



Identifying Heightened Risk Among Eligible Recipients

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Planning for Uninterrupted Crises

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1



"99"

2

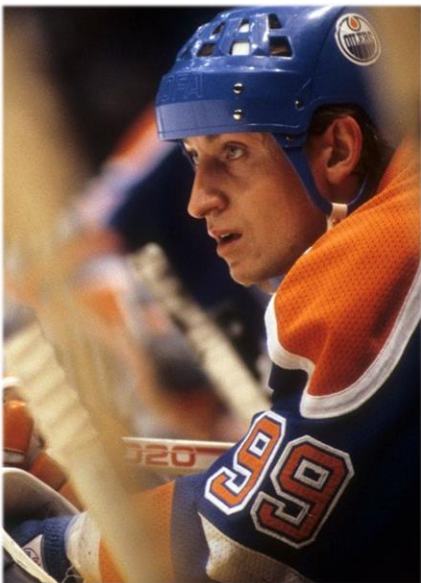
2



Not the number of "beers on the wall"



3



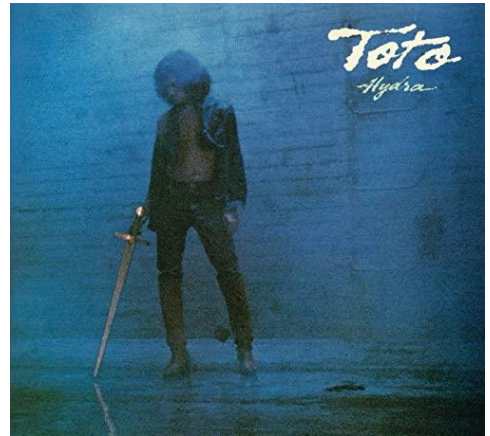
Not the number of Wayne Gretzky's Jersey

4



Not the song by Toto

**"99
I've been waiting so long
Oh, 99
Where did we go wrong?"**



5



The number of times "risk" is
included in the UGG

6



Risk



A situation involving
exposure to danger

7



Does \$192 Billion in COVID stimulus
funds generate risk?

8



Many critics point to fraud,
waste, abuse



Who is assessing that risk?

- A. OIG
- B. Single Auditors
- C. Pass-throughs



Pass-through must evaluate each subrecipient's RISK of non-compliance with Federal statutes, regulations, and terms and conditions of the subaward.

2 CFR 200.332 (b)

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When should risk be assessed?

- A. Before award
- B. During award period
- C. After the award

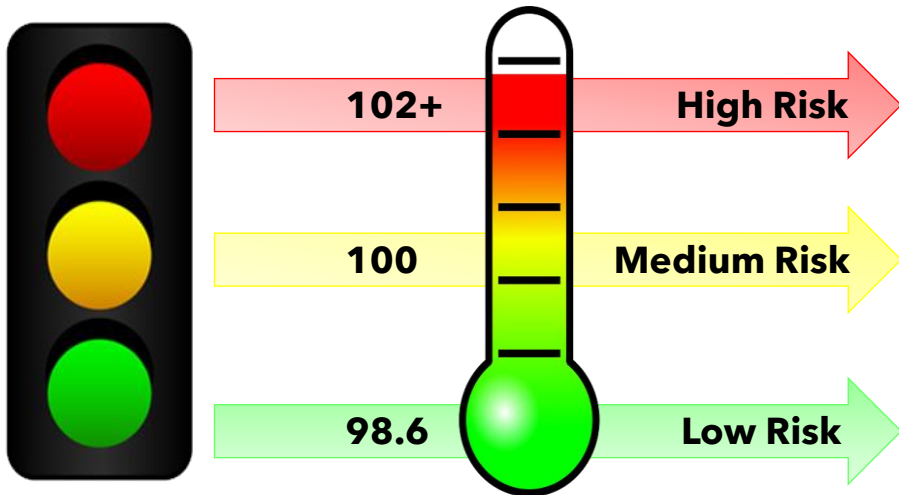
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How often should risk be assessed?

- A. Once a year
- B. Every year
- C. Every 3rd Year

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Risk Factors:

Past History

- a. Expenditure/performance/close out reports timely submitted
- b. 100% of prior award timely obligated
- c. Draws spread out over award period



Risk Factors:

Prior Performance

- a. Met performance objectives
- b. Achieved at least 90% of performance indicators
- c. Satisfied timeline on corrective action
- d. Worked in partnership with P/T on corrective action



Risk Factors:

Amount of the Award

- a. Under \$750,000 Audit Threshold
- b. Major Program/Major \$ Award
- c. Designated as Higher Risk by OMB



Risk Factors:

Prior Audits/Monitoring Reports

- a. Were there findings?
- b. Were the findings resolved?
- c. Was single audit timely filed?
- d. Did audit question lack of controls, missing records?
- e. Unauditable?
- f. Refusal to provide documentation



Risk Factors:

New Personnel

- a. New CFO
- b. New Program Director
- c. Changes to key personnel
- d. Key personnel on extended leave



Risk Factors:

New Systems

- a. Grants Management
- b. Budget Control
- c. Inventory
- d. Procurement
- e. Time and Effort
- f. Shift from paper to electronic



If Elevated Risk?

Go to 2 CFR 200.208 (b)+(c)

Impose Conditions

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Conditions

Disbursements

- Move from advance to reimbursement
- Slow down or withhold funding until receipt of evidence of acceptable performance

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Conditions

Reporting

- Require more detailed reporting

23



Conditions

• Monitoring

- Require additional project monitoring



24



Conditions

T/A

- Require third party management or t/a

25



Conditions

Prior Approval

- Require additional approval on each draw



26



Required Checklist If:

Imposing Conditions

1. Nature of additional requirements
2. Reason
3. Steps required for removal
4. Time allowed for completing steps
5. Method for requesting reconsideration
6. Remove conditions once steps taken

2 CFR 200.208(d)
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