**Exhibit A: Post-Award Risk Assessment for SFRF Subrecipient Checklist**

**Purpose**

A risk assessment is a way to evaluate the potential financial and compliance risk of a subrecipient. Several factors should be considered when determining the level of risk associated with a subrecipient. This will help assess risk and dictates the monitoring plan for subrecipients.

**Procedures**

At a minimum, the Administering Agency should perform the following to determine a risk rating for each subrecipient:

* Review Single Audit of subrecipient organization (if one was conducted) and assess whether there are timely and effective resolutions and correction action to respond to any of the audit’s recommendations and findings
* Review previous financial and programmatic performance of subrecipient
* Assess subrecipient’s previous grant experience
* Assess adequacy of subrecipient’s policies and procedures to administer funds to beneficiaries. Does the subrecipient have formal Uniform Guidance policies and procedures? Are those policies and procedures circulated to staff?
* **Use the Exhibit A-1 *List of Items Needed from Subrecipient* to gather information from the subrecipients**
* **Complete *Risk Assessment Scorecard* (please refer to excel document “Risk Assessment Scorecard”)** Assess other risk factors as deemed applicable

Based on my review and subrecipient's past performance, this subrecipient is determined to be:

|  |  |  |
| --- | --- | --- |
| **Low Risk** | **Medium Risk** | **High Risk** |
|  |  |  |

{Authorized Representative Administering Agency} Date

**Exhibit A: Post-Award Risk Assessment for SFRF Subrecipient Checklist (Continued)**

**Monitoring Determination**

Based upon the risk assessment, subrecipients will need to be monitored in a tiered approach based on the following categories:

|  |  |
| --- | --- |
| **Risk Rating** | **Type of Monitoring Conducted** |
| Low Risk | Accountability Calls and Reporting Reviews |
| Medium Risk | Accountability Calls and Desk Reviews |
| High Risk | Accountability Calls and On-Site Monitoring Visits |

Please refer to Subrecipient Monitoring Handbook Section 4.1 Types of Monitoring Based on Risk Rating for more detailed information regarding the types of monitoring conducted.

In summary, the higher the risk rating, the higher the audit risk (i.e., higher risk of material weakness and material noncompliance). Subrecipient monitoring reduces the risk associated with doing business with an external entity. As part of the State’s annual Single Audit, auditors will test Administering Agencies’ compliance with federal laws that require subrecipients.

# Exhibit A-1: List of Items Needed from Subrecipient

This list of items should be used to gather information from the subrecipient to obtain information on the subrecipient’s financial and management status. The subrecipient should be responsive in responding the Administering Agency’s request for documentation.

1. Please provide copies of the Financial Statements, Uniform Guidance Single Audit Report, and Required Auditor Communications Letter/Management Letter for the last two fiscal/calendar years.
2. If the prior audit reports contained any findings or internal control matters, please provide an update as to the corrective action plan and resolution of the matters.
3. Please provide a copy of the organization’s Uniform Guidance policies and procedures.
4. Please provide the most recent internal financial reports that were presented to the organization’s Board of Directors.
5. What is the organization’s current staffing structure for performing the monitoring function?
6. What software packages do you use for tracking and maintaining financial and performance data and metrics related to the grant programs?

If a software package is not being used, how is your organization monitoring and tracking financial and performance data and metrics related to the grant program? Please provide as much detail as possible that includes templates that have been developed and/or screenshots.

1. Does your organization have a negotiated Indirect Cost Rate? If yes, please provide a copy of your current agreement.
2. Does your organization have any new personnel (e.g., key personnel, financial management, grants management, IT Management, or other staff service in a grants administration role)? If yes, please provide information regarding new personnel.