



# Office of the City Controller

## **ENTERPRISE RISK ASSESSMENT**

### FY 2021 Update



**Chris Brown**  
City Controller

**Report # 2022-01**

**Courtney Smith**  
City Auditor



**OFFICE OF THE CITY CONTROLLER  
CITY OF HOUSTON  
TEXAS**

**CHRIS B. BROWN**

July 6, 2021

The Honorable Sylvester Turner, Mayor  
City of Houston, Texas

**SUBJECT: Report #2022-01  
City of Houston – 2021 Enterprise Risk Assessment**

Mayor Turner:

I am pleased to submit to you the Enterprise Risk Assessment (ERA) performed by the Controller's Office, Audit Division, during Fiscal Year (FY) 2021. This is a process that supports our efforts in developing the FY 2022 Annual Audit Plan and deploying the necessary resources to execute.

The risk assessment process is performed annually by updating departments on a rotational basis each fiscal year. This approach provides full coverage of all City Departments over a four to six-year period, rather than re-perform the entire process every year. Our methodology is consistent with professional standards and considers available resources, cost-benefit, and allows us to advance the quality of the assessment each cycle.

In selecting the departments to update, we identified and considered several factors, including "Notable Changes since the Previous Risk Assessment" and the last time included in a Risk Assessment. Based on this, the three departments selected and updated for the FY2021 ERA were:

- Houston Public Works (HPW)
- Planning and Development Department (P&D)
- Solid Waste Management Department (SWMD)

The ERA Report contains a general report section that provides information on the risk assessment process and methodology and a section detailing the updated Risk Profiles organized by key business processes within each department under review. There are two primary perspectives that are graphically presented and shown in detail within each Risk Profile. These perspectives are described as follows:

**KEY BUSINESS PROCESSES** – analyzed by common functions performed across the organization, which can reveal potential efficiencies, overlap, redundancies, synergies, and leverage of resources. This perspective is looking at activities that the City performs without consideration of its organizational structure; and



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**DEPARTMENTAL** - analyzed in terms of the impact and likelihood of risk associated with the organizational design in executing the City's overall mission and objectives.

We appreciate the cooperation and professionalism extended to the Audit Division during the project by personnel from HPW, P&D and SWMD.

Respectfully submitted,

Chris B. Brown  
City Controller

xc: City Council Members  
Department Directors  
Marvalette Hunter, Chief of Staff, Mayor's Office  
Shannan Nobles, Chief Deputy City Controller  
Courtney Smith, City Auditor, Office of the City Controller

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## Introduction

The Audit Division, a division within the Office of the City Controller, adheres to professional standards issued by the Government Accountability Office (GAO's *Yellow Book*) and the International Standards for the Professional Practice of Internal Auditing (*Red Book*) by the Institute of Internal Auditors (IIA). Both sets of standards require a risk-based approach to identify the scope and objectives of audit planning and to properly design audit procedures. The Red Book specifically requires an Enterprise Risk Assessment (ERA) process be performed annually as a primary driver to support the annual audit plan, while the *Yellow Book* requires that risk be considered at the engagement/process level.

In adherence to these Standards, the Audit Division applies risk-based methodology in the following manner:

- Annual ERA on all major processes within three to seven departments to provide a basis for input to the Audit Plan;
- Risk Assessment procedures at the Engagement/Audit project level; and
- Risk Consideration in rendering conclusions and determining the impact and magnitude of findings and preparing the final audit report.

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## Background and Methodology

The Audit Division conducts an annual process to update the ERA. Departments are selected on a rotational basis for efficiency and to ensure full coverage of all City Departments over a four to six-year period. The 2021 ERA process includes other considerations, in addition to length of time since the previous assessment. The process begins with preliminary planning, a review of prior risk assessment reports, consideration of Audit Reports issued since the departments under review were last updated, and the three components listed on page 2, as impacted during the fiscal year. A definition of terms contained in this report are listed in the Glossary of Terms on page 37.

Departments selected for the ERA updates in FY2021 are shown in Table 1.

**TABLE 1**

<b>FY 2021 ERA Update Selections</b>	
<b>Department Name</b>	<b>Last Assessed</b>
Houston Public Works	FY2016
Planning and Development	FY2016
Solid Waste Management	FY2016

Departmental assessment updates are selected based on available resources, time constraints, and cost-benefit considerations. The departmental portion of the ERA performed during FY2021 utilized four professional staff from the Audit Division, who performed reviews of the selected Department's responses from prepared questionnaires, applicable follow-up questions, and interviews with key operational and management personnel.

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## Annual ERA Process Components

There are three (3) basic components of the annual ERA process:

### Notable Changes

- Significant Events and Operational Changes
- Structural Changes to the Risk Universe

### Consideration of Significant Information Systems and Cybersecurity

### Department Risk Profile Updates

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## Notable Changes Since the FY2020 ERA

To apply the risk-based methodology noted in the introduction, the Audit Division considers significant changes of events, operational and/or business processes, as well as changes in departmental leadership that have occurred since the last risk assessment update. These changes, whether individually or collectively, may have an effect on the way the City conducts business operationally and the resources available. The Audit Division considers these factors when preparing the Annual Audit Plan.

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## Significant Events and Operational Changes

- On July 21, 2020, the City of Houston won a temporary injunction to stop the Texas General Land Office from removing over \$1.2 billion in Hurricane Harvey disaster relief funding.
- On September 9, 2020, the City's Solid Waste Management Department and its recycling processing partner were named as the "Best U.S. Recycling Facility of the year-2020" by the National Waste and Recycling Association.
- On September 10, 2020, the Federal Emergency Management Agency (FEMA) awarded the fourth federal Hazard Mitigation grant to the City of Houston to reduce flooding.

- On October 5, 2020, the City of Houston and Resilient Houston recognized with top awards for planning and resilience.
- On November 16, 2020, the City Council approved an \$800,000 program to provide computers to low-income Houstonians.
- On December 1, 2020, the Mayor welcomed Hewlett Packard Enterprise global headquarters to Houston as its 23rd Fortune 500 company.
- On December 7, 2020, the City of Houston partnered with Comcast to provide free WiFi to nine City Community Centers, which allows students safe spaces to participate in distance learning and do their homework.
- On December 16, 2020, the Mayor launched the Vision Zero Action Plan to end traffic deaths and serious injuries on Houston roadways by 2030.
- On January 14, 2021, City Council approved the largest brownfield solar installation in the nation on a closed 240-acres landfill in Sunnyside.
- On January 21, 2021, the Houston Chronicle reported on a study conducted by the Texas Department of State Health Services that nearly 13 months after a cancer cluster was detected in northeast Houston, new cancer clusters were identified in Fifth Ward and Houston's Kashmere Gardens neighborhoods.
- On January 28, 2021, the Mayor was named Chair of Climate Mayors, a nationwide coalition of 470 U.S. mayors focused on preserving the environment, creating well-paying green jobs, and investing in clean air, water, and energy.
- On February 13, 2021, the City of Houston experienced a severe winter storm which caused a major power crisis, resulting in fatalities and massive shortages of water, food, and electricity. Millions of homes and businesses across the state were without power for several days.

- On April 1, 2021, the Mayor announced that the U.S. District Court approved a settlement between the City, U.S. EPA, and the State of Texas to improve Houston's wastewater system.
- On May 19, 2021, the Mayor proposed an 18% pay increase for Houston Firefighters over three years, with a cumulative cost of \$115.3 million.
- On June 1, 2021, the City of Houston launched a Police Transparency Hub that makes it easier for the public to file a complaint against a police officer and allows the ability to search information about the Houston Police Department's encounters and demographics, as recommended by the Policing Reform Task Force.

#### **COVID-19 RELATED EVENTS**

- On July 1, 2020, the City, Harris County, and the Coalition for the Homeless announced a joint \$65 million initiative to house 5,000 people experiencing homelessness to help limit the spread of COVID-19.
- On July 29, 2020, the Mayor and the City Council passed a \$15 million Small Business Economic Relief Program to help local businesses survive challenges created by COVID-19.
- On August 5, 2020, the City Council approved a \$20 million rent relief program to help Houstonians who were unable to pay rent because of the pandemic.
- On August 19, 2020, the Mayor and the City Council approved \$2 million in relief funding for creative businesses that were facing economic challenges because of COVID-19.
- On September 9, 2020, the Mayor and City Council approved \$5 million in additional funding for the City's Small Business Economic Relief Program.
- On October 1, 2020, the City and the County partnered to fund the new COVID-19 Homeless Respite and Rehabilitation Center.

- On December 3, 2020, the City Council approved a \$624,960 internet voucher program to 5,000 low-income Houstonians with CARES Act funding.
- On January 2, 2021, the Houston Health Department vaccinated more than 1,000 residents, during the City's first COVID-19 vaccination clinic.

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## Structural Changes to the Risk Universe

Changes to the Risk Universe are considered, when for example: there are Departmental and/or management structure changes; functions/responsibilities/processes are added, or eliminated; and consolidation, centralization or decentralization occurs between Departments or on a City-wide basis. In addition, the Audit Division must consider the number of Local Government Corporations (LGC) being created on the City's behalf, as well as other forms of Component Units.

### **Auditable Entities**

Changes that occurred in the City's risk universe in FY2021 included the Mayor's appointment of a new Chief of Police, City Attorney, City Secretary, and Press Secretary, as well as new Directors for the Fleet Management Department (FMD), Mayor's Offices of Veterans and Military Affairs, Cultural Affairs, and Education. Additionally, Interim Directors were appointed for Parks and Recreation, Solid Waste Management, and the Houston Emergency Center. The Mayor expanded the Office of Human Trafficking to include domestic violence, which is also reflective in the name change to Human Trafficking and Domestic Violence.

### **Component Units**

Most Component Units of the City are responsible for obtaining and issuing audited financial statements, which are submitted to the City for reporting purposes. Component Units are reported in the City's Comprehensive Annual Financial Report (Annual Report). Blended component units (although legally separate entities) are, in substance, part of the City's operations and they provide services exclusively or almost exclusively for the City. In addition, both discretely presented component units - governmental and business-type are presented in the Annual Report.

In determining whether a legally separate entity is a component unit of a primary government, there are three specific tests that involve:

- Fiscal dependence on the primary government;
- Appointment of the unit's governing board; and
- The potential that exclusion would result in misleading financial reporting.

A Component Unit is considered major, thus presented discretely, if assets, liabilities, revenues or expenses exceed 10% of that Component Unit's class and exceed 5% of all Component Units combined.

There were no new component units created in FY2021.

### **Policy and Procedure Changes**

Article VI of the City Charter gives the Mayor power and the duty to exercise administrative control over all departments of the City, which include the authority to sign into effect Administrative Policies and Procedures (APs), Executive Orders (EOs), and Mayor's Policies (MPs). The Code of Ordinances states that the Administration and Regulatory Affairs Department (ARA) has been designated by the Mayor as having the responsibility for the development and implementation of City-wide policies, regulations, and procedures.

Policy audits are considered when developing the Annual Audit Plan.

Two new EOs were established and implemented in FY2021 to include:

- 1-68, "Cite and Release Program", which authorizes law enforcement officers to issue citations for certain low-level, non-violent criminal offenses instead of making arrests; and
- 1-70, "City Inclusion and Opportunity Initiative for the Lesbian, Gay, Bisexual, and Transgender Business Community", which is to provide fair and equal access to contracting opportunities to all interested residents of the City of Houston.

No new APs were approved. However, notable updates included: 2-2, "Motor Vehicle Use" and 5-11, "Exceptions to Competitive Procurements" in January 2021; and 3-18, "Accrued Leave Donation Program" in February 2021.

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## Consideration of Significant Information Systems and Cybersecurity

Utilizing a risk-based approach, as required by the standards, the Audit Division considered the City's information technology systems that have been implemented, as well as the technology initiatives that are being developed, which affect operational/business processes. The Audit Division took into consideration information technology projects and initiatives being developed for City-wide and departmental use. Projects and initiatives in various stages of development are:

- Network Infrastructure refresh
- Border Firewall refresh
- Cyrus One Data Center Upgrade
- Contact Center Upgrade
- Permitting Information Management System
- SharePoint Online
- SAP SuccessFactors for Human Resources
- SAP Ariba for Enterprise Procurement and Contract Management
- 311 Service Request System Replacement

The Houston Information Technology Services department (HITS) Cyber Division has implemented the following cybersecurity activities:

- **Monitoring:** The COH Cyber Division utilizes a next generation SIEM solution to centrally collect data city-wide to gain real-time visibility into potential risks.
- **Cybersecurity Training:** Training was administered to 18,180 employees, resulting in a 64% completion rate.
- **Constantly expanding capability to reduce risks by embracing automation, machine learning, and leveraging artificial intelligence to reduce risks to confidentiality, integrity and availability of COH data.**

## Department Risk Profile Update Process

Departmental Risk Profile updates are performed using three basic process components: Data Gathering, Analysis, and Output. Details about each component of the update process are represented in Table 2.

**TABLE 2**

DATA GATHERING	ANALYSIS	OUTPUT
<ul style="list-style-type: none"> <li>• <i>Previous Risk Assessments</i></li> <li>• <i>Changes to the Dept Structure/Operating Unit Process since Last ERA</i></li> <li>• <i>Mission Statement</i></li> <li>• <i>Organizational Structures</i></li> <li>• <i>Business Objectives</i></li> <li>• <i>Develop Questionnaires</i></li> <li>• <i>Financial Data</i></li> <li>• <i>City and Department Websites</i></li> <li>• <i>Interviews</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Analyze Questionnaire responses and follow-up with questions/interviews/discussions</i></li> <li>• <i>Identify Key Business Processes and related changes</i></li> <li>• <i>Identify Potential Risks</i></li> <li>• <i>Identify Risk Management techniques as stated by management</i></li> <li>• <i>Map identified risks to stated risk management techniques</i></li> <li>• <i>Evaluate process significance to the Department and overall City operations</i></li> <li>• <i>Perform Department-level risk assessments and validate with management</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Updated City-wide business risk profile</i></li> <li>• <i>Audit Division Planning tool</i></li> </ul>

The ERA considered primarily inherent risks, with limited identification of control risk, as reported by management. We did not test specific management controls and therefore, do not render an opinion on the effectiveness of design nor the efficiency in implementation or existence. The ratings do not imply a judgment on how management is addressing risk and thus is not a specific assessment of management performance nor concludes on residual risk.

The actual projects (audits, reviews, monitoring, and other ongoing procedures, etc.) performed will allow us to test comprehensively, where necessary. Additionally, as we continue the annual ERA, we will be able to bring the assessment to a deeper level, and thus help us to effectively adjust our course and focus our efforts.

## Key Business Processes

The initial City-wide analysis identified 145 total key business processes, however, further detailed analysis revealed 19 common processes throughout most Departments, so they were grouped together for more efficient analysis.

Common Key Business Processes are identified in Table 3.

**TABLE 3**

<b>Common Key Business Processes (KBPs)</b>	
<ul style="list-style-type: none"><li>• Administration</li><li>• Communications</li><li>• Compliance</li><li>• Customer Services</li><li>• Disaster Recovery</li><li>• Facilities Management</li><li>• Financial Management</li><li>• Fleet Management</li><li>• Grant Management</li><li>• Human Resources</li></ul>	<ul style="list-style-type: none"><li>• Inventory/Materials Management</li><li>• Information Technology</li><li>• Payroll</li><li>• Procurement</li><li>• Project Construction Management</li><li>• Public Safety</li><li>• Records Management</li><li>• Revenue Generation (and Collection)</li><li>• <b>Specific Operational*</b></li></ul>

**NOTE: \*Specific Operational** is made up of processes that are unique to the operations of the various Departments (e.g. “Call-Taking” for the Houston Emergency Center (HEC), “Certification” of Minority, Women, and Disadvantaged Business Enterprise (MWDBE) for the Office of Business Opportunity (OBO), “Collection” for Solid Waste Management, etc.). For purposes of the report ‘Security’ was combined primarily within ‘Public Safety’.

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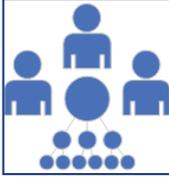
## ERA Risk Criteria

It is important to clarify the factors used in determining the levels of risk, as presented in the departmental risk assessments. For audit purposes, risk is evaluated by distinguishing between types of risk.

The ratings were determined by applying each Key Business Process within each Department to the weighted criteria identified below. A “High” rating indicates that an occurrence of the risk(s) may trigger conditions and events which prevent the City from achieving its objective within that process and could have a significant impact. The impact is measured in terms of disruption to essential services, financial loss, ability to protect public health and safety, impediments to economic development, or negative perception. In contrast, a “Low” rating indicates that the impact of such an occurrence or aggregated occurrences of the risk would be minimal.

The Audit Division used the risk criteria shown in Table 4 to risk rate each department’s key business processes to determine the operational risk exposure in each.

**Table 4  
ERA Risk Criteria**

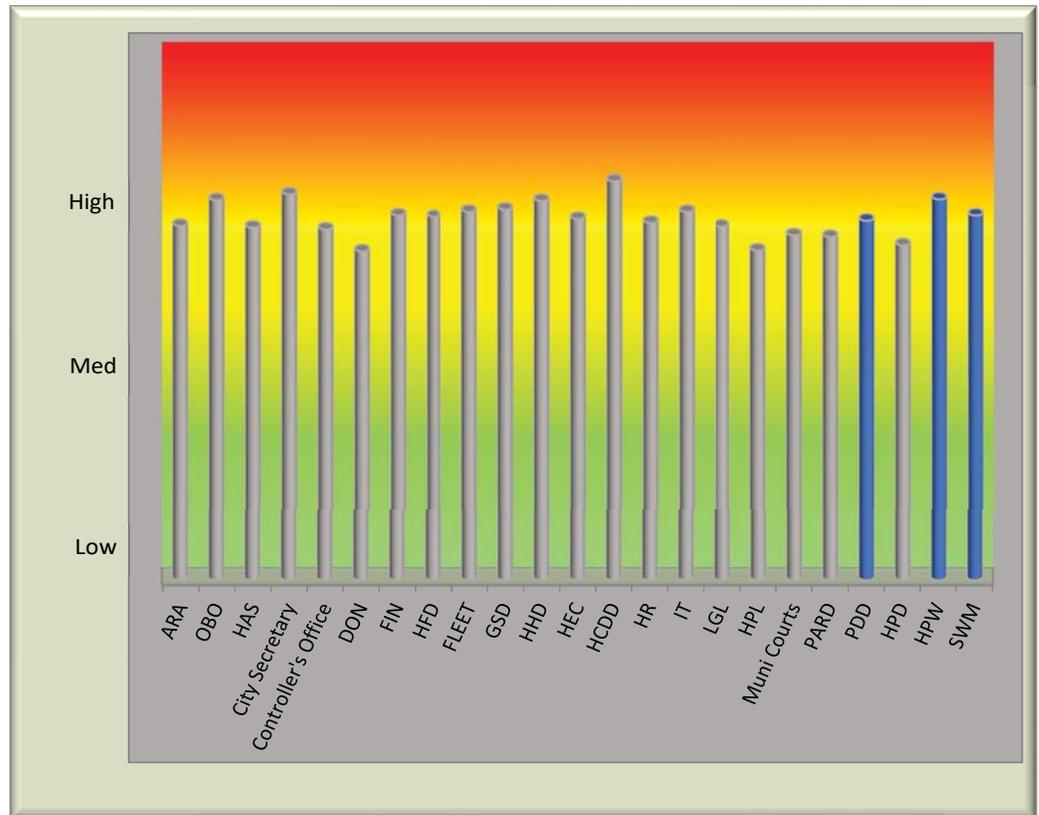
	Complexity of Operations		Council & Public Interest		Financial Impact
	Human Resources		Regulatory/ Compliance		Technology
	Time Since Last Audit		Mission Criticality		Internal Controls
	Legal Claims		Public & Employee Safety		

## Output

The primary output of the ERA is to use the risk profiles generated as one of the catalysts in designing the Controller’s Office Annual Audit Plan. As the risk profile of the City changes, it is reflected in the selection of some of the audits included in the Plan for FY2022. Projects that the Audit Division will audit from the Annual Audit Plan include high risk business processes identified through the ERA process, for example: Fleet Management which resides within the Fleet Management Department; Grant Management, and Public Safety, which reside within the following Departments: Airport, Finance, Fire, General Services, Houston Emergency Center, Houston Health, Housing and Community Development, Human Resources, Municipal Courts, Parks, and Police.

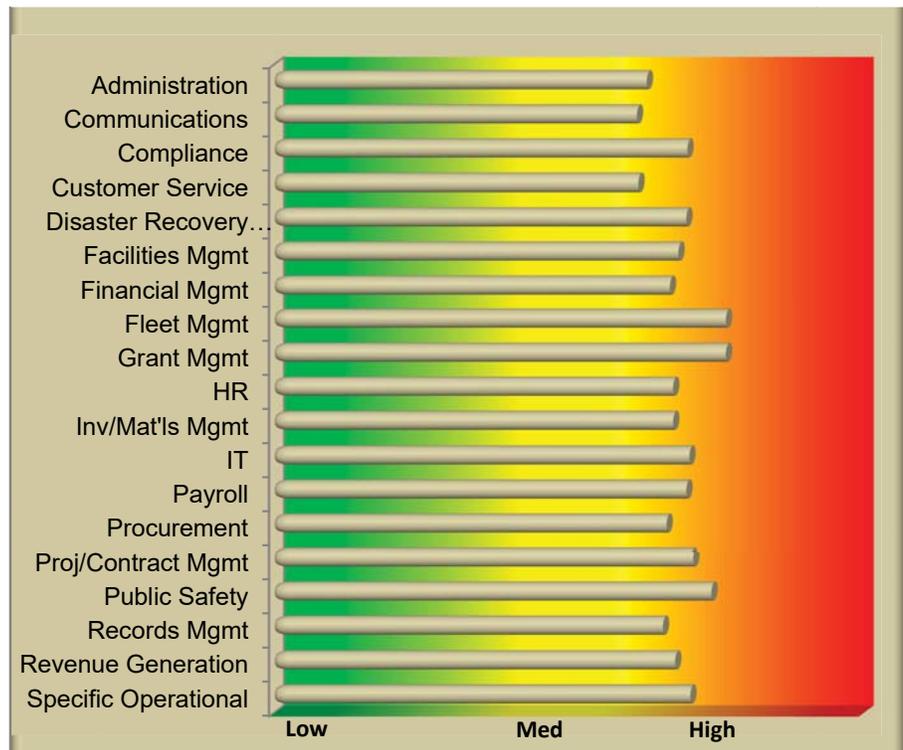
The following graphs summarize the results of the Audit Division's updated assessment of risk from two different perspectives: Graph 1 presents risks from the department perspective and Graph 2 shows the risk level from a Key Business Process (KBP) perspective. Note: the blue vertical bars represent the departments updated for the FY 2021 ERA.

**Graph 1 - Operational Risk Profile By Department**



Graph 2 provides a perspective to see potential efficiencies, overlap, redundancies, synergies, and leverage of resources when looking at activities that the City performs without consideration of its organizational structure. The risk assessment revealed that the areas of Fleet Management, Grant Management, and Public Safety fall within the high-risk category.

**Graph 2 - Operational Risk Profile By Key Business Process**



The evaluation of all these factors provides indicators on prioritizing the potential projects for the upcoming year. In other words, this points us in the direction of “what” to audit. We then identify the available resources to determine the volume of activity to include in our plan.

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## Acknowledgment

The Project Team would like to express our appreciation to the participating Departments and their representatives, who gave their time and effort. Their input was and is critical to the success of this annual assessment by actively responding to questionnaires, interviews, discussions, and review of data presented in this report. It was evident throughout the process that the City continues to have a significant number of qualified professionals, who serve the constituency by providing quality services in an economically challenged environment and who are proud of the work that they do.

UPDATED DEPARTMENT RISK  
PROFILES

### **Mission and Objectives**

Together, we create a strong foundation for Houston to thrive through integrity, teamwork, ownership, commitment, and respect. The City of Houston Public Works Department (HPW) is responsible for: (1) planning, designing, constructing, operating and maintaining Houston's critical public infrastructure systems; (2) establishing and enforcing the City's building and development codes; and (3) providing drinking water, wastewater collection and treatment, stormwater drainage, and streets in an effective, efficient, and environmentally responsible manner to serve our customers.

### **Notable Changes Since the Previous Risk Assessment**

A previous risk assessment of HPW took place in fiscal year 2016. Since that assessment, HPW has undergone several organizational and operational changes to include:

#### **Organizational:**

- In 2018, the Mayor appointed a new Director of HPW, and the department changed its name from Public Works and Engineering to Houston Public Works;
- A new Deputy Director and four new Assistant Directors of the Financial Management Services (FMS) service line;
- A new Deputy Director, and two new Assistant Chief Policy Officers for the Houston Water service line; and
- A new Deputy Director for the Transportation and Drainage Operations service line.

#### **Operational Changes:**

- The Street and Drainage Division and the Traffic Operations Division merged to form a new service line, Transportation and Drainage Operations (TDO);
- Customer Account Services became a separate service line;
- Procurement Services Branch and the Capital Projects (CP) Group were incorporated into the FMS service line;
- TDO acquired the Rapid Delivery Branch from CP, and renamed it to Project Delivery Branch in FY21; and
- The Houston Permitting Center service line transitioned from paper to electronic platforms for, among other things, plan reviews and occupancy inspections.

### Significant Activities

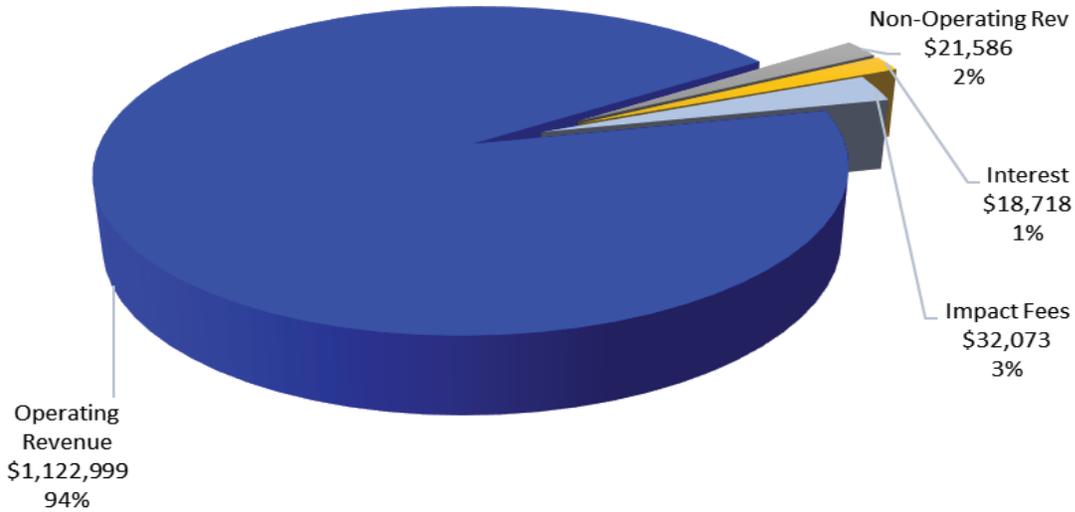
The responsibilities of HPW are distributed among six service lines: Customer Account Services, Financial Management Systems, Transportation and Drainage Operations, Houston Water, Houston Permitting Center and Capital Projects. The department's activities included:

- Maintained a “Superior” rating for the City’s drinking water system from the Texas Commission on Environmental Quality (TCEQ);
- Maintained 39 wastewater treatment plants that collected and treated an average of 250 million gallons of wastewater per day generated by residential, commercial, and industrial customers;
- Maintained more than 14,564 miles of water distribution and sanitary sewer collection lines throughout the City;
- Maintained approximately 15,000 lane miles of streets, 1,370 plus bridges, 186,000 storm water manholes and storm inlets, 35 storm water detention basins, 3,600 miles of storm sewer lines, 2,500 miles of roadside ditches, and 100 miles of off-road and major ditches;
- Maintained approximately 4,490 miles of sidewalks, 33 roadway underpasses with storm ponding level warning devices (14 with pump stations);
- Installed and maintained over one (1) million traffic signs, 2,500 traffic signals, 1,400 school zone flashers, 18,000 high-mast and under-bridge lights;
- Installed 3,247 Intelligent Transportation System (ITS) devices, and 140 miles of fiber-optic cable;
- Installed 91 Dynamic Message Signs, 138 closed-circuit televisions (CCTVs), 160 Midblock Counters, and 438 Enhanced Detection devices;
- In FY 2020, administered over 347 permit types, performed over 635,000 regulatory inspections, reviewed over 186,000 commercial and residential developments, and provided engineering oversight and review of more than 31,800 public and private infrastructure(s);
- Since 2016, repaired close to 100 percent of the reported potholes by the next business day; with 100% completion in 2020; and
- Since 2016, oversaw approximately 650 capital projects, valued at appropriated \$2.65 billion. Of those projects, approximately 275, valued at \$1.63 billion, were substantially complete, and the remaining 375 were in various stages (pre-engineering, design, or construction) of completion.

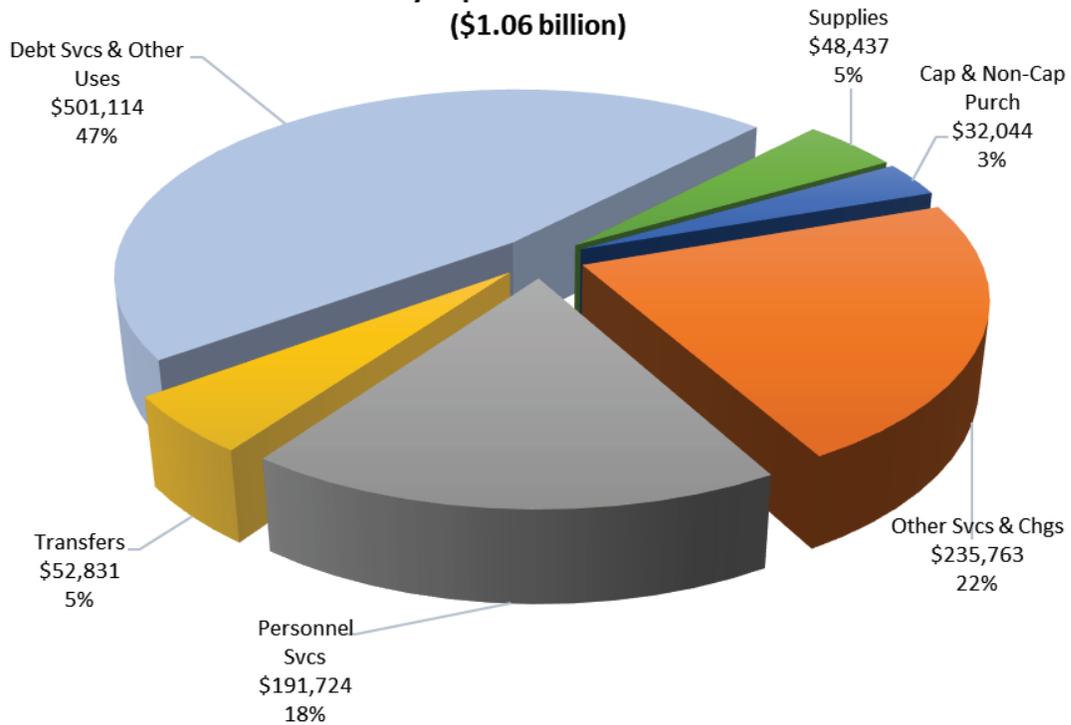
### Fiscal Year 2020 Financial Data

According to HPW, during FY2020, the department generated revenues totaling approximately \$1.6 billion, and had total expenditures of approximately \$1.8 billion. Operating funds were derived from several sources, including building inspections, plan reviews, licenses and permit fees, utility charges and General Fund revenue. The following graphical representations show the amount and source of HPW's revenues and expenditures.

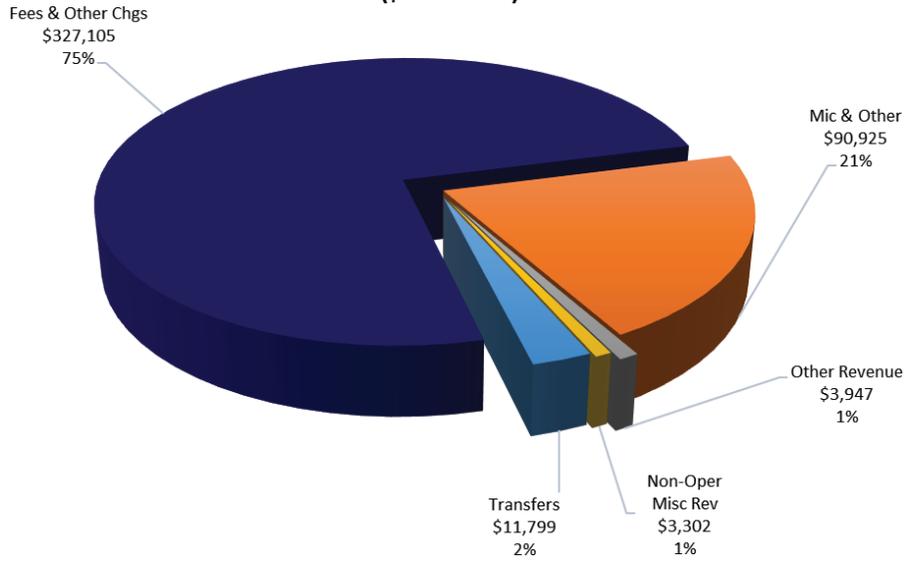
Utility Revenues - FY 2020  
(\$1.19 billion)



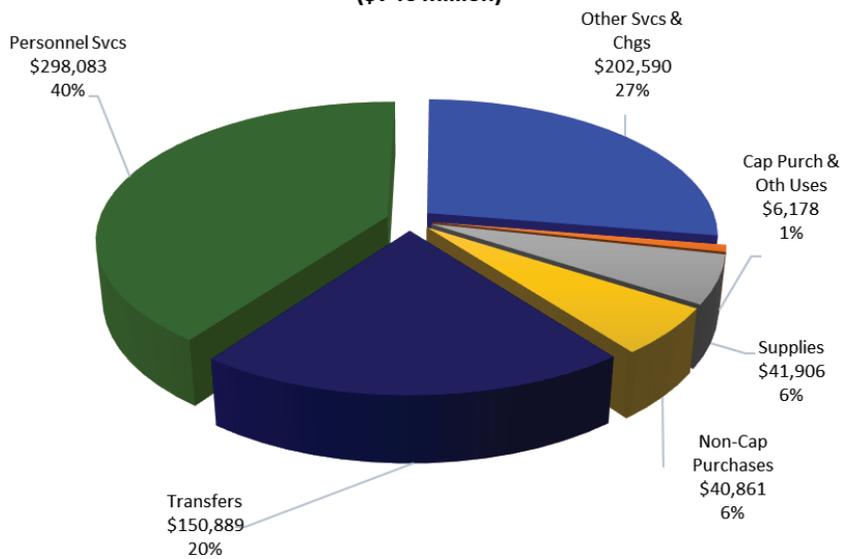
Utility Expenditures - FY 2020  
(\$1.06 billion)



Non-Utility Revenues - FY 2020  
(\$437 million)



Non-Utility Expenditures - FY 2020  
(\$740 million)



**Key Business Risk Areas**

Key Business Process	Potential Risks	Reported Risk Management Techniques	Risk Rating
Compliance	<ul style="list-style-type: none"> <li>• Inadequate management oversight</li> <li>• Insufficient staff</li> <li>• Unaware of regulations governing various types of construction and engineering projects</li> <li>• Noncompliance with City policies, procedures, and ordinances</li> <li>• Noncompliance with state and federal laws</li> <li>• Contaminated drinking water</li> <li>• Inadequate knowledge of laws and regulations</li> <li>• Lack of adequate and timely inspections</li> <li>• Inadequate monitoring of water distribution and collection systems</li> <li>• Ineffective monitoring of grant funded activity</li> <li>• Noncompliance with grant requirements</li> <li>• Noncompliance with contracts and leases</li> <li>• Inadequate safety procedures</li> <li>• Inadequate third-party, vendor, and partner management</li> <li>• Noncompliance with privacy and security standards for information systems</li> </ul>	<ul style="list-style-type: none"> <li>• Mayor-appointed oversight committee</li> <li>• Utilization of overtime pay and temporary staff</li> <li>• Collaboration with City's Legal Department</li> <li>• Procedures for compliance with TCEQ</li> <li>• Participation in City meetings for new and existing laws</li> <li>• Self-audits to ensure timely inspections</li> <li>• Oversight mechanisms to address illegal discharges and sanitary sewer overflows</li> <li>• Supervisory review of grant funded activities and leases</li> <li>• Safety procedures, consistent with City guidelines</li> <li>• Management review of third-party &amp; vendor performance</li> <li>• Employee cybersecurity and IT training</li> </ul>	High

**Key Business Risk Areas**

Key Business Process	Potential Risks	Reported Risk Management Techniques	Risk Rating
Procurement	<ul style="list-style-type: none"> <li>• Conflicts of interest</li> <li>• Untimely procurement process</li> <li>• Failure to adhere to procurement ordinances, policies, and procedures</li> <li>• Inappropriate and/or unauthorized purchases</li> <li>• Fraud related to procurement</li> <li>• Inadequate monitoring of change orders</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Conflicts of Interest Disclosure Statements</li> <li>• Supervisory oversight and approval of purchases</li> <li>• Collaboration with Legal to ensure compliance</li> <li>• Reconciliation of P-Card purchases</li> <li>• Status meetings regarding change orders</li> </ul>	High
Revenue Generation	<ul style="list-style-type: none"> <li>• Unaddressed customer complaints</li> <li>• Inappropriate and/or unauthorized refunds</li> <li>• Fraud and theft related to permitting and other service revenue</li> <li>• Inadequate permitting and other service fees</li> <li>• Incorrect meter readings</li> <li>• Meter malfunctions</li> <li>• Inadequate billing and collection of fines, penalties, water, and permit revenue</li> <li>• Inaccurate billing</li> </ul>	<ul style="list-style-type: none"> <li>• Reports to track and monitor customer service issues</li> <li>• Management approval of customer refunds</li> <li>• City ordinance establishes new fees or fee changes</li> <li>• Internal reviews related to meter readings or malfunctions</li> <li>• Management monitoring of billings and collections, including permit revenues</li> </ul>	High

**Key Business Risk Areas**

Key Business Process	Potential Risks	Reported Risk Management Techniques	Risk Rating
Financial Management	<ul style="list-style-type: none"> <li>• Inadequate funding</li> <li>• Employees/contractors paid for hours and overtime not worked</li> <li>• Payment for materials not used or received</li> <li>• Inadequate financial management of City-owned real estate properties and acquisitions</li> <li>• Inadequate rates and fees for water, permits and fines</li> <li>• Fraud or theft related to permitting and other services</li> <li>• Inadequate fixed assets and capital project accounting</li> <li>• Insufficient staff</li> <li>• Inaccurate calculation of overtime/incentive pay</li> <li>• Inaccurate and/or incomplete financial reporting and data</li> <li>• Unauthorized and/or inappropriate P-Card purchases</li> <li>• Inadequate financial management systems</li> <li>• Loss of critical documents</li> <li>• Misappropriation of City property and resources</li> <li>• Inaccurate and/or incomplete revenue reporting</li> <li>• Lawsuits</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor the budget</li> <li>• Supervisory review and approval of time reports</li> <li>• Management review for payment accuracy and completeness</li> <li>• Procedures for acquisition, disposition, and leasing of City's real estate portfolio</li> <li>• Fees and permits established consistent with City ordinances</li> <li>• Fraud consideration procedures</li> <li>• Accounting procedures for fixed assets and capital projects</li> <li>• Utilization of overtime pay, temporary staffing</li> <li>• Supervisory review of overtime &amp; incentive pay</li> <li>• Oversight for accurate and complete financial reporting</li> <li>• Supervisory review of P-Card purchases</li> <li>• Critical documents stored on City servers</li> <li>• Work with City's Legal Department</li> </ul>	Medium

**Key Business Risk Areas**

Key Business Process	Potential Risks	Reported Risk Management Techniques	Risk Rating
Information Technology	<ul style="list-style-type: none"> <li>• Insufficient staff</li> <li>• Aged communication and information systems</li> <li>• Inadequate security of data centers</li> <li>• Inadequate information technology support</li> <li>• Lack of system backup</li> <li>• Hardware and software failures</li> <li>• Inadequate financial management systems</li> <li>• Loss or corruption of electronic or non-electronic data/ documents</li> <li>• Inappropriate and/ or unauthorized user access</li> <li>• Outdated or inaccurate IT systems and data</li> <li>• Lack of coordination of IT systems with HITS</li> <li>• Lack of updating and monitoring of traffic network</li> <li>• Inadequate and untimely plan review</li> </ul>	<ul style="list-style-type: none"> <li>• City HITS supports communication and information systems upgrades</li> <li>• Protocols for security of data centers</li> <li>• City HITS supports system backup, hardware, and software issues</li> <li>• Hard copies maintained within HPW; electronic documents are stored on One Drive</li> <li>• HPW security management practices</li> <li>• City HITS and HPW-IT guidelines and protocols</li> <li>• Management oversight of projected traffic demands</li> <li>• Periodic reviews of plans to ensure relevance</li> </ul>	Medium

Key Business Risk Areas

Key Business Process	Potential Risks	Reported Risk Management Techniques	Risk Rating
Inventory / Materials Management	<ul style="list-style-type: none"> <li>• Theft and/or fraud related to supplies and equipment (e.g., copper)</li> <li>• Inadequate inventory</li> <li>• Lack of management oversight</li> <li>• Lack of routine maintenance for equipment and vehicles</li> <li>• Damage/loss of equipment and vehicles</li> <li>• Inadequate safety procedures</li> <li>• Vehicle and equipment accidents</li> </ul>	<ul style="list-style-type: none"> <li>• Inventory items are barcoded</li> <li>• Inventory levels tracked via daily cycle counts</li> <li>• Supervisory oversight through status reports</li> <li>• Monthly vehicle maintenance reports</li> <li>• GPS vehicle trackers monitor vehicle location and speed</li> <li>• Facilities monitored by Surveillance camera systems</li> <li>• Pre- and post-trip forms to track damages to vehicles</li> <li>• Vehicles are stored in a secure area</li> <li>• Regular safety meetings and training</li> </ul>	Medium
Project Management	<ul style="list-style-type: none"> <li>• Insufficient management oversight and accountability</li> <li>• Inadequate performance measures for capital projects</li> <li>• Loss of important project data</li> <li>• Inaccurate project cost estimates</li> <li>• Inadequate prioritization of capital improvement and infrastructure projects</li> <li>• Insufficient staff</li> <li>• Fraud, waste, and abuse</li> <li>• Conflicts of interest</li> <li>• Capital projects do not adequately address population growth and climate change</li> </ul>	<ul style="list-style-type: none"> <li>• Reporting tools to assess span of management control</li> <li>• Management review of performance measures</li> <li>• Project data is stored on City servers</li> <li>• Multiple layers of management approval of all costs and estimates</li> <li>• Priorities are set consistent with available funding</li> <li>• Vendors submit City forms; employees follow applicable City ordinances prohibiting bidding on City contracts</li> <li>• Population growth and climate change issues are considered during project design meetings</li> </ul>	Medium

### **Mission and Objectives**

The Planning and Development Department's (P&D) mission is to grow and preserve Houston's diverse communities to create a resilient city. Our objectives include:

- Providing research, data, mapping and analysis to residents, businesses, organizations, neighborhoods, and decision-makers;
- Providing tools and resources to strengthen and increase the long-term viability of neighborhoods and preserve historical attributes of our community; and
- Enforcing land development standards in Houston and the extraterritorial jurisdiction.

P&D also conducts a wide range of transportation planning initiatives, has created Plan Houston, and is currently working towards the implementation of several components of Plan Houston and Complete Communities Action Plans for 10 communities.

### **Notable Changes Since the Previous Risk Assessment**

A previous risk assessment of the P&D Department took place in fiscal year 2016. Since that assessment, the Mayor appointed a new Director of P&D in FY 2019.

### **Significant Activities**

P&D performed a variety of activities related to managing growth and development in Houston. Significant activities since FY2016 included:

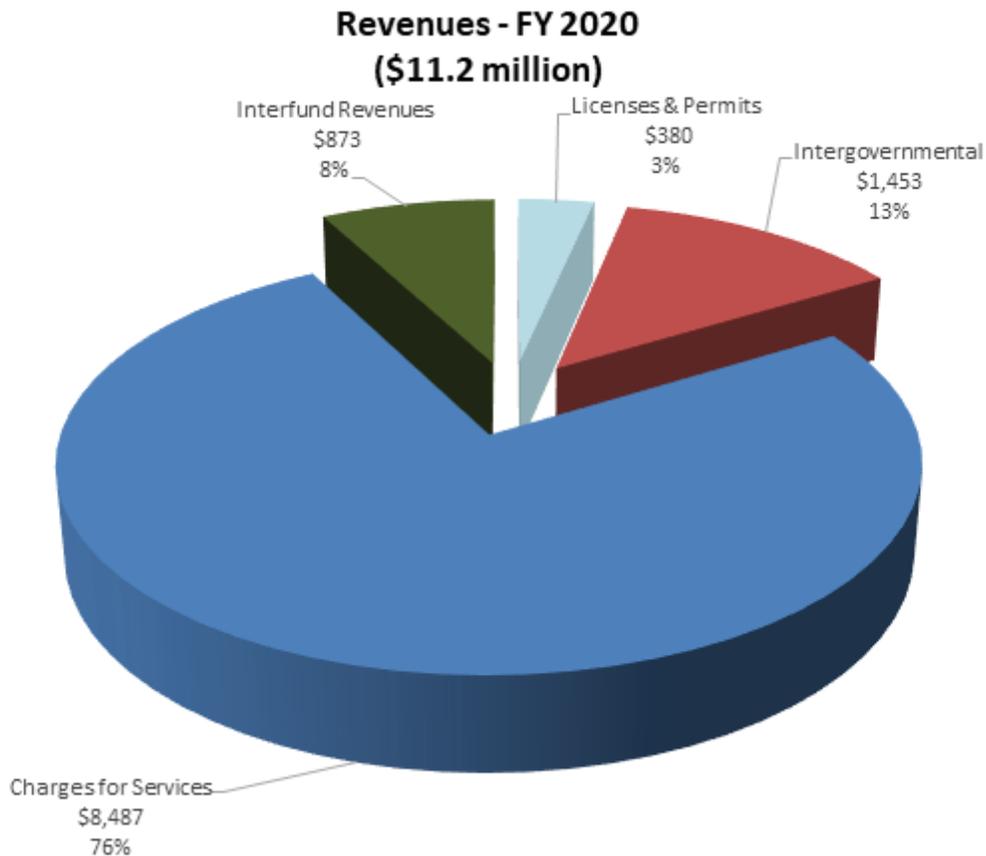
- Reviewed land developments consisting of 2,184 subdivisions, 1,036 development plats, and 16,867 construction plans;
- Provided two (2) educational programs to Houston residents that assisted in revitalizing ten (10) neighborhoods;
- Analyzed data and provided recommendations on seventeen (17) jurisdictional boundaries;
- Developed and maintained the Geographic Information System (GIS) database;
- Communicated key geographic data to City Departments, City leaders and citizens;
- Reviewed fourteen (14) development-specific applications, including four (4) cell tower applications, one (1) hazardous material application, and nine (9) hotel/motel applications for compliance with hotel/motel, tower and hazardous material ordinances and ensured construction was in compliance with appropriate ordinances;

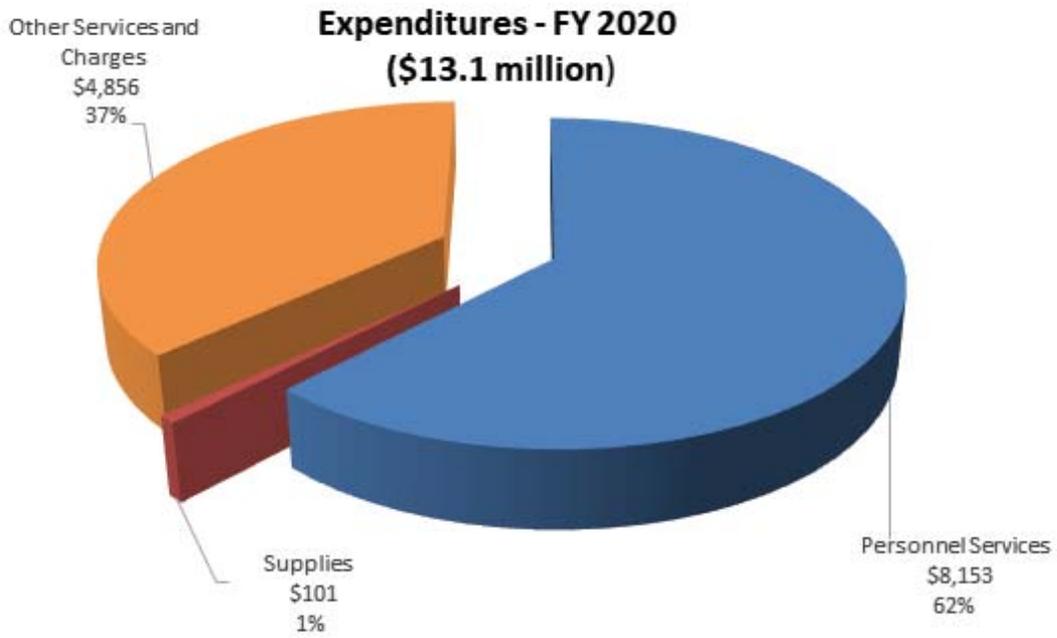
**Significant Activities (cont.)**

- Implemented fourteen (14) neighborhood preservation tools (minimum building line, minimum lot size, historic preservation and prohibited yard parking);
- Developed and implemented various plans to promote and increase safety for Houston motorists, which included: Vision Zero Action Plan, Houston Bike Plan, Major Throughfare and Freeway Plan, and the North Houston Highway Improvement Project;
- Assisted with the development and implementation of 10 Complete Communities Action Plans to promote healthier, salient, prosperous, and more equitable communities between 2018 and 2020; and
- Conducted three (3) public engagement events which included Houston residents and assisted other City departments with special projects.

**Fiscal Year 2020 Financial Data**

During FY 2020, the department generated revenue from services, licenses, and permits of \$11.2 million, of which \$9.7 million went into the General Fund and \$1.5 million went into the Grant Fund. Total expenditures were \$13.1 million. Graphical representations of the revenues and expenditures depict the amount and source of each.





Key Business Risk Areas

Key Business Process	Potential Risks	Reported Risk Management Techniques	Risk Rating
Information Technology	<ul style="list-style-type: none"> <li>• Hardware / Software incompatibilities with customers</li> <li>• Equipment failure</li> <li>• Inability to access information</li> <li>• Loss or corruption of electronic or non-electronic data/ documents</li> <li>• Non-integrated solutions and disconnect with HITS</li> <li>• Unauthorized access to information systems</li> <li>• Inappropriate user access</li> <li>• GIS data becomes compromised</li> <li>• Outdated or inaccurate data</li> </ul>	<ul style="list-style-type: none"> <li>• Use of web-based platforms to facilitate plat fee payments</li> <li>• GIS data is formatted and exported to geodatabase, shapefiles to accommodate incompatible hardware/ software</li> <li>• Servers are backed up nightly and stored on tape drives</li> <li>• Use Citrix operating environment to ensure consistent and timely application rollouts and version control</li> <li>• CAD GIS data files are copied and backed-up before modifications are performed</li> <li>• GIS data is an authenticated and accessible directory to only internal staff</li> <li>• GIS client software controlled and managed internally and cloud-based</li> <li>• CJIS compliance is required for active users</li> <li>• Monitoring of software license compliance</li> </ul>	High

Key Business Risk Areas

Key Business Process	Potential Risks	Reported Risk Management Techniques	Risk Rating
Compliance	<ul style="list-style-type: none"> <li>• Insufficient staff resources</li> <li>• Changes and/ or updates to policies, procedures, ordinances, state, and federal laws.</li> <li>• Noncompliance with ordinances, state, and federal laws.</li> <li>• Noncompliance with the privacy and security requirements relative to GIS data.</li> <li>• Noncompliance with the Texas Public Information Act.</li> <li>• Inadequate knowledge of public policies and laws</li> <li>• Inadequate third-party vendor and partner management</li> </ul>	<ul style="list-style-type: none"> <li>• Cross-training</li> <li>• Department Continuity of Operations Plan (COOP).</li> <li>• Monitor developing legislation</li> <li>• Developed Department procedure manual</li> <li>• Management reporting and oversight</li> <li>• Follow State guidelines: Annexations, Extraterritorial Jurisdiction (ETJ), Limited Purposed Annexations,</li> <li>• Follow the federal guideline: Letter of Non-Objection to Foreign Trade Zones.</li> <li>• Strategic Partnerships Agreements, Consent to Management Districts, Public Hearings, and Public Information and Open Meetings Acts.</li> </ul>	Medium
Customer Service	<ul style="list-style-type: none"> <li>• Communication breakdown with customers</li> <li>• Lack of a comprehensive Business Continuity Plan</li> <li>• Ineffective Planning Commission Membership</li> <li>• Ineffective population growth planning</li> <li>• Lack of adherence with City's mobility trends</li> <li>• Delay in services</li> <li>• Underrepresentation of community concerns</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct internal and external customer service surveys</li> <li>• Corrective action based on survey results</li> <li>• Monitor turnaround time for customer requests</li> <li>• COOP and best practice plans</li> <li>• Survey and goal setting to measure the effectiveness of the Planning Commission's membership.</li> <li>• Use of a manual system to meet mandated deadlines or defer projects as allowed within rules</li> </ul>	Medium

Key Business Process	Potential Risks	Reported Risk Management Techniques	Risk Rating
Customer Service (Cont.)	<ul style="list-style-type: none"> <li>• Inadequate community input/involvement</li> <li>• Inadequate neighborhood planning</li> <li>• Insufficient coordination of planning projects</li> <li>• Insufficient staff</li> <li>• Lack of updated communications</li> </ul>	<ul style="list-style-type: none"> <li>• Planning and implementing multimodal transportation and prioritizing safety plans</li> <li>• LetsTalkHouston.org and monthly online newsletters to maintain transparency with the community</li> </ul>	
Financial Management	<ul style="list-style-type: none"> <li>• Insufficient staff</li> <li>• Unauthorized P-Card purchases</li> <li>• Loss of critical documents</li> <li>• Lack of resources committed to prioritizing future planning in underserved areas.</li> <li>• Fraud related to permitting</li> <li>• Inadequate permitting fees</li> <li>• Inaccurate financial reporting</li> <li>• Lack of funding</li> </ul>	<ul style="list-style-type: none"> <li>• Foster and maintain relationships with development community to track development trends and impact on budget/staffing</li> <li>• P-Card purchases monitored and approved through bank and GL reconciliations as well as management reviews</li> <li>• Scan and save documents on City's network</li> <li>• Collaboration with Mayor's Office of Resilience, Housing and Community Development, and other organizations to identify grant opportunities</li> <li>• Staff detects fraudulent activities</li> <li>• Review and reconciliation of fees and revenues.</li> <li>• Prepares monthly in-house financial reports</li> <li>• Monitoring of financial activity in each division</li> </ul>	Medium

### **Mission and Objectives**

The Solid Waste Management Department (SWMD) is tasked with providing the collection, transportation, and disposal of solid waste in an efficient, cost effective, safe, and environmentally sound manner. The department manages the overall planning effort to develop a reliable and efficient method for solid waste disposal and promotes efforts to reduce waste.

### **Notable Changes Since the Previous Risk Assessment**

A previous risk assessment of the SWMD took place in fiscal year 2016. Since that assessment, there have been two changes in the operations and organizational structure of SWMD. The department Director retired in December 2020 and the Mayor appointed the SWM Deputy Director as Interim Director. The Deputy Director of Support Services position was filled in November 2020, after being vacant for over five years.

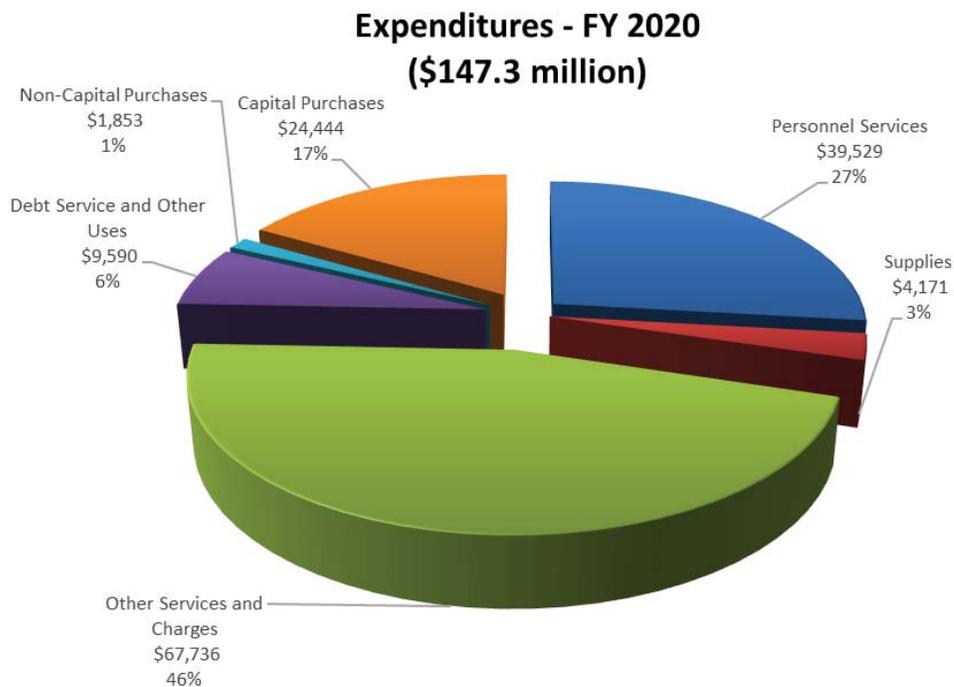
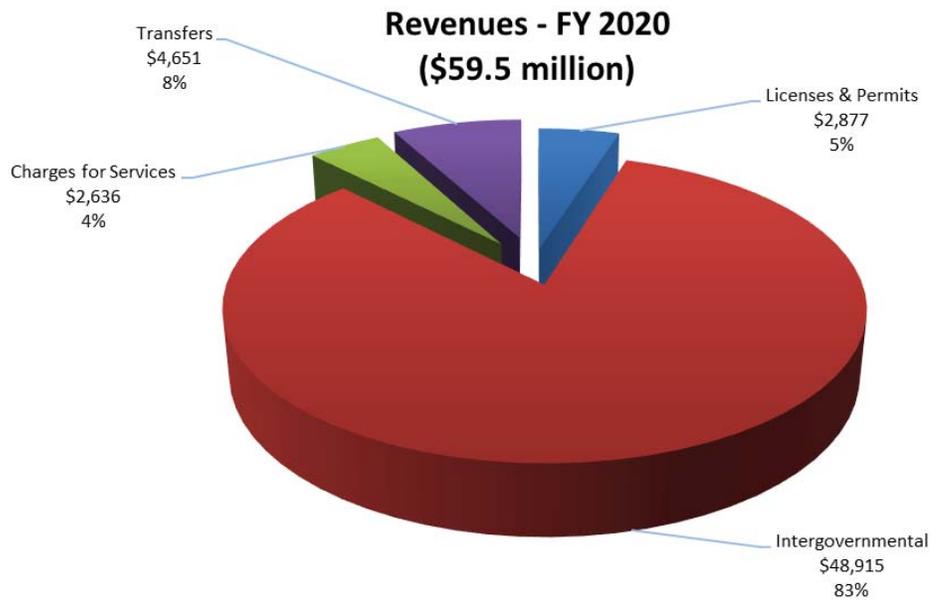
### **Significant Activities**

SWMD provides solid waste services to residential customers in the City of Houston, which represents approximately 41% of the City's total waste stream. The department collects garbage, yard trimmings, heavy trash, dead animals, and recyclables. Activities include:

- Providing bi-weekly curbside collection of garbage and recycling, as well as junk waste, and tree waste collection to more than 388,068 residential units, with an additional 3,476 residences under construction and pending activation;
- Monitoring two (2) contracts for municipal solid waste disposal and management of the City's three (3) transfer stations;
- Managing the transportation and disposal of over 719,019 tons of waste in FY20;
- Operating six (6) neighborhood depositories and recycling centers to allow all residents to discard tree waste, junk waste, and recyclables;
- Managing the collection of approximately 127,160 tons of recyclables annually;
- Accepting household hazardous waste and electronic scrap at two Environmental Service Centers to ensure safe and environmentally friendly disposal of these items;
- Administering the issuance and enforcement of approximately 69,836 Combustible Waste Storage Permits for commercial establishments;
- Administering approximately 1,140 registration permits for tire facilities and 621 transporter permits for tire haulers;
- Providing dead animal removal services (fee assessed for large animals – horses and cattle);
- Maintaining oversight of debris management operations following natural disasters;
- Administering 167 neighborhood solid waste services sponsorships with approximately \$3,481,560 reimbursed annually; and
- Providing city-wide services in response to COVID-19, including homeless encampment clean-up, an anti-litter program, and increased bulky waste collection funded by the CARES Act, in the amount of \$9.9 million.

Fiscal Year 2020 Financial Data

SWMD services are funded through the City's General Fund. During fiscal year 2020, the department generated revenues totaling approximately \$59.5 million and had total expenditures of approximately \$147.3 million. Graphical representations of the revenues and expenditures depict the amount and source of each.



**Key Business Risk Areas**

Key Business Process	Potential Risks	Reported Risk Management Techniques	Risk Rating
Collection	<ul style="list-style-type: none"> <li>• Lack of funding</li> <li>• Inadequate number of qualified drivers</li> <li>• Inadequate number of staff</li> <li>• Insufficient number of collection sites or collection vehicles</li> <li>• Inadequate pickup frequency</li> <li>• Recyclables are contaminated</li> <li>• Illness/injury of employees</li> <li>• Damage/Loss of equipment, vehicles, and facilities</li> <li>• Recyclables are sent to landfills</li> <li>• Vehicle and equipment accidents</li> <li>• Faulty and aging equipment</li> <li>• Inadequate personal protective equipment (PPE)</li> <li>• Inefficient collection routes</li> <li>• Lack of routine maintenance for equipment, vehicles, and facilities</li> <li>• Lack of public awareness of recycling opportunities</li> <li>• Unaddressed customer complaints</li> </ul>	<ul style="list-style-type: none"> <li>• Cross-training and budgeting</li> <li>• Utilization of licensed drivers from other departments</li> <li>• Hire temporary drivers</li> <li>• Ongoing route analysis</li> <li>• Performance monitoring and supervision</li> <li>• Solid Waste employee ongoing training (operational and safety)</li> <li>• Daily safety meetings (discuss PPE, safe operations, and practices)</li> <li>• Daily equipment readiness report monitoring</li> <li>• Utilizing Drive Cam monitoring system</li> <li>• Use of GPS system</li> <li>• Department software used to track new residential developments</li> <li>• Routes designed based on standardized number of lifts per minute</li> <li>• Develop and distribute marketing and awareness messages</li> <li>• Monitoring of 311, emails, social media presence and response</li> </ul>	High

**Key Business Risk Areas**

Key Business Process	Potential Risks	Reported Risk Management Techniques	Risk Rating
Training	<ul style="list-style-type: none"> <li>• Inadequate staff training</li> <li>• Inadequate safety training</li> <li>• Inadequate training policies and procedures</li> <li>• Lack of consumer training for proper recycling practices</li> <li>• Inadequate management oversight of training</li> </ul>	<ul style="list-style-type: none"> <li>• In-house technical trainer</li> <li>• Cross-training</li> <li>• Develop and distribute marketing and awareness message for recycling</li> <li>• Performance monitoring</li> <li>• Supervision of employees</li> <li>• Daily safety meetings (discuss PPE, safe operations, and practices)</li> </ul>	High
Compliance	<ul style="list-style-type: none"> <li>• Non-compliance with city policies, procedures, and ordinances</li> <li>• Non-compliance with contracts and leases</li> <li>• Non-compliance with state and federal laws (TCEQ, EPA, DOT, OSHA)</li> <li>• Recyclables are sent to landfills</li> <li>• Non-compliance with grant requirements</li> <li>• Inadequate management oversight of compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Performance monitoring and supervision</li> <li>• Project manager meetings</li> <li>• Provide reports to City Strategic Procurement Division to ensure compliance with state and local laws</li> <li>• Landfill Audit System is used to monitor and manage landfill contract</li> <li>• Utilize grant budgeting</li> <li>• Daily safety and regulatory issues briefings</li> </ul>	Medium

**Key Business Risk Areas**

Key Business Process	Potential Risks	Reported Risk Management Techniques	Risk Rating
Financial Management	<ul style="list-style-type: none"> <li>• Inadequate funding</li> <li>• Inadequate accounting</li> <li>• Incorrect calculation of overtime/Incentive pay</li> <li>• Employees/contractors are paid for hours and overtime not worked</li> <li>• Recyclables are sent to landfills</li> <li>• Excessive landfill fees</li> <li>• Inadequate permitting and other service fees</li> <li>• Fraud related to permitting and other service revenue</li> <li>• Misappropriation of City property and resources</li> <li>• Inaccurate and/or incomplete financial reporting and data</li> <li>• Inadequate financial management systems</li> <li>• Late payment of invoices</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term disposal contracts are in place to mitigate market price increases</li> <li>• Cross training</li> <li>• Prepare and review daily, weekly, and monthly financial reports, including bi-weekly payroll reports</li> <li>• Performance monitoring and supervision</li> <li>• Incentive pay calculations are verified and approved</li> <li>• Revenue account reconciliations</li> <li>• Annual ethics training</li> <li>• Quarterly review of fixed assets</li> <li>• Monitoring of inventory receiving, ordering, and disbursements</li> <li>• Integrated Land Management System (ILMS) manages dumpster permit accounting and Utility billing system is used for non-residential and extra capacity container billing and account maintenance</li> <li>• Management Oversight</li> <li>• SAP payables automated controls</li> <li>• Permitting fees increase based on CPI</li> </ul>	Medium

**Key Business Risk Areas**

Key Business Process	Potential Risks	Reported Risk Management Techniques	Risk Rating
Procurement	<ul style="list-style-type: none"><li>• Theft and/or fraud related to supplies and equipment</li><li>• Inappropriate and/or unauthorized purchases</li><li>• Inadequate procurement processes</li><li>• Misappropriation of City property and resources</li></ul>	<ul style="list-style-type: none"><li>• Storage areas/locations are secured with guards, cameras and controlled key access</li><li>• Monitoring of inventory receiving, ordering, and disbursements</li><li>• Quarterly review of fixed assets</li></ul>	Medium

DEPARTMENT RISK ASSESSMENT  
DATES

**City of Houston Departments  
Date of Last Risk Assessment**

DEPARTMENT NAME	LAST DATE ASSESSED
Administration & Regulatory Affairs	2018
City Secretary	2020
Controller's Office	2018
Finance	2016
Fire	2017
Fleet Management	2017
General Services	2019
Houston Health	2017
Housing and Community Development	2019
Houston Airport System	2018
Houston Emergency Center	2019
Houston Information Technology Services	2018
Houston Parks and Recreation	2018
Houston Public Works	2021
Human Resources	2018
Legal	2020
Library	2017
Municipal Courts	2017
Neighborhoods	2017
Office of Business Opportunity	2020
Planning and Development	2021
Police	2016
Solid Waste Management	2021

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## Glossary of Terms

### **Auditable Entities**

Auditable Entities for risk assessment purposes are defined as areas upon which audits or reviews can be conducted by internal or external auditors. These functions or activities may also be considered key business processes or defined organizational structures.

### **Auditor Risk**

The probability that the Auditor will render erroneous conclusions to the audit objectives based on; insufficient and/or inappropriate evidence, lack of reasonable auditor judgment, lack of proficiency or competency, lack of sufficient resources or tools to perform substantive procedures. This risk category comes into play during audits of Departments, Sections, Divisions, or Key Business Processes.

### **Component Units**

Component Units are defined by the Governmental Accounting Standards Board (GASB) as a related entity whose leadership/management is controlled and/or appointed by a primary government (e.g. City of Houston) and who is dependent on the primary government financially or who would not exist if the primary government did not exist.

### **Control Risk**

The perceived likelihood and impact of deficiencies in management controls put in place to ensure the achievement of objectives, protection of assets, financial reporting, etc. These are based on managerial decision-making, risk management techniques and strategy, which are generally within the accountability and control of operational management. Examples are structure of reporting lines and development of major processes to execute mission and objectives.

### **Inherent Risk**

The perceived likelihood and impact associated with an entity or activity that exists simply from the perspective of its current environment. This assumes no significant actions taken by management to mitigate (address) those risks. For example, risks associated with geographic location, funding sources, population, global economy, structure of federal and state government, etc.

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## Glossary of Terms cont.

### **Key Business Processes**

A Key Business Process (KBP) is a vital business procedure, function or activity on which a Department spends a significant amount of financial or personnel resources to perform, or an activity over which they have primary responsibility within the City. KBPs also represent areas upon which audits or reviews can be conducted.

### **Residual Risk**

The level of impact and likelihood of an adverse event occurring to impede the City, Department, and/or Key Business Processes from achieving success after identifying and testing of management (internal) control structure.

### **Risk Universe**

All risks that could effect the City of Houston.

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### **Audit Team**

Theresa Watson, CIA, Audit Manager

Mohammad Haroon, CPA, CIA, Lead Auditor

Dillon Marsh, Staff Auditor

Jessica Varner, Sr. Staff Analyst

### **City Auditor**

Courtney Smith, CPA, CIA, CFE

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Audit reports are available at:

<http://www.houstontx.gov/controller/audit/auditreports.html>