



mGO.

2025 Industry Update: Finance, Cybersecurity, and AI Panel

June 11, 2025

Your Instructor



Kyle O'Rourke
SLG Industry Leader
Partner

Your Panelists



Don E. Hester

Cybersecurity Advisor,
Cybersecurity and
Infrastructure Security Agency



Timothy Ewell

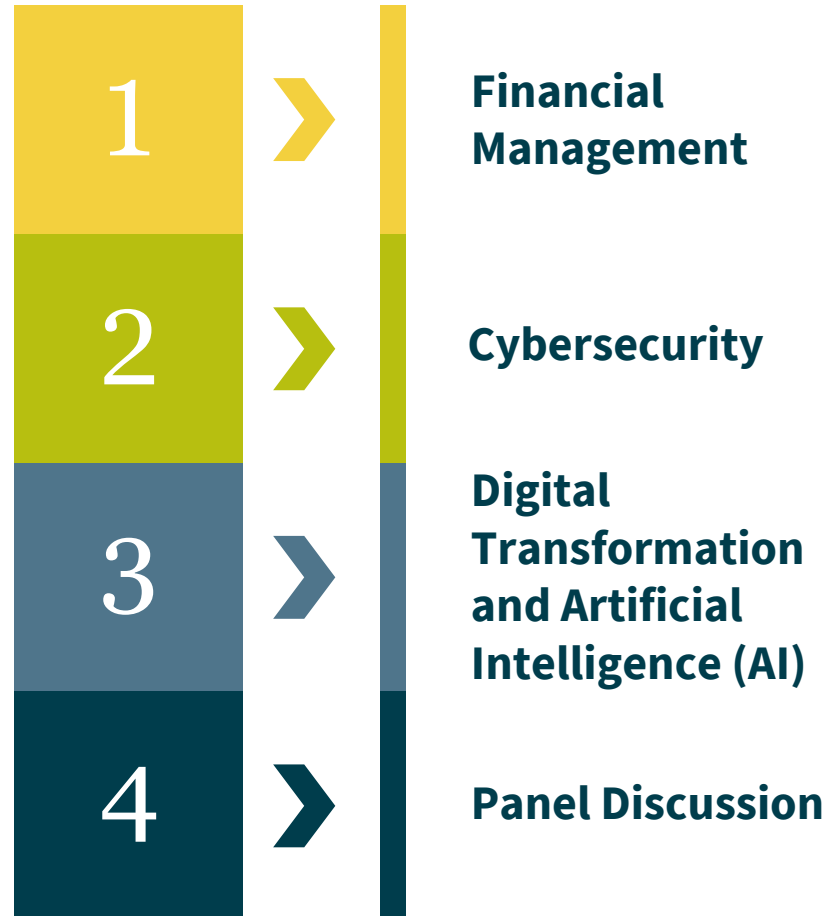
Chief Assistant County
Administrator,
Contra Costa County,
California



Paul Dominguez

CEO,
Providence Technology
Group

Agenda



Learning Objectives

By the end of this course, you should be able to:

- Describe the key issues, risks, and trends facing state and local governments.



Today's Subject

Key issues and a snapshot

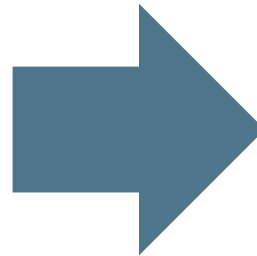
1

Key Issues

Today's conversation provides a snapshot of key issues of relevance for state and local governments in 2025

Industry including:

- Finances and financial management
- Cybersecurity
- AI



2

Snapshot

Following a snapshot of each of these issues and areas, we will have a short panel discussion.

IIA Risk in Focus: Risk Trends

North America – Top 5 Risk Levels – Trend

Survey questions: What are the top 5 risks your organization currently faces?
What do you think the top 5 risks will be 3 years in the future?

Last Year's Risk		Current Year's Risk		Risk Expectations in 3 Years	
1. Cybersecurity	85%	1. Cybersecurity	87%	1. Cybersecurity	79%
2. Human capital	65%	2. Human capital	54%	2. Digital disruption (including AI)	70%
3. Regulatory change	43%	3. Digital disruption (including AI)	48%	3. Regulatory change	48%
4. Market changes/competition	41%	4. Regulatory change	47%	4. Human capital	41%
5. Business continuity	36%	5. Business continuity	41%	5. Business continuity	38%
6. Digital disruption (including AI)	36%	6. Market changes/competition	41%	6. Market changes/competition	34%
7. Supply chain (including third parties)	36%	7. Supply chain (including third parties)	29%	7. Supply chain (including third parties)	28%
8. Geopolitical uncertainty	28%	8. Financial liquidity	28%	8. Climate change/environment	27%
9. Financial liquidity	28%	9. Geopolitical uncertainty	26%	9. Geopolitical uncertainty	26%
10. Communications/reputation	21%	10. Organizational culture	21%	10. Financial liquidity	23%
11. Organizational culture	21%	11. Communications/reputation	20%	11. Governance/corporate reporting	20%
12. Health/safety	17%	12. Governance/corporate reporting	16%	12. Organizational culture	17%
13. Governance/corporate reporting	16%	13. Health/safety	13%	13. Fraud	13%
14. Climate change/environment	12%	14. Climate change/environment	13%	14. Communications/reputation	13%
15. Fraud	9%	15. Fraud	9%	15. Mergers/acquisitions	12%
16. Mergers/acquisitions	8%	16. Mergers/acquisitions	8%	16. Health/safety	9%

Note: Risk In Focus survey conducted online from 21 March 2024 to 20 May 2024 by the Internal Audit Foundation. n = 418 for North America.

National League of Cities

List of top issues and resources

Housing

Workforce

**Infrastructure
&
Transportation**

**Community &
Economic
Development**

01 Financial Management



Contra Costa County, California Update

Established process to modernize decades of financial and personnel policies



Procurement Policy

Released in 2023 following three years of review, public comment and board review consolidated nine disparate purchasing policies into single comprehensive policy.

Position Adjustment Policy

Released in 2025, changes approach from transaction review of personnel requests to holistic review of change to organization both financially and operationally.

Contra Costa County, California Update

Artificial intelligence policy released last month

Govern

Governs use of AI in the workplace and encourages creativity in completing the public's business.

Sponsor

County administrator is executive sponsor of effort including:

1. Piloting use of Microsoft Copilot for government suite in day-to-day work.
2. Issuing request for qualifications to establishing AI vendor pool, centrally administered by county administrator's office, simplifying procurement when departments commission AI development projects.

Goals

Contra Costa County,
California Update

Reduce

Reduce
bureaucracy
within county's
internal
processes.

Encourage

Encourage
employees to
self-refer or
recommend
updates to
policies or
procedures.
Management is
not always the
expert.

GFOA Update

Membership structure

Structure

Membership structure change beginning in August 2025.

Goals

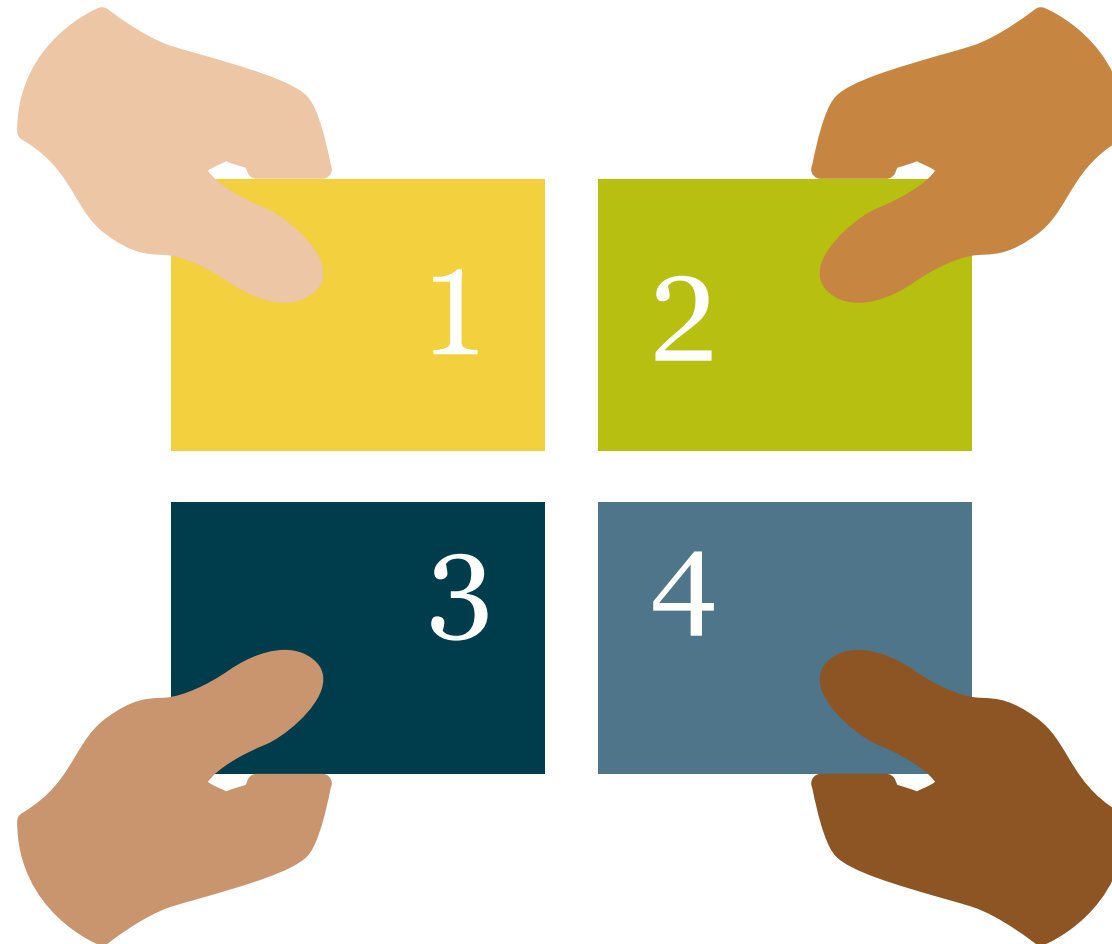
- Simplified membership structure.
 - Great access and inclusivity. Currently, many members are senior financial executives.
 - Provides more education and upskilling opportunities to future generations of finance officers.

Model

New membership model provides unlimited access for all employees within member jurisdiction.

Updates


Updates available at <https://www.gfoa.org/membership-changes>.




GFOA Update: Budget Award Program Update

GFOA has convened an advisory committee to rethink approach to budget award program with a public launch of updated budget award program anticipated in August 2025.

Objectives

- 
- Encourage innovation in way governments present budget information.
 - Greater focus on communication outcomes with members of the public, which may be unique to each jurisdiction.
 - Change approach from **checklist** to mandatory items to more flexible set of guidelines to encourage creativity in budget presentation.

Goals

- 
- Cultivate alternatives to traditional budget books including websites.
 - Establish clear budget message conveying budget themes and key takeaways for the public.
 - Focus on value, long-term outlook of current budget decisions, and how budget addresses community and organizational values and priorities.
 - Provide direct and consider answers to key questions.

02 Cybersecurity

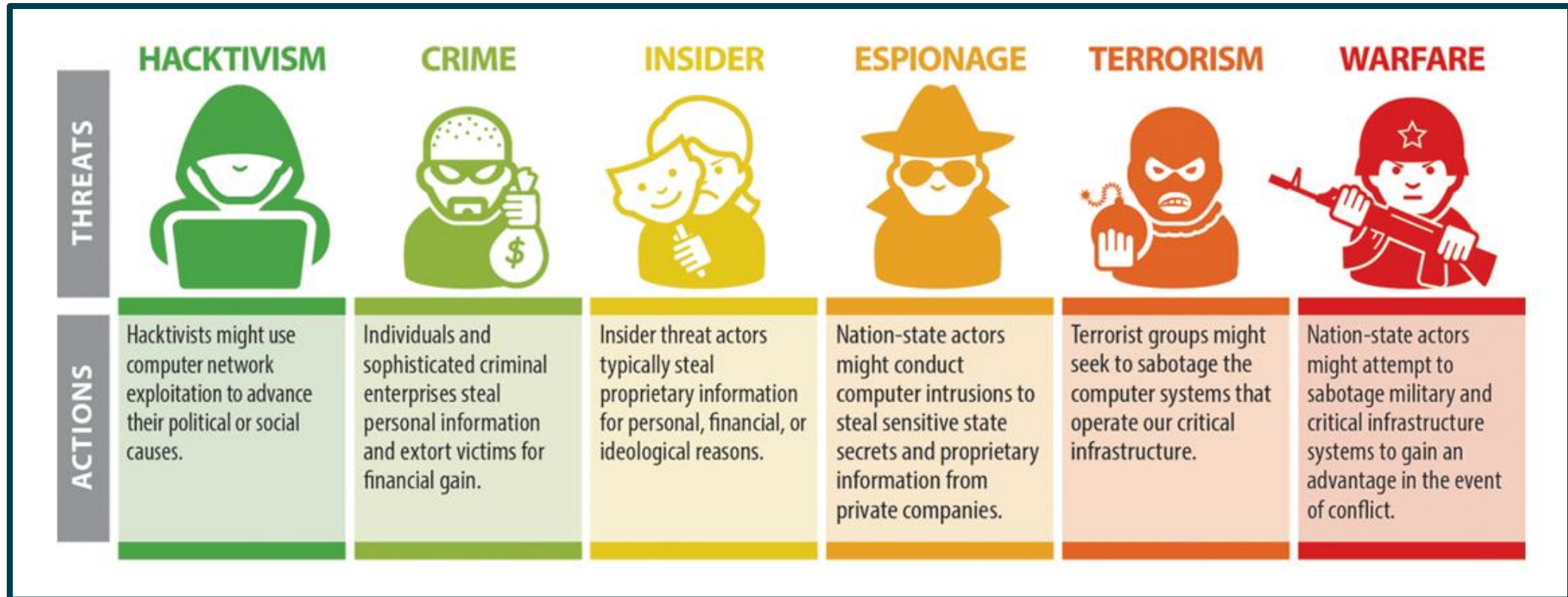




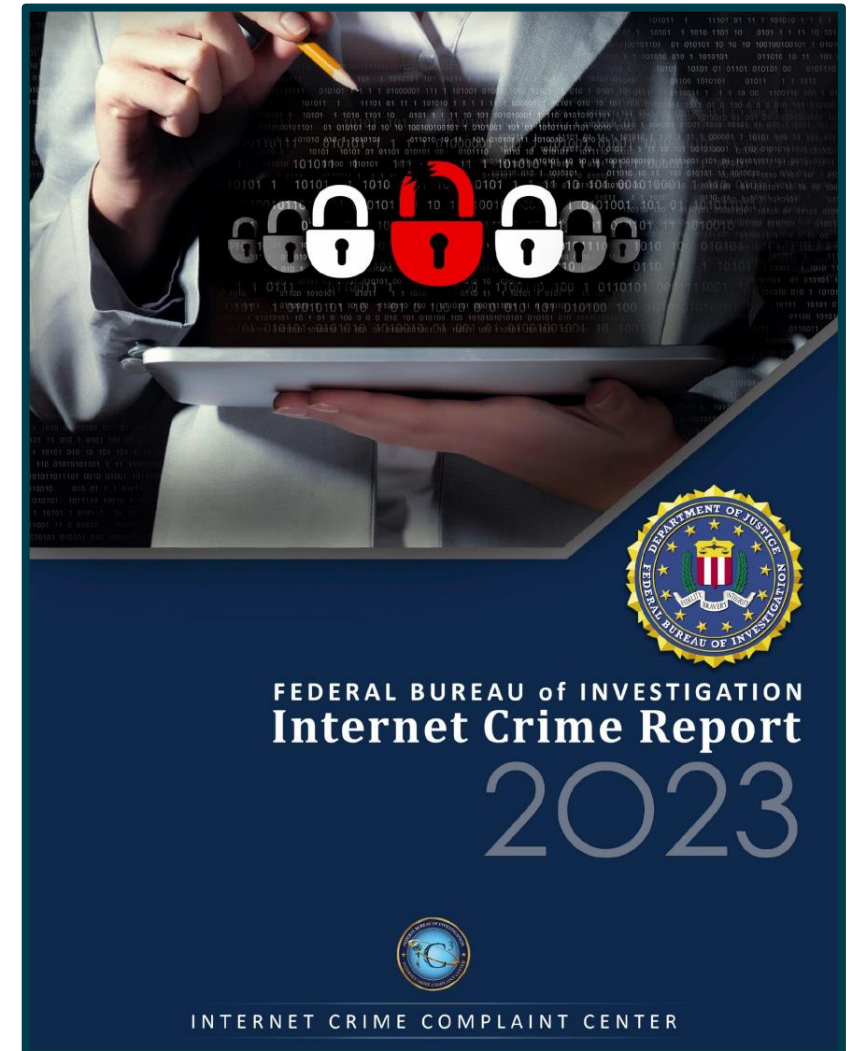
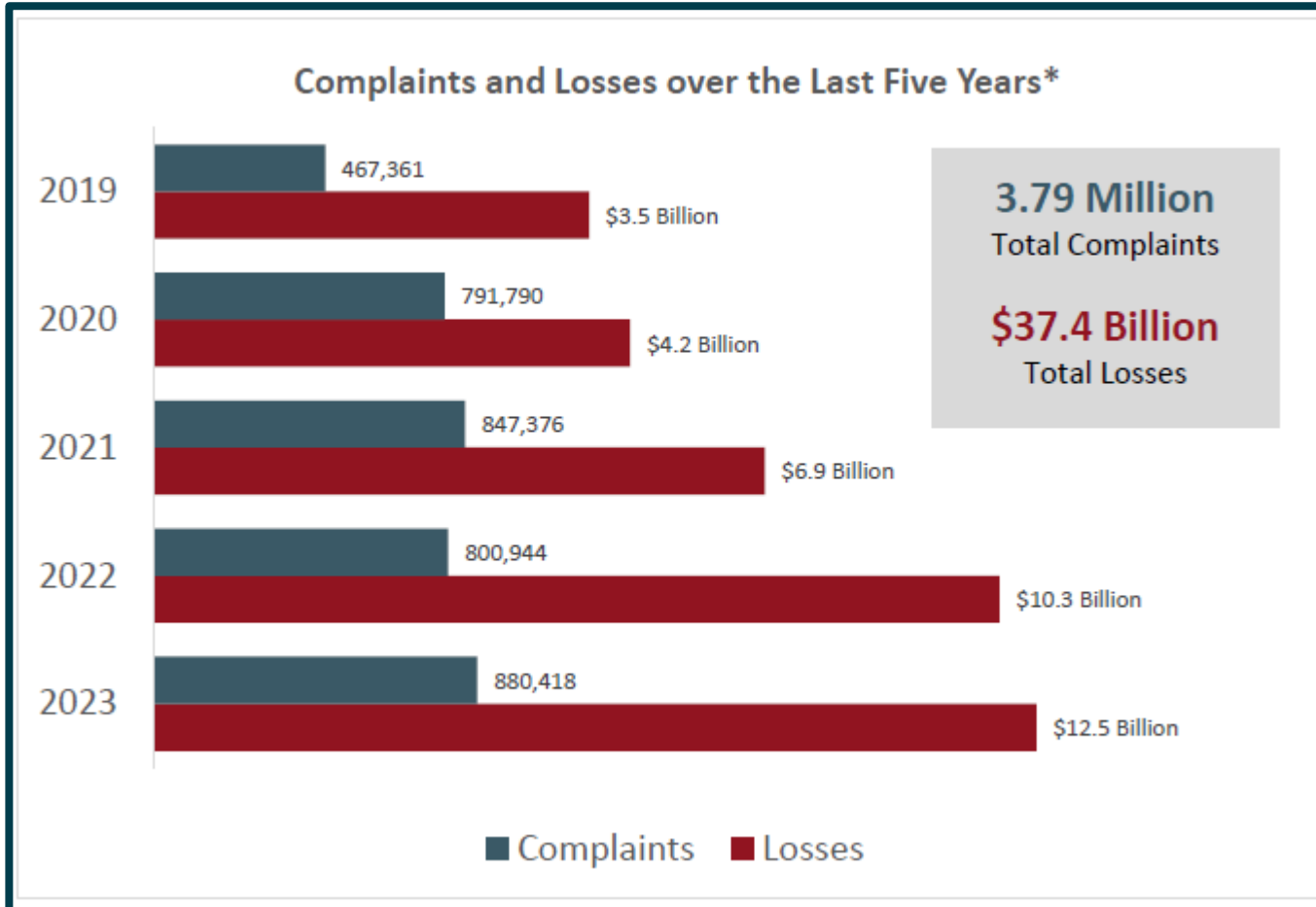
CISA

**CYBERSECURITY &
INFRASTRUCTURE
SECURITY AGENCY**

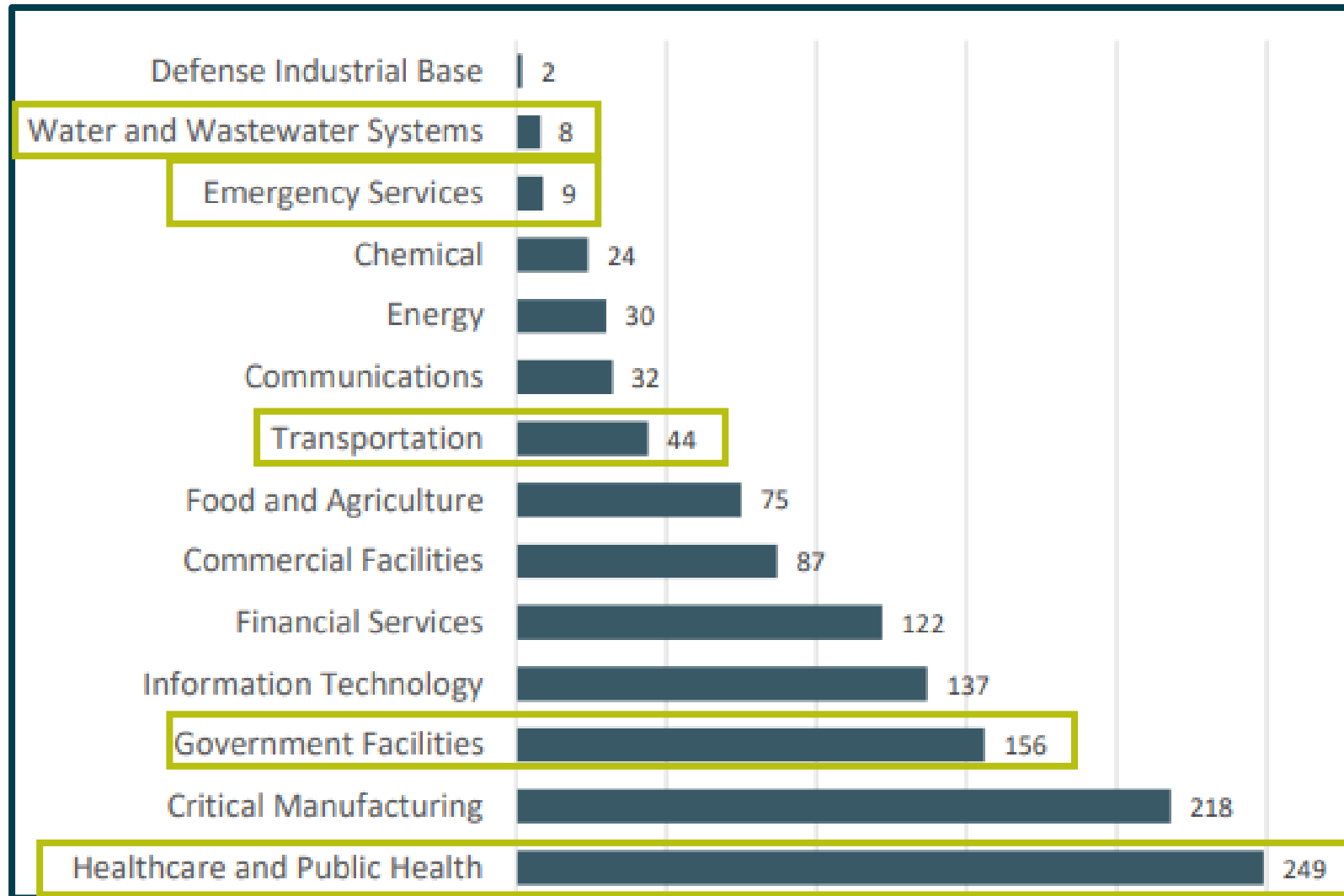
Cyber Threat Continuum



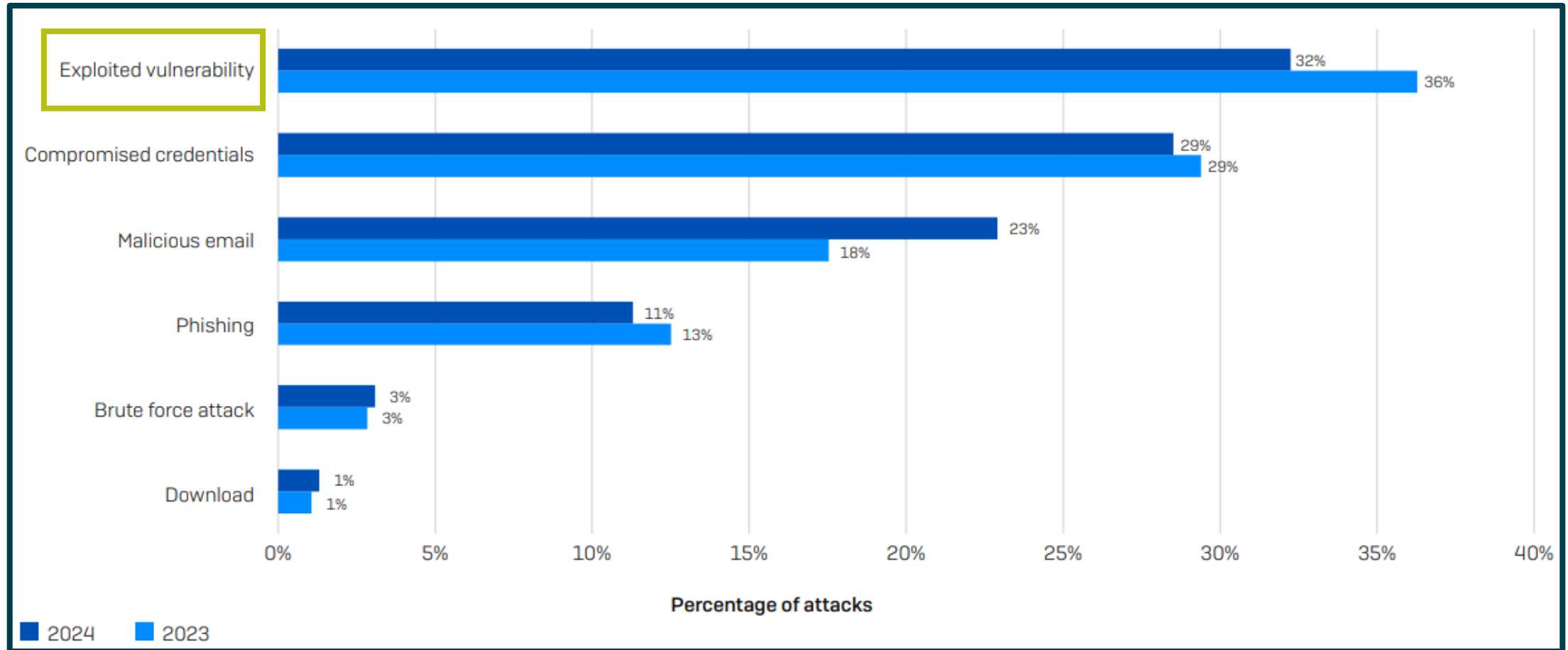
IC3 Internet Crime Report 2023



Sectors Affected by Ransomware



Causes of Ransomware Attack



Disruptive Technology: AI Threads

Attacks on AI Systems

AI Enabled Phishing

**AI Enabled
Vulnerability Research**

AI Enabled Hacking

**Video and Voice
Cloning**

Key Takeaways

- Government is a **top victim**.
- Top threat actors are nation states and cyber criminals.
- **Outdated software and vulnerabilities** are highest risk.
- Stolen credentials are next highest risk.
- Average cost of cyber incidents is up.
- Keep close eye on disruptive technologies like AI.
- Good backups save you money.
- Patch management and MFA greatly reduce risk.



03 Digital Transformation and Artificial Intelligence (AI)



IT Efforts and Professionals

Types of projects and most requested professionals



1

IT Efforts and Types of Projects at the State

- Modernizations and migrations
- Maintenance and operations
- Data warehousing and business intelligence
- Cybersecurity
- GenAI

2

Most Requested IT Professionals

- Project managers
- Business systems analysts
- Quality assurance professionals
- Organizational change management
- Business intelligence developers
- Cybersecurity leaders

Changes

Within IT at the state



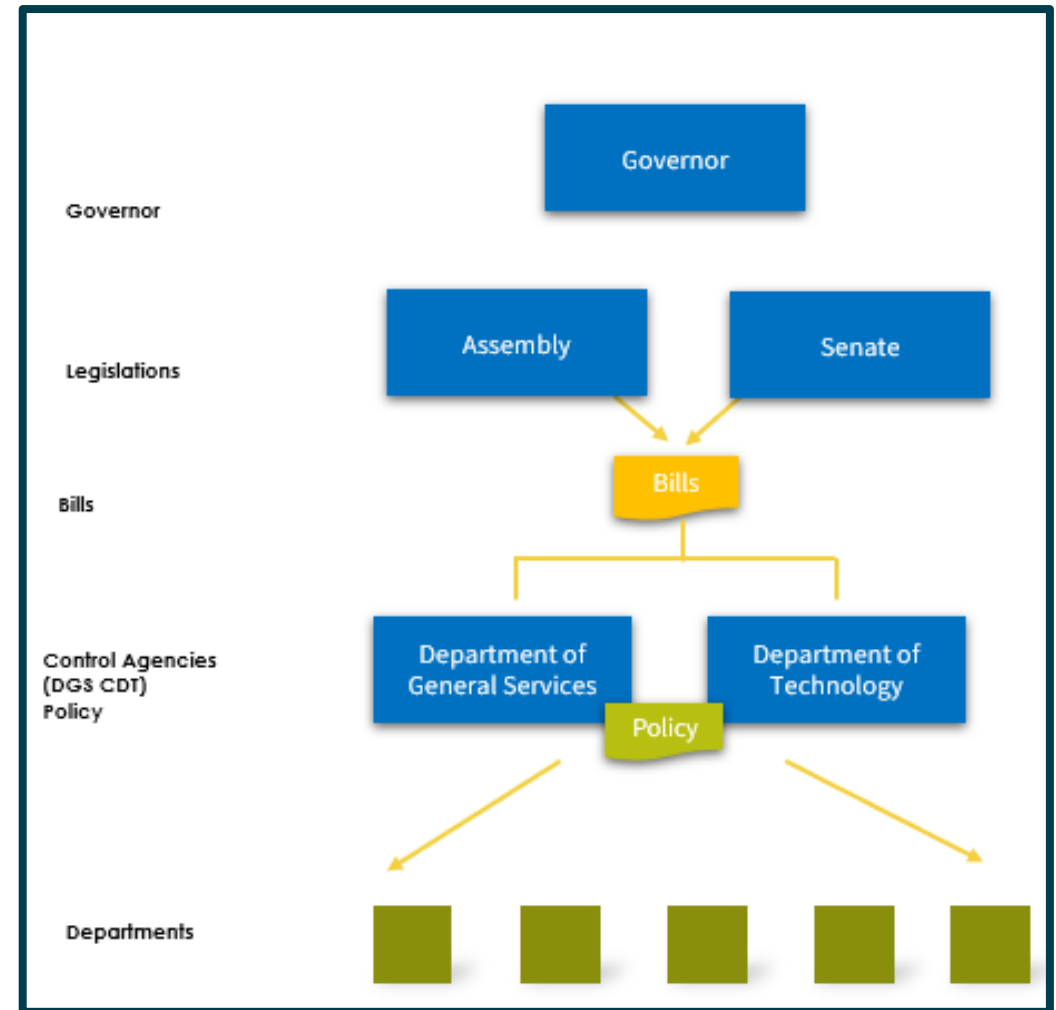
Artificial Intelligence

Artificial Intelligence

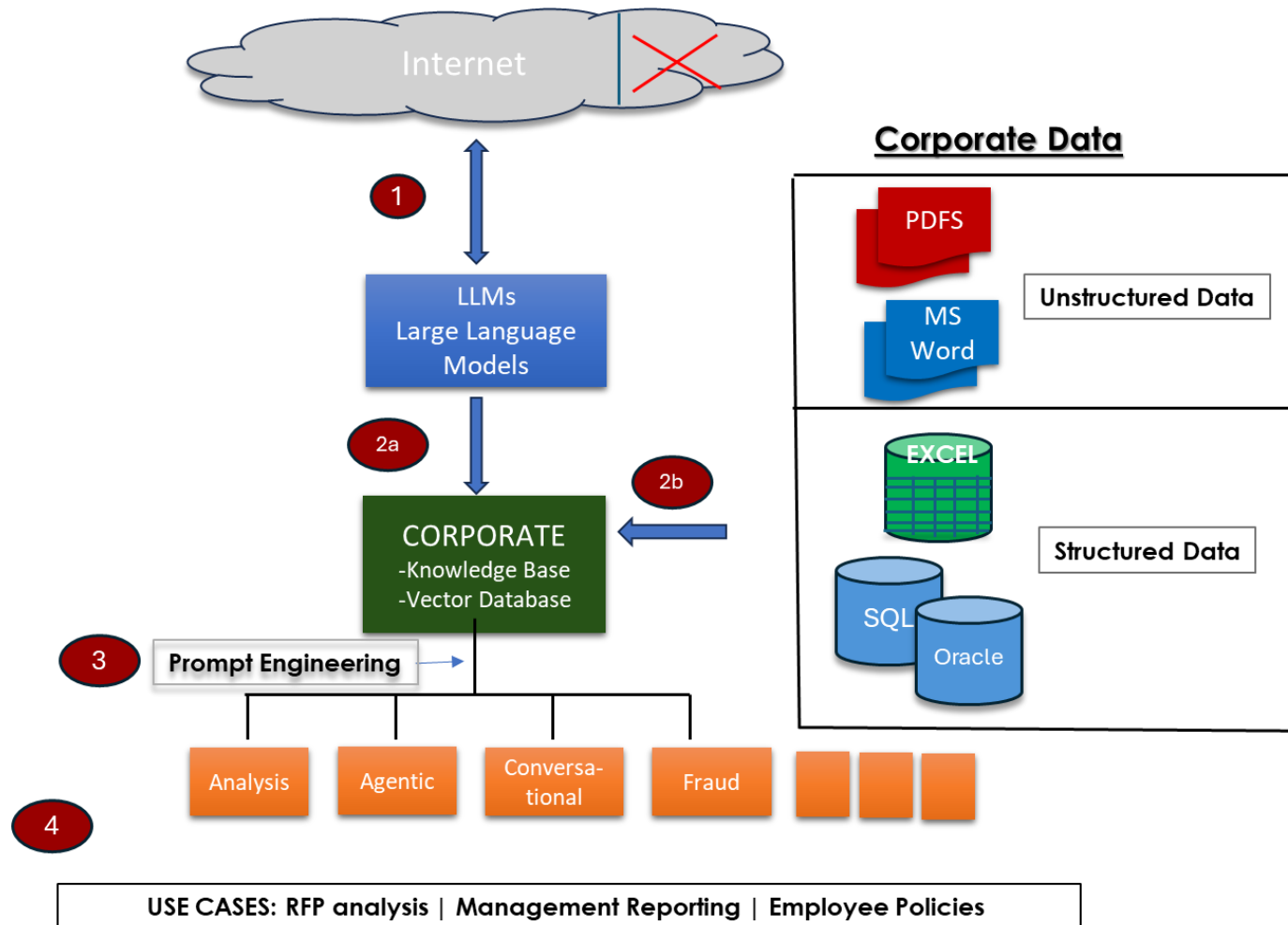
- AI versus GenAI

GenAI at the State

- Governor's encouragement and ethical use
- Control agencies
- Technologies in the GenAI space
- GenAI use cases
- GenAI in production



GenAI Process Flow



04 Panel Discussion

Today's Panel

With three panelists in different roles



1

Moderator

Guides discussion by asking targeted questions to panelists based on their roles.

2

Attendee

Participate by submitting and upvoting questions through the Conferences i/o Social Q&A platform.

Panel Discussion Questions

1. How does AI impact cyber risk?
2. We talked about cyber and AI. From the perspective of the speakers, what should our audience be doing now to get ahead of the opportunity while recognizing the risks?
3. Does the GFOA have guidance, resources, or working groups pertaining to cyber and AI?



Your Instructor

Kyle O'Rourke, CIA, CRMA, CGAP
Consulting Partner

[Click link to Kyle's Bio](#)

