



Date August 30, 2019

MEMORANDUM

To: Snohomish County Health District Board of Directors

From: Mark Steranka, Moss Adams, Partner  
Colleen Rozillis, PMP, Moss Adams, Senior Manager

Subject: Enterprise Risk Assessment

Below please find a work plan for conducting an enterprise risk assessment. The purpose of the risk assessment is to gain an understanding of the District's operating environment and gather the insights needed to prepare a recommended performance audit program.

Work Plan
<b>Phase 1 – Project Initiation and Ongoing Management</b>
1.1 Conduct kickoff meeting to confirm objectives, participants, schedule, and deliverables.
1.2 Conduct project management and progress reporting.
1.3 Provide quality assurance of all deliverables.
<b>Phase 2 – Fact Finding</b>
2.1 Request and review relevant documents, including, but not limited to, financial statements, budgets, strategic plan, operating plans, policies and procedures, organizational charts, and regulatory requirements.
2.2 Conduct confidential interviews and conduct walkthroughs, when appropriate, with Board members and department and functional leaders.
2.3 Administer confidential, secure, online risk assessment survey with broader management to gain more input and provide a basis for comparing internal and external assessments of risks.
2.4 Document risks based on document review and interviews. Areas of focus will include all major functions of the District.

Work Plan
<b>Phase 3 – Analysis</b>
<p>3.1 Assess risks and define them through the following components:</p> <ul style="list-style-type: none"> <li>• Current situation description</li> <li>• Risk level – level of uncertainty</li> <li>• Likelihood – probability of a negative event occurring</li> <li>• Impact – level of significance should a negative event occur</li> <li>• Risk trajectory – direction of where risk is headed in the future</li> <li>• Risk mitigation actions</li> <li>• Residual risk</li> </ul>
3.2 Document assessment results by area of focus and translate results into a risk rating for each area.
3.3 Present draft results to provide the District a chance to verify facts and assess the practicality of risk mitigating activities.
<b>Phase 4 – Reporting</b>
4.1 Submit draft report, which will consist of an executive summary with overall risk ratings, methodology, risk assessment by area of focus, and survey results.
4.2 Revise draft report based on feedback from the District, and submit the final risk assessment. Develop draft performance audit program based on risk assessment results.
4.3 Present final report and recommended audit program to the Executive Committee and full Board.
Schedule and Budget
<ul style="list-style-type: none"> <li>• Approximately three months</li> <li>• Professional fees and expenses \$40,000</li> <li>• Work will be performed in accordance with AICPA consultancy standards</li> </ul>
Staffing
<ul style="list-style-type: none"> <li>• Mark Steranka (QA)</li> <li>• Colleen Rozillis (PM)</li> <li>• Emily Hayes, Annie Rose Favreau, Tammy Lohr (Analysts)</li> </ul>