Unfavorable political environment creating secession movements, large-scale protests, adversarial relationship with state, and so on	High
9.	<b>Equity</b>	Risk of inequitable treatment/investment/resource allocation geographically across city, or appearance thereof	Moderate
10.	<b>Corruption</b>	Conflicts of interest, bribery, illegal gratuities, or economic extortion	Moderate
11.	<b>Cash Management</b>	Credit risk (default, concentration, settlement, collateral), liquidity risk (cash flow, opportunity cost, concentration), and price risk (currency, commodity, and so forth)	Moderate
12.	<b>Change Management</b>	Failure to plan and prepare for change, including population growth and administration change	Moderate
13.	<b>Grant Compliance</b>	Grant compliance violations—for example, charging unallowable costs	Moderate
14.	<b>Contractual</b>	Compromised legal or contractual relations—for example, vendors or subcontractors don't comply with contract commitments	Moderate
15.	<b>Business Interruption</b>	Natural disasters, fire, utility supply, infrastructure failure, IT failure, labor, or terrorism	Moderate
16.	<b>Asset Misappropriation</b>	Loss of cash, inventory, or other assets	Low
17.	<b>Information Systems</b>	Inability to capture or retain, access, or to disseminate critical information needed to effectively and efficiently run the city	Low
18.	<b>Inventory</b>	Risk of holding too much inventory, too little inventory, obsolescence, loss, or waste	Low
19.	<b>Regulatory Reporting</b>	Tax compliance reporting, labor reporting, statutory reporting, reporting required by bond covenants, and so on (things we must report)	Low
20.	<b>Market</b>	Unfavorable market dynamics—for example, decreased tax revenue during a recession or increased cost of construction inputs	Low

## Results of the City Auditor's Office FY24 Risk Assessment

