

Summary of Risk Assessment Model FY19

The risk model consists of 13 department-level measures grouped into four categories (change, control environment, planning and performance, and safety and liability) and 24 office-level indicators grouped into five categories (adds size and complexity). For each numeric measure, the model assigns a risk score based on the distribution:

6 indicates the value is \geq to the 90th percentile
5 indicates the value is \geq to the 70th percentile and $<$ the 90th percentile
4 indicates the value is \geq to the 50th percentile and $<$ the 70th percentile
2 indicates the value is \geq to the 30th percentile and $<$ the 50th percentile
1 indicates the value is \geq to the 10th percentile and $<$ the 30th percentile
0 indicates the value is $<$ the 10th percentile

For measures that can have negative values (e.g. percent change and budget variances), the distribution is based on the absolute value.

For cash handling, accepting cash and checks yields a risk score of 6 and accepting only checks yields a risk score of 4.

The model averages the risk scores by category and multiplies the average score by a weight. The total department score and total office score is the sum of the weighted category scores. The highest possible score for each is 600 and 480, respectively.

The model combines and normalizes the office and department scores by adding the total department score and total office score and dividing by 10.8.

Department Level Measures

Change	
Measure	Data Source
Employee Change — Percentage change in the number of active employees recorded per department as of January 6, 2019, compared to July 1, 2016 ✓	Queries run in Oracle Developer instance and additional calculation in Excel
Turnover — Average employee turnover by department in fiscal years 2017 and 2018 ✓	Queries run in Oracle Developer instance and additional calculation in Excel
5-Year plan — Percentage growth in planned expenditures from FY20 to FY24 (absolute value) ✓	Hyperion report from Budget Office
Control Environment	
Measure	Data Source
Segregation of Duties — number of conflicting pairs assigned to employees by department ✓	Report generated by Deloitte February 2019.
Cash Handling — whether departments accept cash, checks, or both.	Cash Room/Vault Flowchart from Office of Revenue
Integrity Line Calls — number of calls received by the integrity line in FY17-19 (through 6/7/19), by department ✓	Network report from Ethics Office
Direct Pays — number of direct payments (outside of payroll or iExpense) to employees by department in FY17 and FY18 ✓	Query run in Oracle Developer instance and additional calculation in Excel
Planning & Performance	
Measure	Data Source
Grants Available Balance — total amount of grants available by department ✓	PnG Award Status Report and PnG Award Budgets Report (to link department) run 6/3/19.
Expenditure Variance — difference between FY18 actual expenditures and budgeted expenditures as a percent of budget ✓	FY18 Trial Balance Trial Balance Adopted Budget run from Oracle (cleaned in notepad to remove page headers and footers and subtotals)
Number of Applications — number of computer applications used by departments (excludes enterprise-wide systems) ✓	APMS (Applications Portfolio Management system) report from AIM
Safety & Liability	
Measure	Data Source
Workers' Comp Claims — number of workers' comp claims in FY18 per 1000 employees ✓	Spreadsheet provided by Risk Management and employee data from above
Workers' Comp Payments — amount incurred by department in FY18 divided by the number of claims by department ✓	Spreadsheet provided by Risk Management
Settled Legal Claims — number of litigation and claims settled by department in FY17 and FY18 ✓	Quarterly litigation and claims settlements reports from Law

Office Level Measures

Size and Complexity	
Measure	Data Source
Organizations — the number of organizations (next level down in chart of accounts) assigned to each office✓	Query run in Oracle Developer instance
Employees — number of active employees assigned per office as of January 7, 2019✓	Query run in Oracle Developer instance
Personnel — amount spent on personnel in FY18✓	FY18 Trial Balance from Oracle
Capital Outlays — amount spent on capital outlays in FY18✓	FY18 Trial Balance from Oracle
Contracts — amount spent on contracts in FY18✓	FY18 Trial Balance from Oracle
Expenditures — total amount spent in FY18✓	FY18 Trial Balance from Oracle
Revenue — revenue recorded in FY18✓	FY18 Trial Balance from Oracle
Change	
Measure	Data Source
Personnel year-to-year variance — difference in personnel expenditures by office from FY17 to FY18 as a percent of FY17✓	FY18 and FY17 Trial Balances from Oracle
Supplies year-to-year variance — difference in expenditures on supplies by office from FY17 to FY18 as a percent of FY17✓	FY18 and FY17 Trial Balances from Oracle
Capital outlays year-to-year variance — difference in expenditures on capital outlays by office from FY17 to FY18 as a percent of FY17✓	FY18 and FY17 Trial Balances from Oracle
Contracts year-to-year variance — difference in expenditures on contracts by office from FY17 to FY18 as a percent of FY17✓	FY18 and FY17 Trial Balances from Oracle
Overtime year-to-year variance — difference in overtime expenditures by office from FY17 to FY18 as a percent of FY17✓	FY18 and FY17 Trial Balances from Oracle
Total year-to-year variance — difference in total expenditures by office from FY17 to FY18 as a percent of FY17✓	FY18 and FY17 Trial Balances from Oracle
Control Environment	
Measure	Data Source
Supplies — amount spent on supplies in FY18✓	FY18 Trial Balance from Oracle
Timekeeper override — percent of time punches manually entered by manager/timekeeper for a randomly selected pay period in FY19✓	Query run in Kronos Development site and additional calculation in Excel
Planning and Performance	
Measure	Data Source
Sick hours per employee — average hours of sick leave used by employee in FY18 ✓	Access query run on Balance Classification reports from Payroll with employee data from above
Overtime — amount spent on overtime in FY18✓	FY18 Trial Balance from Oracle
Personnel budget to actual variance — difference between FY18 actual and budgeted personnel expenditures as a percent of budget✓	FY18 Trial Balance and the FY16 Trial Balance Adopted Budget run from Oracle
Supplies budget to actual variance — difference between FY18 actual and budgeted expenditures on supplies as a percent of budget✓	FY18 Trial Balance and the FY16 Trial Balance Adopted Budget run from Oracle

Capital outlays budget to actual variance — difference between FY18 actual and budgeted expenditures on capital items as a percent of budget ✓	FY18 Trial Balance and the FY16 Trial Balance Adopted Budget run from Oracle
Capital outlays budget to actual variance — difference between FY18 actual and budgeted expenditures on capital items as a percent of budget ✓	FY18 Trial Balance and the FY16 Trial Balance Adopted Budget run from Oracle
Overtime budget to actual variance — difference between FY18 actual and budgeted expenditures on overtime as a percent of budget ✓	FY18 Trial Balance and the FY16 Trial Balance Adopted Budget run from Oracle
Total budget to actual variance — difference between FY18 actual and budgeted expenditures as a percent of budget ✓	FY18 Trial Balance and the FY16 Trial Balance Adopted Budget run from Oracle
Safety and Liability	
Measure	Data Source
Injury-on-the-job Hours — average number of IOJ hours per employee recorded in FY18 ✓	Access query run on Balance Classification reports from Payroll with employee data from above