74th Annual
Texas Association of County Auditors Fall Conference
Horseshoe Bay Resort, Horseshoe Bay • October 15-18, 2019

Where the gem of the Hill Country meets the land of legend and lure.
Critical Risks and Critical Budgets

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October 18, 2019
Learning Objectives

- Situational Awareness
- Prioritization
- Risk Profile/Risk Matrix
Critical Risks and County Budgets

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Security

Critical Risk #3: Public Perception

- Partnership
- Collaborate
- Start now
- Communicate clearly
- Set practical goals
- Keep it simple
- Call TAC

Critical Risk #4: Fleet Management

The Trifecta

Your Plan of Action...

- Know your Risk - The Model
- What is - Do?
- Information - External Resources
- Have a Plan and Test It (DR
tac)
WANTED

Risk Manager
<table>
<thead>
<tr>
<th>Critical Risk #1</th>
<th>Contracts &amp; Vendor Management</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key Message:</strong> (summarize the key message or theme of the presentation)</td>
<td>What is our process look like? Does it still work and does it include best practices?</td>
</tr>
<tr>
<td><strong>1st point:</strong> (summarize the 1st point)</td>
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<td><strong>2nd point:</strong> (summarize the 2nd point)</td>
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<td><strong>3rd point:</strong> (summarize the 3rd point)</td>
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<tr>
<td><strong>Important vocabulary:</strong> (include list of key vocabulary referenced; if you do not know the term(s), look up and add a definition for the word(s))</td>
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<tr>
<td><strong>Questions</strong> (include any questions you have remaining after the presentation)</td>
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</tbody>
</table>
Scarcity

"The problem of scarcity is regarded as the fundamental economic problem arising from the fact that, while resources are finite, society's demand for resources is infinite." (Economics Online definition)
Public versus Private Sector

Breach of Contract

REGULATIONS

Centralization Vs Decentralization

BID

BUDGET
Critical Risk #1 - Contracts & Vendor Mgmt

Who?  
What?  
When?  
Where?  
How?

County

BENEFITS
- Loss averted/minimized
- Remedies available
- Risk transferred
- Public funds protected
- Vendor accountability

POSSIBLE CONSEQUENCES
- Litigation
- Unknown costs
- Bad publicity
- Violation of any laws
- Fines, penalties
- Loss of public confidence

read the fine print
Critical Risk #2 - Changing Workforce

County

Do you have the tools to succeed?
What resources does TAC have?
Have we done our part?

You
Do you have the tools to succeed? What resources does TAC have? Have we done our part?
Critical Risk #3: Public Perception

*How much trust and confidence do you have in...*

% Great deal/Fair amount of trust

- The local governments in the area where you live when it comes to handling local problems?
- The government of the state where you live when it comes to handling state problems?

*Gallup*
Critical Risk #4 - Fleet Management

The Trifecta

Employee

RULES

Distracted Driving Law in Effect
Critical Risk #5 - Disaster Recovery & Extreme Events
"Emergency management’s a partnership. It’s all based on a community’s capacity to handle an event. All disasters begin and end at the local level."

Critical Risk #6 - The Digital Frontier

- Prime target
- Limited budgets
- Dedicated personnel
- PHI, PII, PCI
- Response
- Coverage
- Cyber resilience
Your Plan of Action...

- Know your Risk - The Matrix!
- Coverage Gaps?
- Internal vs. External Resources
- Have a Plan and Test it
- Call TAC
**HIGH IMPACT**

- **EPL CLAIMS**
  - In 2017, 84,254 workplace discrimination charges were filed with the EEOC against both private and public entities, securing $398 million for victims.

- **SEXUAL MISCONDUCT**
  - In 2014 alone, there were 781 reported cases of teachers and other school employees accused or convicted of inappropriate relationships with students.

- **FLEET SAFETY**
  - In 2015, 4,311 large trucks and buses were involved in fatal crashes. School buses account for about 41 percent and transit buses for 33 percent of these vehicles.

- **PLAYGROUND SAFETY**
  - ERs treat an estimated 200,000 children per year for playground-related injuries, 75 percent of which occur on public playgrounds.

- **PENSION RISK**
  - The median percentage of assets available for pension payments declined by 4.5 percentage points since 2014. Only Washington, D.C., is fully funded.

**LOW IMPACT**

- **COMMUNITY EVENTS**
  - Hosting local elections, carnivals, or large fundraisers may open schools up to potential safety, property and financial risks.

- **SOVEREIGN IMMUNITY & TORT CAPS**
  - Most state legislatures have curtailed public entities’ right to avoid being sued in civil court at the same time tort caps are rising. Some states allow damages up to $5 million.

- **TRANSGENDER HUMAN RIGHTS**
  - Despite legal restrictions placed on public schools, they can still be held liable if a student is discriminated against — including bullying — because of gender identity.

- **SCHOOL VIOLENCE**
  - Although school violence and bullying have decreased over the past 25 years, 57 percent of teens say they are worried about the possibility of a shooting happening at their school.

- **WARNING - DATA BREACH**
  - Nearly 18 percent of data records lost or stolen in 2017 came from the government sector. Eighty percent of government CIOs say lack of funding limits cyber security efforts.
Keys to Success

- Partnership
- Collaborate
- Start now
- Communicate clearly
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Critical Risks and County Budgets

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Critical Risk #3: Public Perception

Critical Risk #4: Fleet Management
- The Trifecta

Critical Risk #5: Disaster Recovery & Extreme Events

Your Plan of Action...
- Know your Risk - The Model
- How? - Do it
- Internal vs. External Resources
- Home & Plan and Test It
- Call TAC

Critical Risk #1 - Contracts & Vendor Night

Critical Risk #2 - Changing Weather

Public versus Private Sector

Security
The problem of security is regarded as the fundamental issue with privacy and safety. The data is what public officials worry about most. This is because the data is the most valuable asset.
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