



Portland Public Schools District-Wide Operational and Business Services Risk Assessment

April 11, 2016



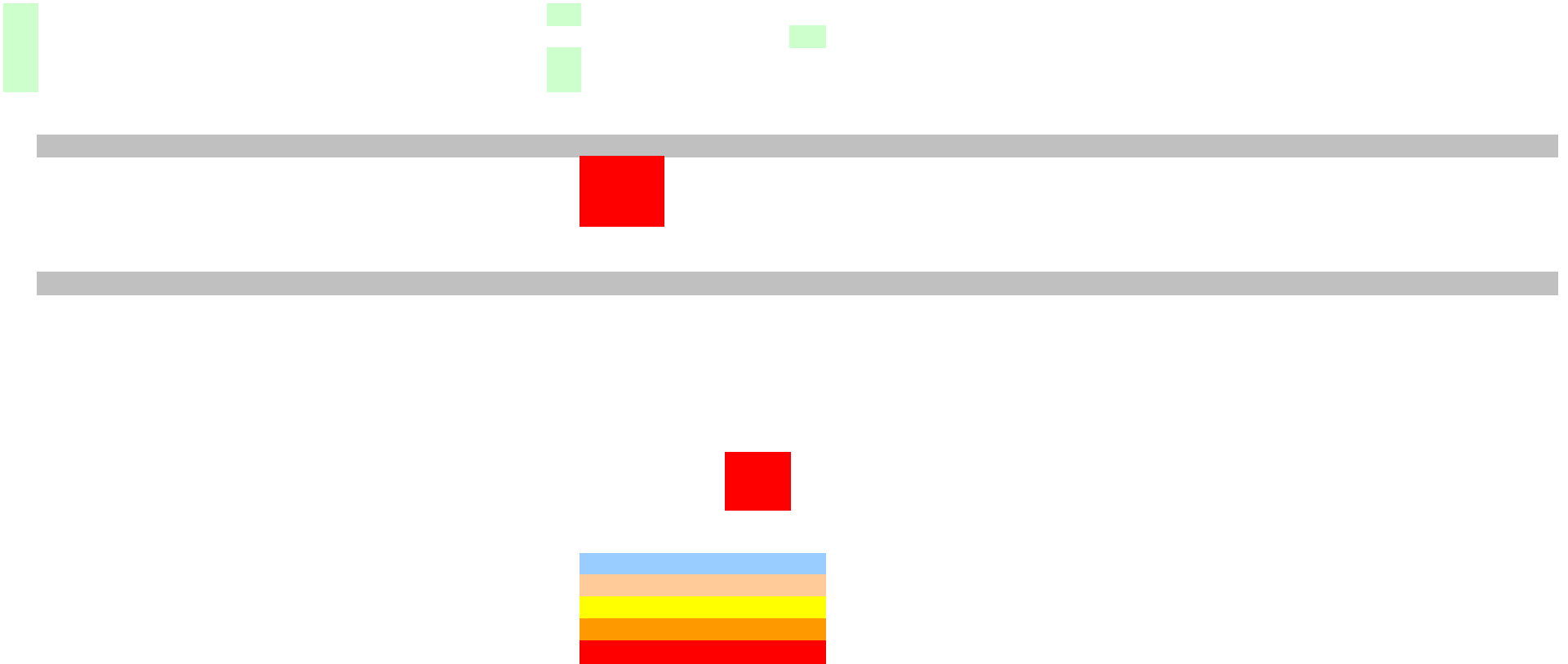
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Risk Assessment Scoring

Core Process: District-Wide
Area: Succession Planning - Central Office



District-Wide



Introduction



Introduction

Objectives, Scope and Methodology

A Districtwide riskassessment was conducted to identify the business/support operational programs, program components, activities, overlapping areas and specific internal and external functions that





These identified areas became the basis for the determination of the impact each have on the
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on an inherent and control risk basis inherent risks related to the nature of the activities
is specific





Moderate t3

Management supports and institutes internal control monitoring. Some policies and procedures are developed and some best practices are applied. Controls are being used, but are not necessarily integrated into all processes. Some level of risk and the potential for negative outcomes exist.

High t4

The organization uses informal processes to initiate corrective action plans. Internal control assessment is dependent on the skill sets of key individuals. This organization has an increased awareness of internal control monitoring. Some methodologies and tools for monitoring internal controls are used, but the potential for serious incidents to occur is likely.

Very High t5

Management has either not recognized the need to develop and implement practices, policies and procedures or has just begun to establish them. Individual expertise in assessing internal control adequacy is applied on an ad hoc basis. This organization lacks procedures to monitor internal control effectiveness. Management internal control reporting methods are absent.

Scoring

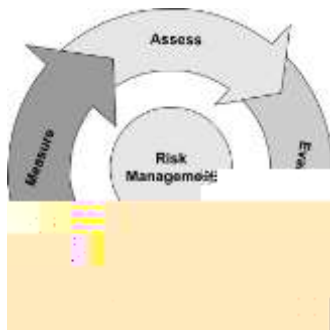
Both identified inherent and control risk factors associated with each component were scored based on interviews with key process owners and reviews of available documentation.

Inherent risk is rated based on the significance and the likelihood and probability of it occurring.

Each of the six control risks are weighted and individually scored based on the importance of

the criteria used. (l)1T BT ranimpom [()] TJ ET BT 1 0 0 1223(imp)-5(o)7(au)-4(la [(In)-2(ta051(in)5





RiskAssessment Summary



Risk Assessment Summary

The District-wide operational and business service risk assessment was designed to review the twelve relevant operational elements based on the significance of the risks associated with specific activities and the likelihood of those risks occurring. Our interviews and document review for each identified 32 activities/areas that we believed pose the most risk to PPS. These risks were segregated into those areas that have a specific impact on District functions and those specific to a service area or program. Activities with the highest inherent risk included

Number	Area	Scoring	
		Inherent	Control (Mitigated)
1	Accountability	5	4.6
2	Business Continuity Planning (BCP)	5	





Service area and program specific risks (based on control (mitigated) risk) include:

Number	Area	Inherent	Scoring
			Control (Mitigated)
2	Business Continuity Planning (BCP)	5	5
5	Finance- Reserves	5	4.9
9	IS- Information Usage Training	5	4.9
19	Strategic Planning	5	4.9
18	Succession Planning-Central Office	5	4.7
1	Accountability	5	4.6
13	Operations- Security (Other Buildings)	5	4.6
6	Finance- Student Body Funds	5	4.55
7	Governance	5	4.55
8	HR- Technology	5	4.5
16	Records Management	5	4.5
17	Retention-Recruiting	5	4.5
30	Finance- Capturing Time and Effort	3	4.3
22	Finance- Professional Development (Non-Instructional)	4	4.3
23	Key Performance Indicators (KPIs)	4	4.25
4	Facilities- Maintenance of Aging Infrastructure	5	4.2
3	District Perception	5	3.95
21	Finance- Grants Compliance	4	3.95
26	Partner Involvement	4	3.9
27	Priority Setting	4	3.8
24	Modernization- Use of MWESB's	4	3.7
29	Facilities- Space	3	3.6
25	Operations- Transportation(Supplemental Funding)	4	3.6
15	Program Prioritization	5	3.55
12	Operations- Security (Schools)	5	3.4
11	Modernization- Unplanned Projects	5	3.15
28	Succession Planning-Licensed Administrators	4	3.35
32	Finance- Purchases under \$2,000	3	3.25
10	Modernization- Contingency Fund	5	3.15
20	Community Involvement-Communication	4	3.1
33	Paperless Initiative	3	3.1
14	Operations- Transportation (Bus Accidents)	5	2.8
31	Finance- Purchasing Compliance v. Service	3	2.4

Service Area/Program Risks:

District-Wide	Area	Inherent	Scoring
			Control (Mitigated)
1	Business Continuity Planning (BCP)	5	5
2	Strategic Planning	5	4.9





3	Succession Planning Central Office	4	4.7
4	Accountability	5	4.6
5	Governance	5	4.55
6	Records Management	5	4.5
7	Retention/Recruiting	5	4.5
8	Key Performance Indicators (KPI's)	4	4.25
9	District Perception	5	3.95
10	Partner Involvement	4	3.9
11	Priority Setting	4	3.8
12	Program Prioritization	5	3.55
13	Succession Planning Licensed Administrators	4	3.35
14	Paperless Initiative	3	





Information Usage Training

Currently, limited training is provided to District personnel regarding the appropriate handling of sensitive/personnel information. Although some policies do exist, no annual updates occur nor does any specific training/education regarding what information can be collected, how it is protected, and what can be done with it (who sees it).

Strategic Planning

A formal strategic plan sets direction and assists the District in focusing its resources, strengthening its operations, ensuring its staff and other stakeholders are working toward common goals, establishing agreement around intended outcomes/results, and assesses and adjusts direction in response to a changing environment. PPS has developed a strategic framework to guide its educational planning. However, this framework focuses only on instructional elements and does not incorporate all aspects of the District's operations (people, support functions, facilities, stakeholders, etc.).

Succession Planning Central Office

A loss of experienced personnel through retirements and improvement in the economy can create a shortage/gap in resources to provide various services. Transition plans, cross training, and documented procedures have not been established. Additionally, the District is hampered by hiring requirements, limited funds for professional development, inability to hire into a position prior to a retirement, and salary ranges.

Accountability

An organization without accountability to stated processes, procedures, position out athg. ()6((n)







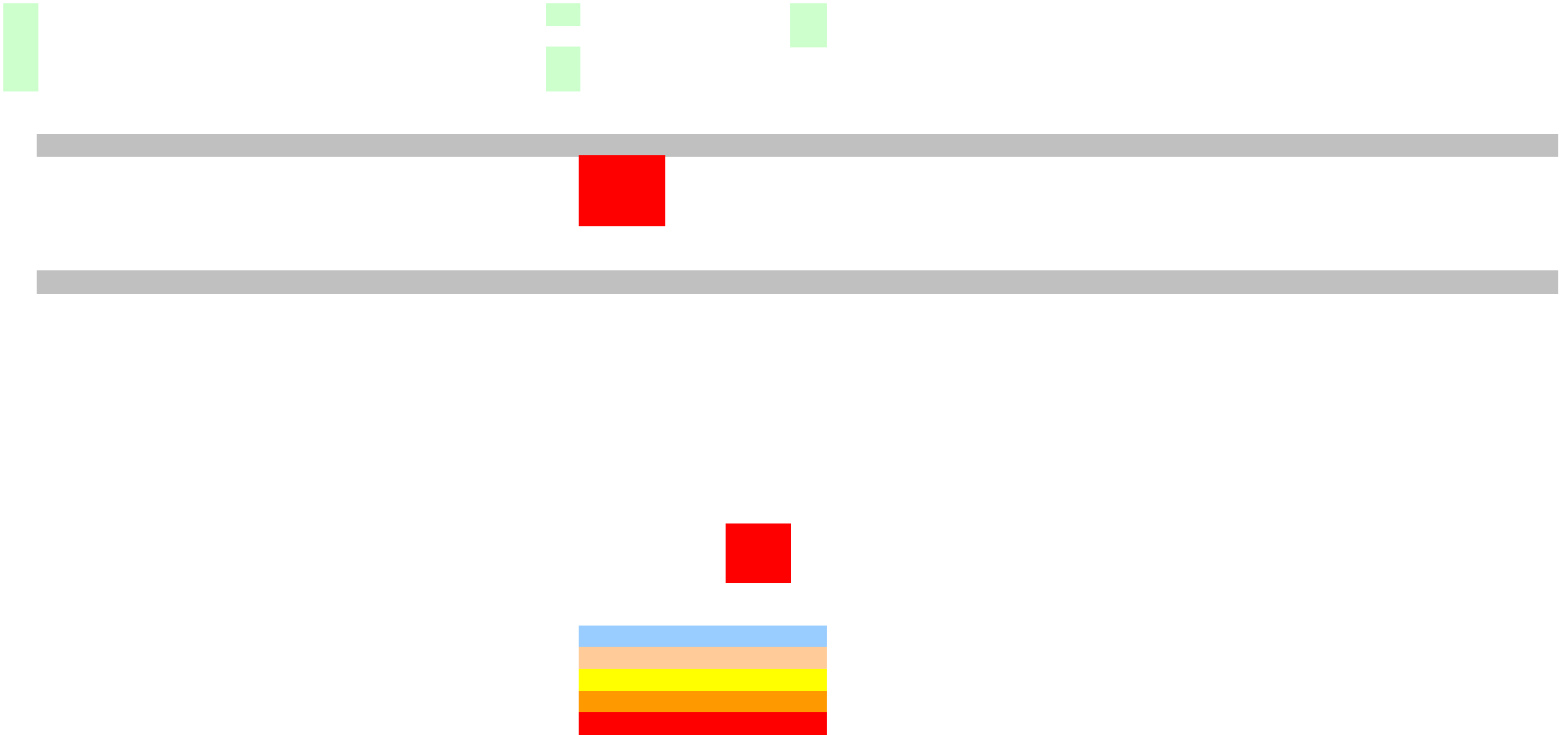
Records Management

PPS records are primarily retained in hard copy and are sensitive to damage or loss. This places the District at significant risk on a number of levels, including but not limited to, the ability to respond efficiently and effectively to public records requests, management of and access to special education student records, physical damage and loss of



Risk Assessment Scoring

Core Process:



Risk Assessment Scoring

Core Process: Operations
 Area: Facilities & Asset Management (FAM) - Maintenance of Aging Infrastructure
 Number: 4
 Date: 4/6/2016

Objective/Goals:

To ensure PPS' aging facilities are maintained at a level that meets regulatory requirements and standards while ensuring the health and safety of the public that utilizes the facilities.

Inherent Risks:

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> Unable to complete in a timely manner | <input checked="" type="checkbox"/> Hurt public perception | <input checked="" type="checkbox"/> Equity in Public Purchasing and Contracting |
| <input checked="" type="checkbox"/> Exceed budget | <input checked="" type="checkbox"/> Injury | Other (Describe) |
| <input checked="" type="checkbox"/> Inefficient use of dollars | <input checked="" type="checkbox"/> Poor quality | |
| <input checked="" type="checkbox"/> Non-compliance | Potential internal control issue | |

Criteria	Rating	Comments
Likelihood/probability of identified inherent risks occurring	5	PPS owns approximately 9 million sq. ft of building space in over 100 different locations. Deferred maintenance has resulted in aged buildings in extensive need of upgrade to meet current code requirements. Failure to ensure District facilities are safe and secure can result in loss of dollars leading to poor public perception and loss of money due to potential litigation.

Risk Mitigation: Degree of Risk associated with the ability of defined criteria to mitigate identified inherent risks

Criteria	Weighting	Rating	Score	Comments
Owner Identified?	10%	3	0.30	Senior Director of FAM; project managers.
Process Maturity (Lessons Learned, Policies/Procedures in Place, Experience)	10%	3	0.30	Processes are in place for PPS staff to submit work order requests to FAM for evaluation.
Implementation (Following Policies/Procedures, Historical Knowledge)	10%	3	0.30	Project staff are knowledgeable about maintenance and purchasing policies and procedures; the PPS website provides guidance and contact information to PPS staff to complete work order requests.
External Monitoring?	5%	3	0.15	When applicable, city/state permits and inspections are required for certain types of projects.
Internal Q/A or Q/C	5%	3	0.15	Chief Operating Officer; Board of Education.
	60%	5	3.00	
Rating Score	100%			

1	Low	Best Practices constantly being monitored, used, and updated.
2	Low-Moderate	Best Practices being monitored, used, and updated. Minimal risk.
3	Moderate	Some level of risk. Some Best Practices not in place. Potential for negative outcomes.
4	High	Potential serious risks likely to occur.
5	Very High	

Summary:

FAM utilizes a work order system for maintenance requests. School staff can submit work orders as needed. Projects are approved, assigned a technician and completed. School staff and community members can also submit

Risk Assessment Scoring

Core Process: Financial Services
 Area: Reserves
 Number: 5
 Date: 4/6/2016

Objective/Goals:

Inherent Risks:

- Unable to complete in a timely manner
- Exceed budget
- Inefficient use of dollars
- Non-compliance
- Hurt public perception Injury
- Poor quality
- Potential internal control issue
- Equity in Public Purchasing and Contracting
- Other - negative impact on service levels

Criteria	Rating	Comments
Likelihood/probability of identified inherent risks occurring		

Risk Mitigation: Degree of Risk associated with the ability of defined criteria to mitigate identified inherent risks

Criteria	Weighting	Rating	Score	Comments
Owner Identified?	10%	4	0.40	
Process Maturity (Lessons Learned, Policies/Procedures in Place, Experience)	35%	5	1.75	
	40%	5	2.00	
	0%	0	0.00	
	0%	0	0.00	
	15%	5	0.75	
Rating Score	100%			

Rating/Degree of Risk		
1	Low	Best Practices constantly being monitored, used, and updated.
2	Low-Moderate	Best Practices being monitored, used, and updated. Minimal risk.
3	Moderate	Some level of risk. Some Best Practices not in place. Potential for negative outcomes.
4	High	Potential serious risks likely to occur.
5	Very High	No recognition of any risk, or any procedures in place.

Summary:

Risk Assessment Scoring

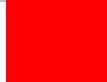
Core Process: District-wide
 Element: Governance
 Number: 7
 Date: 4/6/2016

Objective/Goals:

Inherent Risks:

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> Unable to complete in a timely manner | <input checked="" type="checkbox"/> Hurt public perception | <input checked="" type="checkbox"/> Equity in Public Purchasing and Contracting |
| <input checked="" type="checkbox"/> Exceed budget | <input checked="" type="checkbox"/> Injury | Other (Describe) |
| <input checked="" type="checkbox"/> Inefficient use of dollars | <input checked="" type="checkbox"/> Poor quality | |
| <input checked="" type="checkbox"/> Non-compliance | <input checked="" type="checkbox"/> Potential internal control issue | |

Rating



Risk Mitigation: Degree of Risk associated with the ability of defined criteria to mitigate identified inherent risks

Weighting Rating Score





Risk Assessment Scoring

Core Process: Information Services
Area: Information Usage Training
Number: 9

Date: 4/6/2016

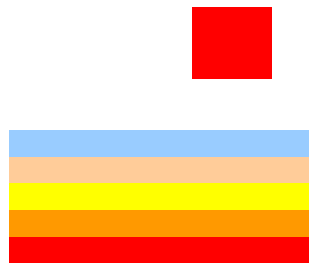
Objective/Goals:

Inherent Risks:

- Unable to complete in a timely manner
- Exceed budget

- Hurt public perception
- Injury

Equity in Public Purchasing and Contracting



Risk Assessment Scoring

Core Process: Modernization
 Area: Contingency Fund
 Number: 10
 Date: 4/6/2016


Objective/Goals:

Inherent Risks:

- | | | |
|--|--|---|
| <ul style="list-style-type: none"> x Unable to complete in a timely manner x Exceed budget x Inefficient use of dollars x Non-compliance | <ul style="list-style-type: none"> x Hurt public perception x Injury x Poor quality | Equity in Public Purchasing and Contracting
Other (Describe)
Potential internal control issue |
|--|--|---|



Risk Mitigation: Degree of Risk associated with the ability of defined criteria to mitigate identified inherent risks

	Weighting	Rating	Score
	5%	3	0.15
	30%	3	0.90
Implementation (Following Policies/Procedures, Historical Knowledge)	30%	3	0.90
External Monitoring?	5%	2	0.10
	5%	2	0.10
	25%	4	1.00
Rating Score	100%		

1	Low	Best Practices constantly being monitored, used, and updated.
2	Low-Moderate	Best Practices being monitored, used, and updated. Minimal risk.
3	Moderate	Some level of risk. Some Best Practices not in place. Potential for negative outcomes.
4	High	Potential serious risks likely to occur.
5	Very High	

Summary:

Risk Assessment Scoring

Core Process: Operations
Area: Security (Schools)
Number: 12
Date: 2/25/2016

Objective/Goals:

Inherent Risks:

x



Risk Assessment Scoring

Core Process: Operations
 Area: Security (Other Buildings)
 Number: 13
 Date: 4/6/2016

Objective/Goals:

Inherent Risks:

- | | | |
|--|--|--|
| <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Unable to complete in a timely manner <input checked="" type="checkbox"/> Exceed budget <input checked="" type="checkbox"/> Inefficient use of dollars <input checked="" type="checkbox"/> Non-compliance | <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Hurt public perception <input checked="" type="checkbox"/> Injury <input checked="" type="checkbox"/> Poor quality Potential internal control issue | <p>Equity in Public Purchasing and Contracting
 Other (Describe)</p> |
|--|--|--|

Criteria	Rating	Comments
Likelihood/probability of identified inherent risks occurring	5	Multiple locations, supporting a large population, results in difficulties in ensuring a quick and effective response that provides timely

Risk Mitigation: Degree of Risk associated with the ability of defined criteria to mitigate identified inherent risks

	Weighting	Rating	Score	
	5%	2	0.10	
	40%	5	2.00	
	40%	5	2.00	
External Monitoring?	0%	0	0.00	External Monitoring not a mitigating factor.
	5%	2	0.10	
	10%	4	0.40	
Rating Score	100%			

1	Low	Best Practices constantly being monitored, used, and updated.
2	Low-Moderate	Best Practices being monitored, used, and updated. Minimal risk.
3	Moderate	Some level of risk. Some Best Practices not in place. Potential for negative outcomes.
4	High	Potential serious risks likely to occur.
5	Very High	

Summary:

PPS has limited security measures or plan in place at its Central Administration building. Although access is limited in some areas, many areas are not restricted. The warehouse is unlocked at 4:00am each morning with no monitoring (security cameras, security personnel, etc.) as to who enters the building at that time.

Risk Assessment Scoring

Core Process: Operations
Area: Transportation - Bus Accidents
Number: 14
Date: 4/6/2016

Objective/Goals:

Inherent Risks:



Risk Assessment Scoring

Core Process: District-Wide
Area: Program Prioritization
Number: 15

Date: 4/6/2016

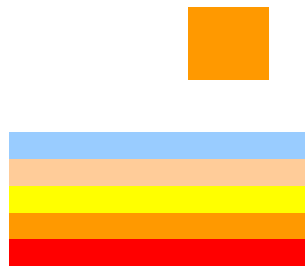
Objective/Goals:

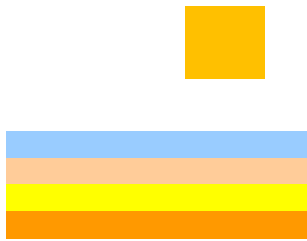
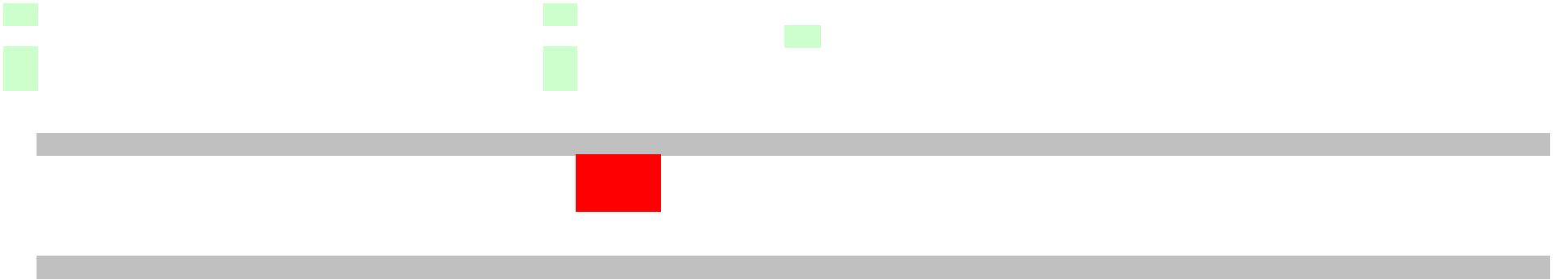
Inherent Risks:

- Unable to complete in a timely manner
- Exceed budget
- Inefficient use of dollars
- Non-compliance

- Hurt public perception
- Injury
- Poor quality
- Potential internal control issue

- Equity in Public Purchasing and Contracting
- Other - Programs compete for funds





Risk Assessment Scoring

Core Process: District-Wide
 Area: Retention/Recruiting
 Number: 17

Date: 4/6/2016

Objective/Goals:

Inherent Risks:

- Unable to complete in a timely manner
- Exceed budget
- Inefficient use of dollars
- Non-compliance

- Hurt public perception
- Injury
- Poor quality
- Potential internal control issue

Equity in Public Purchasing and Contracting
 Other (Describe)

Rating



Risk Mitigation: Degree of Risk associated with the ability of defined criteria to mitigate identified inherent risks

Weighting	Rating	Score
10%	4	0.40
40%	4	1.60
35%	5	1.75
0%	0	0.00
0%	0	0.00
15%	5	0.75
100%		

Rating Score



1	Low	Best Practices constantly being monitored, used, and updated.
2	Low-Moderate	Best Practices being monitored, used, and updated. Minimal risk.
3	Moderate	Some level of risk. Some Best Practices not in place. Potential for negative outcomes.

Risk Assessment Scoring

Core Process: District-Wide
 Area: Strategic Planning
 Number: 19
 Date: 4/6/2016

Objective/Goals:

To ensure PPS has defined a framework to efficiently and effectively allocate its resources across the District and align its direction with its established core mission.

Inherent Risks:

<input checked="" type="checkbox"/>	Unable to complete in a timely manner	<input checked="" type="checkbox"/>	Hurt public perception	<input checked="" type="checkbox"/>	Equity in Public Purchasing and Contracting
<input checked="" type="checkbox"/>	Exceed budget	<input checked="" type="checkbox"/>	Injury	<input type="checkbox"/>	Other (Describe)
<input checked="" type="checkbox"/>	Inefficient use of dollars	<input checked="" type="checkbox"/>	Poor quality		
<input checked="" type="checkbox"/>	Non-compliance	<input checked="" type="checkbox"/>	Potential internal control issue		

Criteria	Rating	Comments
Likelihood/probability of identified inherent risks occurring	5	A formal strategic plan sets direction and assists the District in focusing its total resources, strengthening its operations, ensuring its staff and other stakeholders are working toward common goals, establishing agreement around intended outcomes/results, and assesses and adjusts direction in response to a changing environment.

Risk Mitigation: Degree of Risk associated with the ability of defined criteria to mitigate identified inherent risks

Criteria	Weighting	Rating	Score	Comments
Owner Identified?	10%	4	0.40	Board, Superintendent.
Process Maturity (Lessons Learned, Policies/Procedures in Place, Experience)	40%	5	2.00	Although instructional priorities are established, no long-term plan incorporating all aspects (business operations, academics, etc.) has been developed.
Implementation (Following Policies/Procedures, Historical Knowledge)	40%	5	2.00	Although instructional priorities are established, no long-term plan incorporating all aspects (business operations, academics, etc.) has been developed.
External Monitoring?	0%	0	0.00	External monitoring is not a mitigating factor.
Internal Q/A or Q/C	0%	0	0.00	Internal Q/A or Q/C is not a mitigating factor.
Appropriate Resources	10%	5	0.50	None allocated.
Rating Score	100%		4.90	

Rating/Degree of Risk		
1	Low	Best Practices constantly being monitored, used, and updated.
2	Low-Moderate	Best Practices being monitored, used, and updated. Minimal risk.
3	Moderate	Some level of risk. Some Best Practices not in place. Potential for negative outcomes.
4	High	Potential serious risks likely to occur.
5	Very High	No recognition of any risk, or any procedures in place.

Summary:

PPS has developed a strategic framework to guide its educational planning. However, this framework focuses primarily on instructional elements and does not incorporate all aspects of the District's operations (people, support functions, facilities, stakeholders, etc.). A comprehensive strategic plan integrating all elements of operating the District would allow PPS to establish long-term priorities, define and articulate objectives, determine measurements

Risk Assessment Scoring

Core Process: Community Involvement & Public Affairs
 Area: Communication
 Number: 20
 Date: 4/6/2016

Objective/Goals:

To ensure messages delivered to internal and external stakeholders are consistent with District policy.

Inherent Risks:

<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Unable to complete in a timely manner <input checked="" type="checkbox"/> Exceed budget <input checked="" type="checkbox"/> Inefficient use of dollars <input checked="" type="checkbox"/> Non-compliance 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Hurt public perception <input checked="" type="checkbox"/> Injury <input checked="" type="checkbox"/> Poor quality <input type="checkbox"/> Potential internal control issue 	<p>Equity in Public Purchasing and Contracting Other (Describe)</p>
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Criteria	Rating	Comments
Likelihood/probability of identified inherent risks occurring	4	Multiple personnel in varying positions and with differing points of view make it difficult to ensure a message consistent with the District's policies and core mission is provided to internal and external stakeholders.

Risk Mitigation: Degree of Risk associated with the ability of defined criteria to mitigate identified inherent risks

Criteria	Weighting	Rating	Score	Comments
Owner Identified?	10%	4	0.40	Chief of Communications & Public Affairs.
Process Maturity (Lessons Learned, Policies/Procedures in Place, Experience)	30%	2	0.60	Policies and procedures are in place.
Implementation (Following Policies/Procedures, Historical Knowledge)	30%	2	0.60	Policies and procedures within the department are followed and staff are knowledgeable about practices and expectations of the department.
External Monitoring?	0%	0	0.00	External monitoring is not a mitigating factor.
Internal Q/A or Q/C	0%	0	0.00	Internal Q/A or Q/C is not a mitigating factor.
Rating Score	30%	5	1.50	
	100%		3.10	

1	Low	Best Practices constantly being monitored, used, and updated.
2	Low-Moderate	Best Practices being monitored, used, and updated. Minimal risk.
3	Moderate	Some level of risk. Some Best Practices not in place. Potential for negative outcomes.
4	High	Potential serious risks likely to occur.
5	Very High	

Summary:



Risk Assessment Scoring

Core Process: Financial Services
 Area: Grants Compliance
 Number: 21

Date: 4/6/2016

Objective/Goals:

Provide for an effective, efficient means to ensure compliance with requirements of grant programs providing funding to the District.

Inherent Risks:

- Unable to complete in a timely manner
- Exceed budget
- Inefficient use of dollars
- Non-compliance

- Hurt public perception
- Injury
- Poor quality
- Potential internal control issue
- Equity in Public Purchasing and Contracting
- Other (Describe)

Criteria	Rating	Comments
Likelihood/probability of identified inherent risks occurring	4	Grants provide a significant level of funding to District programs. The lack of systems associated with grant monitoring elevate the risk of noncompliance with financial and programmatic outcomes and can result in significant issues, both financially and in terms of service levels, if funding is reduced or lost.

Risk Mitigation: Degree of Risk associated with the ability of defined criteria to mitigate identified inherent risks

Criteria	Weighting	Rating	Score	Comments
Owner Identified?	10%	4	0.40	A Grants Team has been established within Finance and has the ultimate responsibility for grant-related reporting and compliance.
Process Maturity (Lessons Learned, Policies/Procedures in Place, Experience)	35%	4	1.40	Some policies and procedures exist but can be strengthened. District program staff lack sufficient experience with grants, and in some cases the capacity (time, competence, training) to effectively meet requirements.
Implementation (Following Policies/Procedures, Historical Knowledge)	40%	4	1.60	With silos and decentralization (schools vs. admin, across departments), there is significant opportunity for divergence and potential noncompliance with requirements due to unfamiliarity, lack of resources, and historical practices.
External Monitoring?	5%	3	0.15	External monitoring of grant compliance is after-the-fact and at a level that may not be considered effective to the District's needs. District has received findings in past.
Internal Q/A or Q/C	5%	4	0.20	Lack of effective, internal monitoring of grant requirements at detail level due to lack of sufficient resources (personnel, time, money).
Appropriate Resources	5%	4	0.20	Should be appropriate resources to deal with these purchases.
Rating Score	100%		3.95	

Rating/Degree of Risk

1	Low	Best Practices constantly being monitored, used, and updated.
2	Low-Moderate	Best Practices being monitored, used, and updated. Minimal risk.
3	Moderate	Some level of risk. Some Best Practices not in place. Potential for negative outcomes.
4	High	Potential serious risks likely to occur.
5	Very High	No recognition of any risk, or any procedures in place.

Summary:

The District is at risk of noncompliance with federal, state, and local grant requirements as a result of a number of factors, including but not limited to: insufficient systems to calculate and track matching requirements, varied information systems that are not integrated and require manual translation of information from one to another, silos and decentralized processes, lack of sufficient training and competencies in program staff, lack of accountability to stated compliance requirements, insufficient systems to track, monitor and report personal services costs and requirements to the grants, general lack of familiarity outside of Finance with general or specific compliance requirements attached to grants, insufficient policies and procedures in the area of compliance with grant requirements, and lack of resources (time, money and personnel) to ensure compliance.

Risk Assessment Scoring

Core Process: District-wide
Area: Business Operations Key Performance Indicators (KPI's)
Number: 23
Date: 4/6/2016

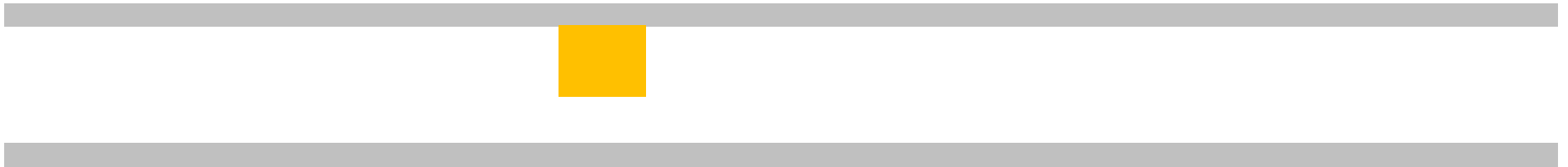
Objective/Goals:

Inherent Risks:

- x Unable to complete in a timely manner
- x Exceed budget
- x

- x Hurt public perception
Injury

- x Equity in Public Purchasing and Contracting
- x Other - ability to measure and report effective performance/success





Risk Assessment Scoring

Core Process: Modernization
 Area: Ability to meet MWESBs and Apprentices usage goals
 Number: 24
 Date: 4/6/2016

Objective/Goals:

To ensure MWESB and apprenticeship utilization goals are met on construction projects.

Inherent Risks:

- Unable to complete in a timely manner
- Exceed budget
- Inefficient use of dollars
- Non-compliance

- Hurt public perception
- Injury
- Poor quality
- Potential internal control issue
- Equity in Public Purchasing and Contracting
- Other (Describe)

Criteria	Rating	Comments
Likelihood/probability of identified inherent risks occurring	4	When many local governmental entities are building construction projects, it can affect the number of MWESB firms and apprentices available to work on the districts projects, making it difficult for the district to meet its utilization goals.

Risk Mitigation: Degree of Risk associated with the ability of defined criteria to mitigate identified inherent risks

Criteria	Weighting	Rating	Score	Comments
Owner Identified?	5%	2	0.10	Chief of Modernization, Operations Manager, and Project Managers.
Process Maturity (Lessons Learned, Policies/Procedures in Place, Experience)	25%	2	0.50	Use Long-Range Master Plan as overall guidance, along with a Project Management Plan and Standard Operating Procedures for daily guidance have been developed. Also use E-Builder software for approvals and payment management. This can also track MWESB and apprenticeship usage.
Implementation (Following Policies/Procedures, Historical Knowledge)	25%	4	1.00	Managers make every attempt to comply with MWESB and apprenticeship utilization goals for all construction projects; difficult to compete with other entities that also have utilization goals.
External Monitoring?	0%		0.00	External monitoring is not a mitigating factor.
Internal Q/A or Q/C	5%	2	0.10	Report monthly to PPS' Board of Education discussing budget, schedule, safety, status, and MWESB/Apprenticeship utilization goals.
Appropriate Resources	40%	5	2.00	Availability of MWESB firms and apprentices may be minimal in the future, depending upon the number of local governments that pass construction bond measures (that also have utilization goals).
Rating Score	100%		3.70	

Rating/Degree of Risk

1	Low	Best Practices constantly being monitored, used, and updated.
2	Low-Moderate	Best Practices being monitored, used, and updated. Minimal risk.
3	Moderate	Some level of risk. Some Best Practices not in place. Potential for negative outcomes.
4	High	Potential serious risks likely to occur.
5	Very High	No recognition of any risk, or any procedures in place.

Summary:

PPS, like many other organizations, have aspirational goals for utilizing MWESB's and apprentices on construction projects. When governments are contracting for construction labor jobs, many have similar utilization goals to PPS, making the demand for MWESB and apprentices high. When the market becomes saturated with projects from governmental entities that have bond money to spend, meeting MWESB and apprenticeship goals will be difficult.

PPS uses escalation to monitor costs such as materials and labor. Escalation reviews the national construction cost index to compare what labor and materials are costing owners, looking at the most current data available. When the demand in a specific community for labor and materials is high, costs tend to go up for owners. With so many entities going out for bond measures for capital construction projects over the next year, including PPS, the demand for labor, MWESB's, apprentices, and materials will be high, making it difficult to meet MWESB/apprenticeship goals, as well as to stay on schedule and budget.



Risk Assessment Scoring

Core Process: Operations
 Area: Transportation - Supplemental Funding
 Number: 25
 Date: 4/6/2016

Objective/Goals:

To ensure PPS high school students are able to get to and from school in a timely, safe, and reliable manner.

Inherent Risks:

- | | | |
|---|--|--|
| <input checked="" type="checkbox"/> Unable to complete in a timely manner | <input checked="" type="checkbox"/> Hurt public perception | <input type="checkbox"/> Equity in Public Purchasing and Contracting |
| <input checked="" type="checkbox"/> Exceed budget | <input type="checkbox"/> Injury | <input type="checkbox"/> Other (Describe) |
| <input checked="" type="checkbox"/> Inefficient use of dollars | <input checked="" type="checkbox"/> Poor quality | |
| <input checked="" type="checkbox"/> Non-compliance | <input checked="" type="checkbox"/> Potential internal control issue | |

Criteria	Rating	Comments
Likelihood/probability of identified inherent risks occurring	4	PPS relies on other public entities to help fund its transportation needs by offering high school students annual bus passes. Discontinuing this support would result in PPS spending more of its resources on the program to keep it as is, or to modify the scope to allow only students that meet certain criteria to qualify for the program.

Risk Mitigation: Degree of Risk associated with the ability of defined criteria to mitigate identified inherent risks

Criteria	Weighting	Rating	Score	Comments
Owner Identified?	20%	2	0.40	Senior Director, Transportation: COO.
Process Maturity (Lessons Learned, Policies/Procedures in Place, Experience)	0%	0	0.00	N/A
Implementation (Following Policies/Procedures, Historical Knowledge)	0%	0	0.00	N/A
External Monitoring?	0%	0	0.00	External monitoring not a mitigating factor.
Internal Q/A or Q/C	0%	0	0.00	Internal Q/A or Q/C not a mitigating factor.
Appropriate Resources	80%	4	3.20	Since this program is negotiated annually, future funding from the other two parties is uncertain.
Rating Score	100%		3.60	

Rating/Degree of Risk		
1	Low	Best Practices constantly being monitored, used, and updated.
2	Low-Moderate	Best Practices being monitored, used, and updated. Minimal risk.
3	Moderate	Some level of risk. Some Best Practices not in place. Potential for negative outcomes.
4	High	Potential serious risks likely to occur.
5	Very High	No recognition of any risk, or any procedures in place.

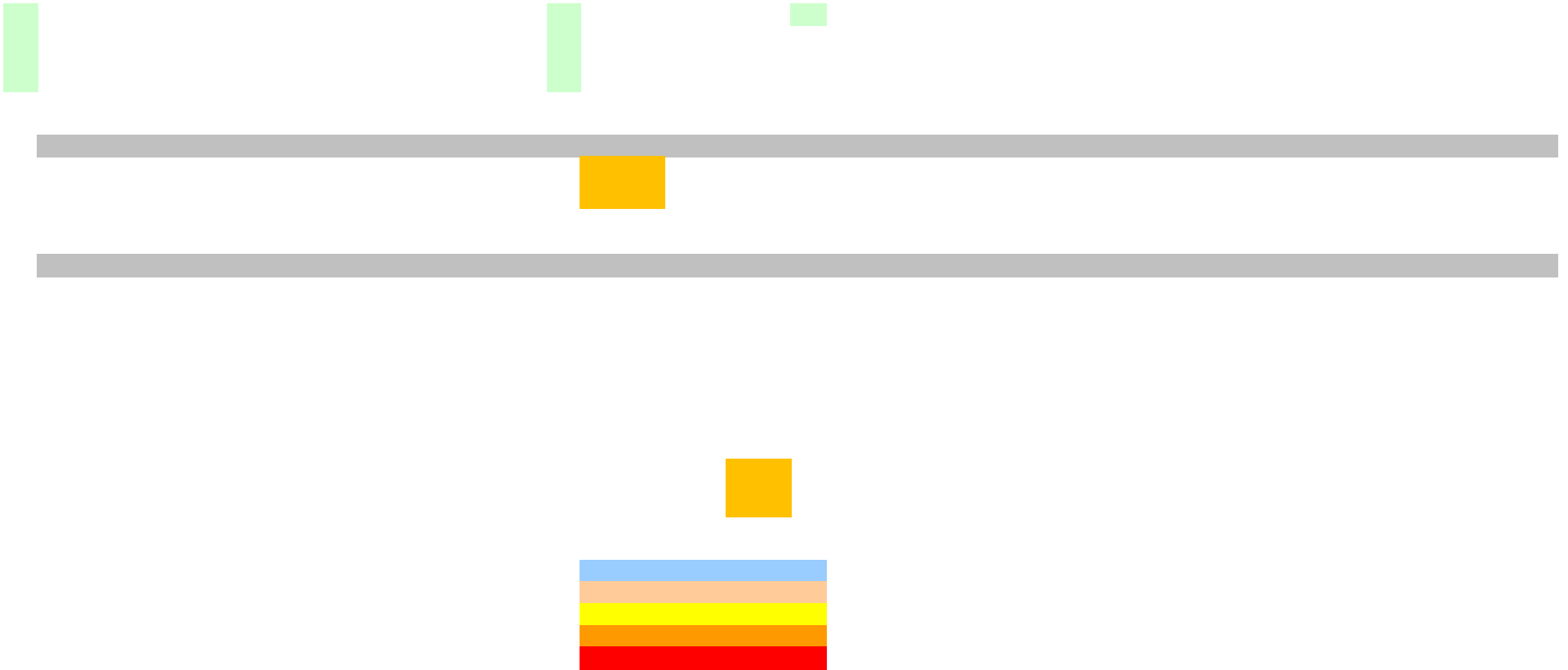
Summary:

PPS has a waiver from the Department of Education that allows them to use public transportation instead of providing yellow bus service to its high school students, since there is an alternative service available. At one time, the District only provided Tri- Met bus passes to students that went to their neighborhood schools and were on the free and reduced meal program. PPS was looking for a way to provide transportation to all high school students; local businesses responded by giving the district their BETC credits to pay to have Tri-Met bus passes for all high school students. When the BETC program ended in 2012, PPS worked with Tri-Met and the City of Portland to fund the program. Since then, negotiations to continue the program occur annually. If Tri-Met, and/or the City of Portland were to discontinue its support, PPS would either try to fund the program themselves, or go back to only supporting students that go to their neighborhood schools and are on the free and reduced meal program.

It should be noted that PPS is reimbursed by the State of Oregon for 70% of its annual transportation costs.

Risk Assessment Scoring

Core Process: District-wide
Area:





Risk Assessment Scoring

Core Process: District-Wide
 Element: Priority Setting
 Number: 27

Date: 4/6/2016

Objective/Goals:

To establish a framework within which the District can clearly set and communicate priorities, and manage to those priorities, in accordance with stated goals and objectives.

Inherent Risks:

<input checked="" type="checkbox"/> Unable to complete in a timely manner	<input checked="" type="checkbox"/> Hurt public perception	<input type="checkbox"/> Equity in Public Purchasing and Contracting
<input checked="" type="checkbox"/> Exceed budget	<input type="checkbox"/> Injury	<input type="checkbox"/> Other (Describe)
<input checked="" type="checkbox"/> Inefficient use of dollars	<input checked="" type="checkbox"/> Poor quality	
<input checked="" type="checkbox"/> Non-compliance	<input checked="" type="checkbox"/> Potential internal control issue	

Criteria	Rating	Comments
Likelihood/probability of identified inherent risks occurring	4	Without the development of realistic, achievable priorities the District will have difficulty in accomplishing each increasing the potential for identified inherent risks to occur.

Risk Mitigation: Degree of Risk associated with the ability of defined criteria to mitigate identified inherent risks

Criteria	Weighting	Rating	Score	Comments
Owner Identified?	20%	3	0.60	Board - establishes mission and purpose, ensures adequate resources, maintains accountability; Superintendent administers and implements Board policies, provides strategic direction, manages overall operations.
Process Maturity (Lessons Learned, Policies/Procedures in Place, Experience)	35%	3	1.05	Board has adopted specific priorities to move towards the District's vision.
Implementation (Following Policies/Procedures, Historical Knowledge)	35%	5	1.75	Multiple priorities. Measurements not criteria, etc.
External Monitoring?	0%	0	0.00	External monitoring is not a mitigating factor.
Internal Q/A or Q/C	5%	3	0.15	Board required reporting.
Appropriate Resources	5%	5	0.25	Resources will be required for success but allocation is unknown.
Rating Score	100%		3.80	

Rating/Degree of Risk		
1	Low	Best Practices constantly being monitored, used, and updated.
2	Low-Moderate	Best Practices being monitored, used, and updated. Minimal risk.
3	Moderate	Some level of risk. Some Best Practices not in place. Potential for negative outcomes.
4	High	Potential serious risks likely to occur.
5	Very High	No recognition of any risk, or any procedures in place.

Summary:

The Board has established seven priorities for the 2015-16 and 2016-17 schools years to move towards meeting the District's Mission:

- Ensure a strong principal and vice/assistant principal in every building who is well-matched to the school community.
- Create an environment in which supports are in place for teachers to thrive and have a voice in district-wide decision making.
- Every student prepared for life, college and career, and to meaningfully contribute to their communities.
- Create a system of quality instruction to increase literacy rates for all children.
- Create a system of behavior supports that will reduce disproportionality in expulsions and suspensions.
- Ensure that the School Building Improvement Bond continues tracking on time and on budget and delivers innovative, 21st century schools.
- Create a successful enrollment balancing framework that creates a foundation of equitable core programming across schools.

Research (FranklinCovey) shows that organizations should have two, or at the very most, three priorities (goals):

- If a team has 2-3 primary goals, they are likely to achieve 2-3 of them.
- If a team has 3-10 primary goals, they are likely to achieve 1 or 2 of them.
- If a team has 11 or more goals, they are likely to achieve none of them.





Risk Assessment Scoring

Core Process: District - Wide
 Area: Facilities - Space
 Number: 29

Date: 4/6/2016

Objective/Goals:

To ensure sufficient space is available to efficiently and effectively achieve objectives.

Inherent Risks:

- Unable to complete in a timely manner
- Exceed budget
- Inefficient use of dollars
- Non-compliance

- Hurt public perception
- Injury
- Poor quality
- Potential internal control issue
- Equity in Public Purchasing and Contracting
- Other - Loss of aspects of programs

Criteria	Rating	Comments
Likelihood/probability of identified inherent risks occurring	3	The lack of available space for various academic programs reduces the number of programs and activities that can be provided for District students/families and limits its abilities to meet its core mission. Inadequate space and/or design can impact performance and service delivery.

Risk Mitigation: Degree of Risk associated with the ability of defined criteria to mitigate identified inherent risks

Criteria	Weighting	Rating	Score	Comments
Owner Identified?	20%	4	0.80	No defined owner. Superintendent, program directors, and principals have input.
Process Maturity (Lessons Learned, Policies/Procedures in Place, Experience)	20%	3	0.60	No formalized process in place.
Implementation (Following Policies/Procedures, Historical Knowledge)	20%	3	0.60	No formalized process in place.
External Monitoring?	0%	0	0.00	External monitoring is not a mitigating factor.
Internal Q/A or Q/C	0%	0	0.00	Internal Q/A or Q/C is not a mitigating factor.
Appropriate Resources	40%	4	1.60	Due to lack of available resources, programs are competing for space. Programs that are not obtaining space are seeing an impact on their effectiveness and meeting their objectives.
Rating Score	100%		3.60	

Rating/Degree of Risk

1	Low	Best Practices constantly being monitored, used, and updated.
2	Low-Moderate	Best Practices being monitored, used, and updated. Minimal risk.
3	Moderate	Some level of risk. Some Best Practices not in place. Potential for negative outcomes.
4	High	Potential serious risks likely to occur.
5	Very High	No recognition of any risk, or any procedures in place.

Summary:

Many District programs (e.g.: Special Education, Early Learners, and Counselors) require specific locations (easily accessible, first floor, etc.) and/or space sizes. There are also additional space requirements as to provide wraparound support from the time students enter school through additional grades. As programs compete for available space, those with the highest priority are awarded the space, often times supplanting other programs. Programs losing space are experiencing an impact in the number of students and families they are able to support which is limiting the ability to be effective and meet established objectives.

Risk Assessment Scoring

Core Process: Financial Services
Area: Capturing Time and Effort
Number: 30

Date: 4/6/2016

Objective/Goals:

Inherent Risks:

- Unable to complete in a timely manner
- Exceed budget
- Inefficient use of dollars
- Non-compliance

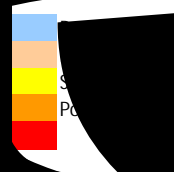
- Hurt public perception
- Injury
- Poor quality
- Potential internal control issue

- Equity in Public Purchasing and Contracting
- Other - completeness and accuracy of payroll information as of point in time

Rating

3

The District's current system for capturing time and effort information is inadequate to efficiently and effectively meet the requirements for timely, complete, and accurate payroll information, as well as provide necessary documentation in support of grant

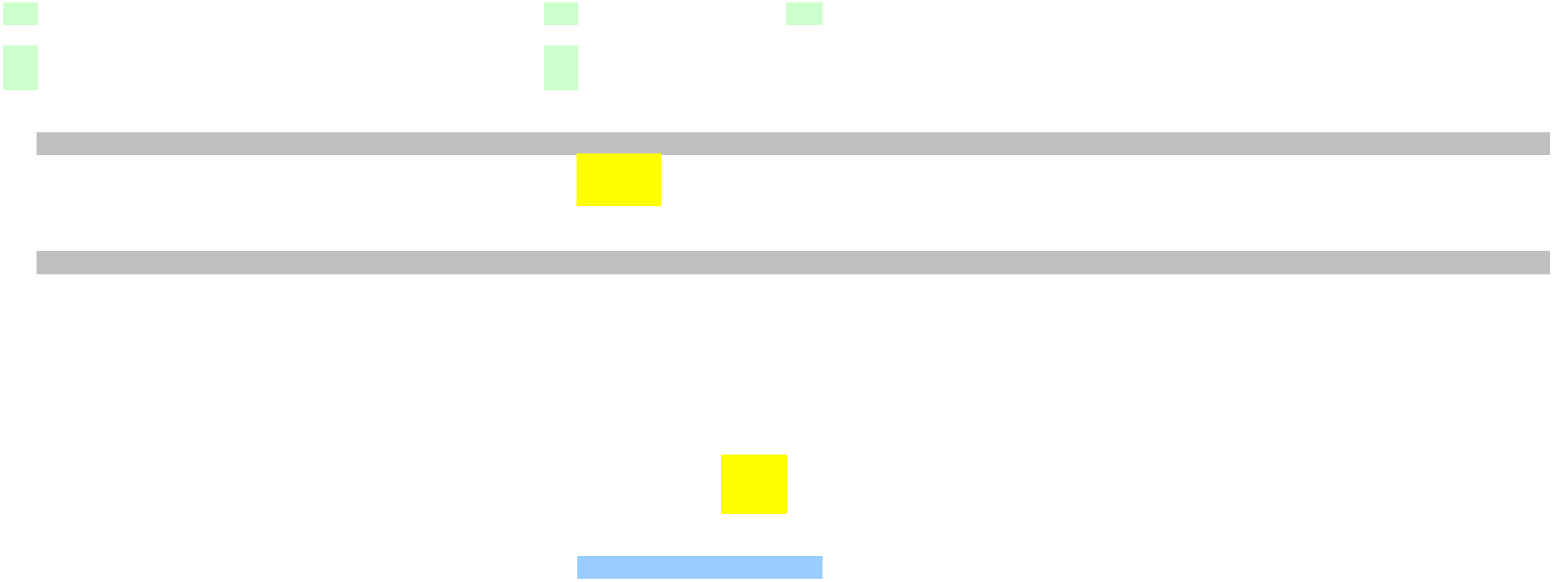


Risk Assessment Scoring

Core Process: Financial Services
Area: Purchasing Compliance vs. Service
Number: 31
Date: 4/6/2016

Objective/Goals:







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