

# ENTERPRISE RISK MANAGEMENT FOR MUNICIPALITIES

New England Intergovernmental Audit Forum



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# Your presenter

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# Agenda

## Topic

People – right people in the right seats

Process – SWOT, documentation, best practices

Technology – Silver bullet or Pandora's Box or....

When all planning, preparation, and execution fails

Plan for success

# Objectives

By the end of this course, you will be able to:

- Understand the importance of ethical culture of an organization in reducing risks
- Learn about the current and future risks of delivering your mission in the public sector
- Develop an understanding of how to recognize, reduce, and remedy the effects of risks within and outside of your organization
- Understand the dual purpose of technology in how it can be used for good or bad intentions

# PEOPLE – PROCESS- TECHNOLOGY

PEOPLE

# Core Values

- Integrity
- Reliability
- Independence
- Accountability
- Focus on doing the right thing everyday for ourselves and our clients
- “Your actions today will echo for eternity”
  - Sgt.Major Todd M. Parisi
- Code of conduct
- Reputational Risks

# Management and human resource tips

- Hire the right people
- Instill and enforce a culture of ethics
- Tone from the top
- Continuous ethics training
- Instill personal responsibility and accountability
- Discuss decision making under stress and the importance of staying true to your core values



# Life long learning

- Technical Training and certifications
- General training and so called soft skills
- Communication skills – listening, speaking, writing and social media skills
- Developing an innovative spirit
- Tone from the top
- Educating your clients and citizens
- Collaboration
- After Action Reports – debriefing – lessons learned

- Listen
  - Listen
    - Listen

# PROCESS

# Key topics related to process

- Do you know your mission and goals? – are they documented? Have you done a SWOT analysis?
- Have you discussed disruption both intentional and unintentional?
- Is there a way to fulfill your mission faster, better, or cheaper?
- What is your tolerance for risk?

## Key topics related to process

- Does your tolerance for risk match your leadership and your clients/citizens
- Do you have a communication plan for rapid execution?
- Do you have a dooms day plan? Is it in writing? Do you have mock disasters?
- Communication Plan? In writing?

- Listen
  - Listen
    - Listen

# TECHNOLOGY

# Current and future state

- Have you taken inventory of your current state?
- Have you collaborated and researched the ideal state?
- Gap Analysis – prioritize – plan of action
- How do you fund the investment in technology?
- Up skilling and retraining staff and management
- Change management



# Current and future state

- Cyber Security
- Block Chain
- Crypto Currencies
- Artificial Intelligence
- Machine Learning
- Social and Economic Issues
- Ethical Issue that relate to Artificial Intelligence
- Taking the “Solution Agnostic Approach”

- Listen
  - Listen
    - Listen

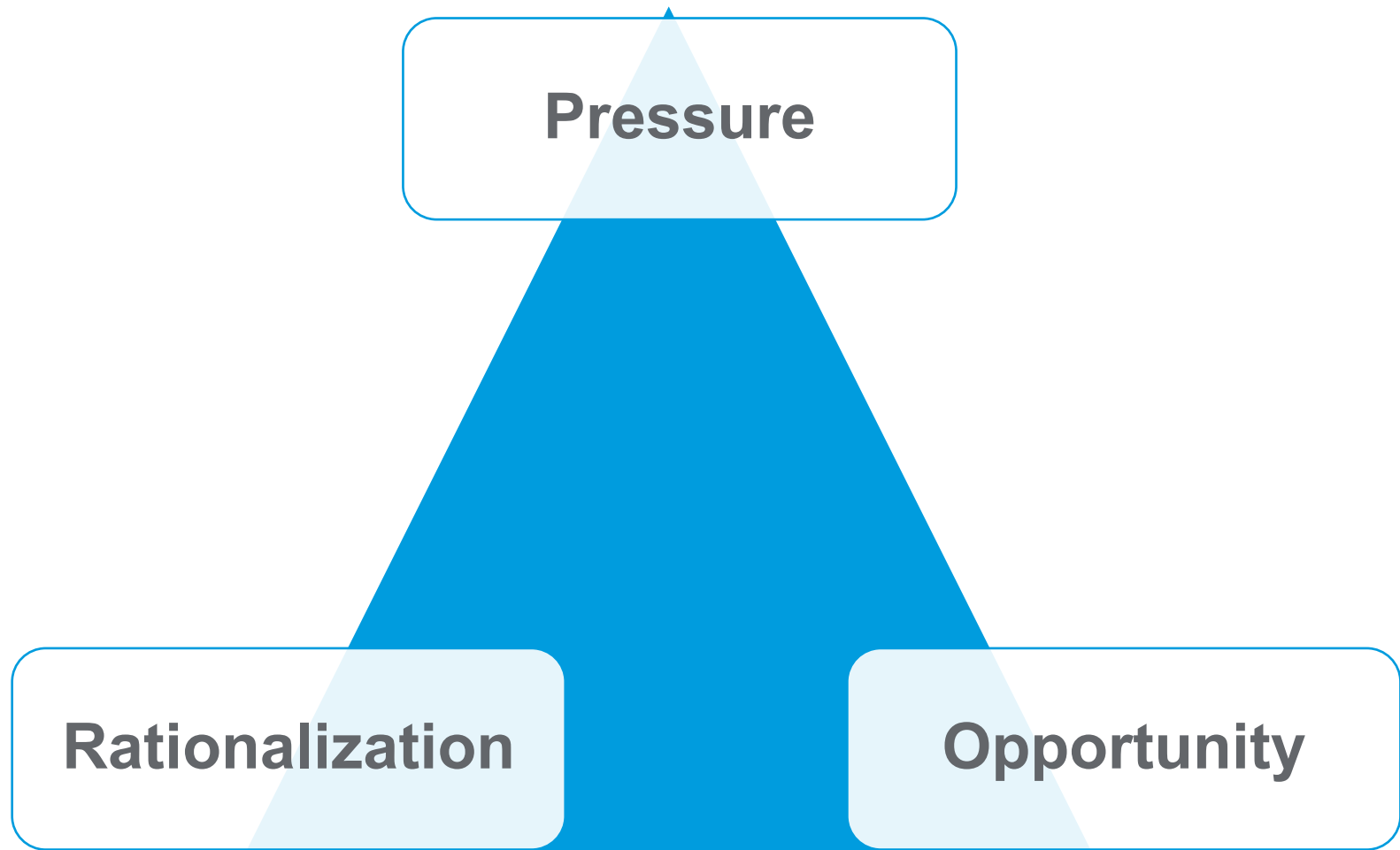
# PROBLEM SOLVING

# PROACT

- Problem
- Repercussion
- Opportunity
- Alternatives
- Consequences
- Trade offs
- ACT – you need to execute

# WHEN IT ALL GOES WRONG

# Fraud triangle



# Fraud warning signs

- Living beyond apparent means
- Divorce/family problems
- Staff reductions
- Experiencing financial difficulties
- Unusually close relationship with a vendor/customer
- Control freaks
- Refusal to take vacations

# RESOURCES



# Resources

- Collaboration
- Third Party solutions
- AGA, AICPA, GAO, NIAF, ACFE
- Specific Training



# QUESTIONS AND ANSWERS?

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