

**COUNTY OF MONTEREY**  
**OFFICE OF THE AUDITOR-CONTROLLER**  
**INTERNAL AUDIT DIVISION**  
**COUNTYWIDE RISK ASSESSMENT**



May 2019

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**Executive Summary**

Pursuant to Monterey County's 2018-2019 Internal Audit Plan as approved by the Board of Supervisors (Board) the Auditor-Controller's Internal Audit Division (IAD) has completed a Countywide Risk Assessment.

**Objective**

The purpose of preparing a risk assessment is to enable the IAD to identify key risks within the County in order to 1) develop a risk-based internal audit plan and 2) ensure the priorities of the internal audit function are in line with the County's goals.<sup>1</sup>

**Risk Assessment**

The risk assessment includes a Risk Register and Risk Ratings Scoring Chart as follows:

**Risk Register (Attachment B)**

The Risk Register is the primary risk document and includes the specific risks identified. Risk were identified through discussion with Board members and selected members of executive management (members) focusing on key risks to the achievement of the County's Strategic Initiatives.<sup>2</sup> Each risk is presented as a "risk issue" with corresponding "risk descriptions." Risks are rated by first quantifying the rate at which a risk was identified by members ("members score"). The Members Score is then multiplied by an "Impact Score" to arrive at the final "Risk Score." We assigned an impact score of "5" to all member scores. A total of 62 risks were identified and accumulated from input received by members. Certain risks were identified by multiple participants. In those instances, the IAD combined responses within a single risk description resulting in a total 23 unique risks.

**Risk Ratings Scoring Chart (Attachment C)**

The risk rating chart defines how risk are classified. Risk Scores calculated are classified as either "High," "Medium," or "Low" risk. High risk ratings identify activity having a substantial impact to the County and warrant immediate attention. Medium risk ratings identify activity having a significant impact to the County and require timely attention. Lastly, low risk ratings identify activity that is consequential to the County but whose materiality or risk exposure is nominal.

**Participating Members Distribution**

Monterey County Board of Supervisors  
Lew Bauman – County Administrative Officer  
Charles McKee – County Counsel  
Irma Ramirez-Bough – Director of Human Resources  
Mike Derr – Contracts Purchasing Officer  
Eric Chatham – Director, Information Technology Department

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<sup>1</sup> Institute of Internal Auditors, Standard 2010

<sup>2</sup> Institute of Internal Auditors, Standard 2010.A1