

Agency Programs Risk Analysis And Stress Test



Using Risk to Define Priorities

- Last year identified 10%, 20% and 30% cuts
 - ◆ Based on agencies having less money in their budget
 - ◆ Resulted in \$42M in agency cuts
- With so much already cut, process gets more difficult so another approach was put in place...
- Refined examination of agencies programs and services
 - ◆ Risk analysis - looks at concept of higher risk needs/programs being prioritized
 - ◆ Provides additional information to decision-makers as the budget process continues
 - ◆ Can be combined with Board's adopted Strategic Plan priorities



Using Risk to Define Priorities

- The BOCS has adopted the concept of looking at risk in their Strategic Plan for Human Services
 - ◆ Those human services designed to protect the community as a whole
 - ◆ Those human services designed to protect individual clients
 - ◆ Those human services designed to generate individual convenience or quality of life
- Staff has broadened and applied that risk concept to all agencies

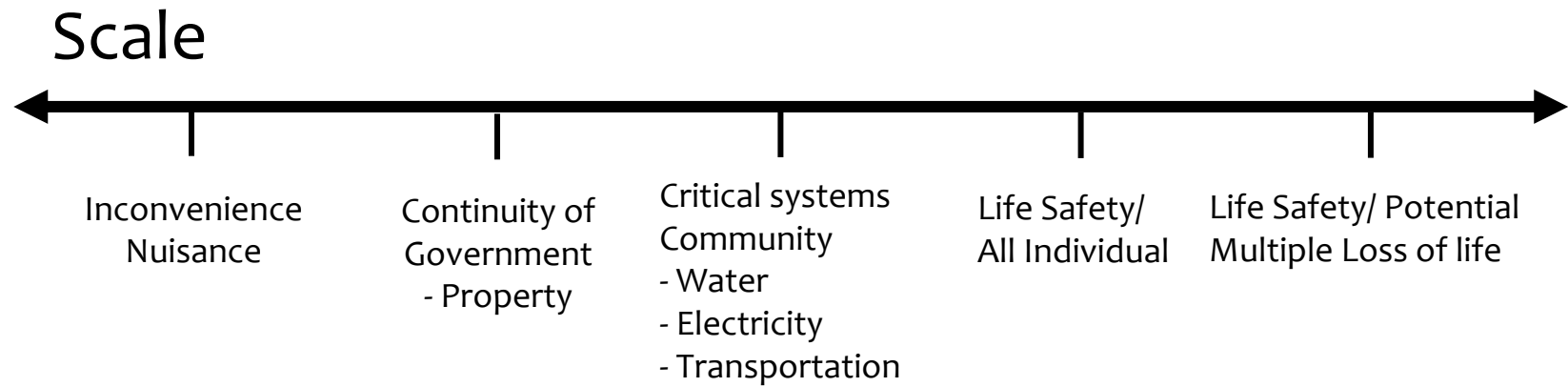


Using Risk to Define Priorities

- Staff developed 4 “risk scales” each with 5 points total
- The maximum “risk” points a program can rank is 20 points
- The higher the points the higher the risk to the program
- All 153 County programs/activities were ranked on the risk scale



Risk to Community



Risk to Community

■ Inconvenience Nuisance

- ◆ Litter, long lines, service hour reduction, don't meet expectations

■ Continuity of Government - Property

- ◆ Delayed replacement/maintenance, safe/healthy neighborhoods, capital asset replacement

■ Critical systems Community

- ◆ Decline in property values, protection against loss of property, health, less personal independence, reduction in core services

■ Life Safety/All Individual

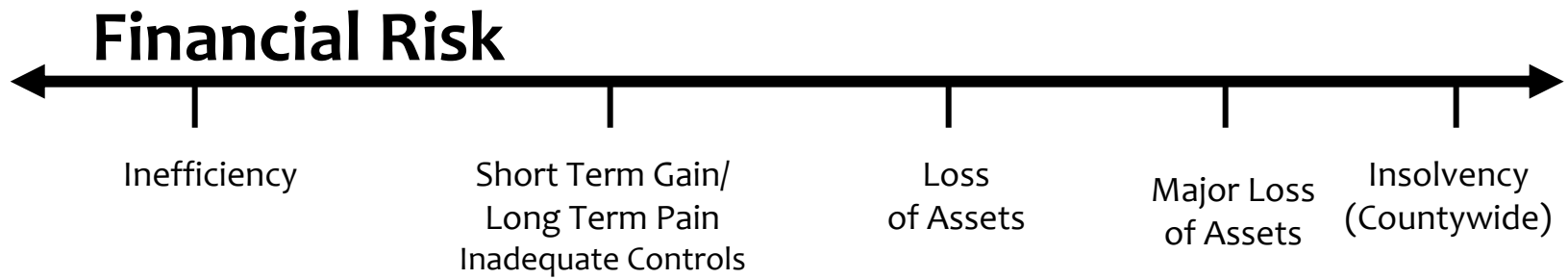
- ◆ Transportation safety, system interruptions, behavior harmful to self, poor health, institutionalization of individual

■ Life Safety/Potential Multiple

- ◆ Large scale environmental events, failure of enterprise systems, behavior /disease harmful to multiple people, total failure to respond



Financial Risk

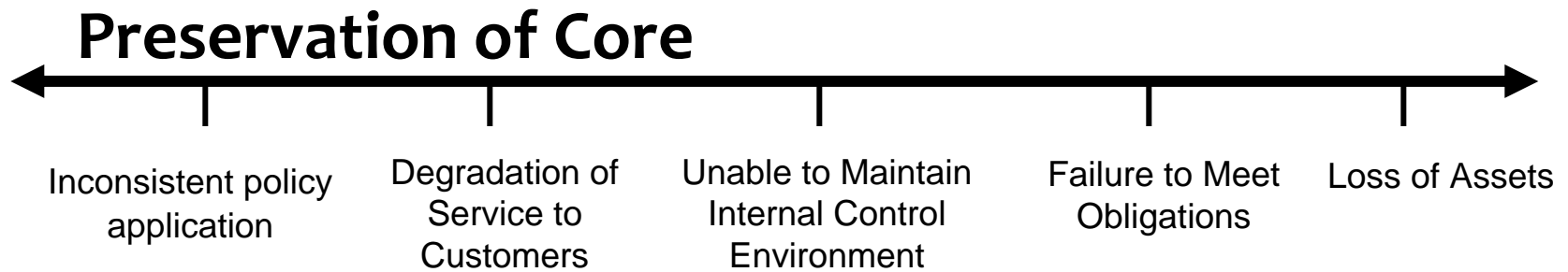


Financial Risk

- Inefficiency
 - ◆ Wasteful, redundant, slower, increased cost, more errors
- STG/LTP Inadequate Controls
 - ◆ Inability to train staff on policies/procedures, failure to update systems, lack of quality assurance
- Loss of Assets
 - ◆ Management of intergovernmental funding streams, not meeting Principles of Sound Financial Management, migration of residential and commercial entities due to community conditions
- Major Loss of Assets
 - ◆ Monitoring fiscal operations, preventative maintenance, failure to maintain internal control environment, reduction of capital assets impacting core services
- Insolvency (Countywide)
 - ◆ Fundamental imbalance of County government sources and uses of funding over time, loss of tax revenue, loss of core services



Preservation of Core



Legal Risk

- Legal Risk is more of a case-by-case analysis but generally issues include:
 - ◆ County Attorney's staffing to accommodate legal issues that don't result in litigation
 - ◆ Mandates/Workplace safety - services where the County is mandated by other levels of government to provide services
 - ◆ Risks of judicial involvement in County government business decisions



Highest Risk County Programs

Department	Program	Score
Adult Detention Center	Inmate Security	20
Community Services	Emergency Services	20
Development Services	Building Development	20
Development Services	Land Development	20
Finance	Director's Office - Administration	20
Finance	Financial Reporting and Control	20
Finance	Tax Administration	20
Public Health	General Medicine	20
Sheriff	Executive Management	20
Social Services	Child Welfare	20
Technology, Office of	OIT - Infrastructure Management	20
Technology, Office of	OIT Information Systems	20



Highest Risk County Programs

Department	Program	Score
Adult Detention Center	Exec. Mgmt. & Support	19
Police	Office of the Chief	19
Public Health	Maternal and Child Health	19
Public Safety Communications	Public Safety Communications	19
Social Services	Benefits, Employment, and Child Care	19



Highest Risk County Programs

Department	Program	Score
Adult Detention Center	Inmate Classification	18
Adult Detention Center	Support Services	18
At Risk Youth & Family Services	At Risk Youth & Family Services	18
Community Services	MR Case Management Services	18
Community Services	Medical Services	18
Criminal Justice Services	Offender Supervision	18
Finance	Purchasing	18
Finance	Risk Management	18
Fire and Rescue	Office of The Chief	18
Fire and Rescue	Operations	18
Fire and Rescue	Volunteer Fire & Rescue	18
Juvenile Court Service Unit	Juvenile Court Services	18
Police	Operations	18
Police	Criminal Investigations	18
Public Health	Environmental Health	18
Sheriff	Court Services	18
Social Services	Adult Services	18



Agency “Stress” Test

- Once programs ranked on “risk” scale, staff took all programs ranked 18 points and higher and put them through a “stress” test
- Stress test similar to that used to look at financial institutions and other private sector firms
- Our Stress test looked at: customers, workload, staff/morale, and financial
- Each area looks at:
 - ◆ What the measure is
 - ◆ Why it is important
 - ◆ How data is calculated
 - ◆ Agencies had to have real data to back up their findings



Customer

- Critical Incidents - unbudgeted demands outside normal work load - reprioritization
- Number of customers, ability to respond to them - lack of customer support
- Response time to customer demands - customer dissatisfaction
- Litigation - vulnerability, time and money



Workload

- Workload Usage, volume of work (outputs) - trends, spikes ability to deliver service
- Standards and Benchmarks - quality suffers, probability of errors
- Turn-around time of product or service - measure of effectiveness/efficiency
- Ability to meet regulations/compliance requirements - financial liability, client errors
- Ability to meet reporting requirements - financial liability, loss of revenue



Morale - People

- Turnover - time to recruit, train, cost
- Accident/Injury Rates - Losses, trying to do more, time
- Sick Leave Usage - others have to cover, degradation of service
- Overtime/Comp time - make up for vacancies/workload



Financial

- Increased costs - do more with less
- Decreased revenues - State, Federal, grant - shift resources, discontinue services
- Fees - what the market will bear



Risk and Stress Analysis

- What can we do once risk/stress is identified?
 - ◆ Stop high-risk programs
 - ◆ Live with the risk
 - ◆ Mitigate the risk
- Analysis provides background and data leading to staff recommendations on highest risk/stress programs
- Staff has identified current highest risk areas



Questions

