



# New Subgrant Risk Assessment Checklist

6/26/2014

Recipient: \_\_\_\_\_ Contract #: \_\_\_\_\_

*Answer the questions in sections I-IV and then refer to the instructions on pages 2-3 to determine the risk level for the subgrant. Check the appropriate boxes for the assessed risk and number of monitoring visits.*

**Assessed Risk:**     Low                       Moderate                       High (*Attach monitoring plan.*)

**Minimum number of on-site monitoring visits recommended:**     1     2     3     4

## I. Administration

*Check the appropriate box.*

1. Is the Recipient using a consultant for administrative services?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
a) If <b>yes</b> , does the consultant have CDBG experience?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
b) If <b>no</b> , has the Recipient administered its own CDBG subgrants in the past?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
2. Does the Recipient have staff members who have CDBG experience?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
3. Has the Recipient maintained CDBG files properly in past subgrants?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

**Comments:**

## II. Program Operations

1. Were concerns raised during the site visit about program operations?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
2. Were past subgrants completed on time?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
3. If a past subgrant had to be extended, was the justification reasonable?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
4. Were funds drawn in a timely fashion during past subgrants?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
5. Were reports filed on time?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

**Comments:**

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### III. Audits

*Check the appropriate box.*

1. Have past audits/audit certification letters been filed on time?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
2. Were any CDBG-specific findings or concerns expressed in the most recent Technical Audit memo, or were any compliance issues mentioned that relate to the CDBG program?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<b>Comments:</b>	

### IV. Financial Management

1. Is there adequate separation of fiscal duties?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
2. Does the Recipient keep adequate financial ledgers and other records?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
3. Were financial monitoring reports from past subgrants free of findings?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
4. Has the Governor’s Office identified the Recipient as being in a <b><i>State of Financial Emergency?</i></b>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<b>Comments:</b>	

**New Subgrant Risk Assessment Checklist****Instructions for Assessing Risk**

Rate the subgrantee a **high risk** if:

1. There were CDBG-related findings and recommendations in the most recent audit, or
2. The Recipient is not using a consulting firm for administrative services, and it has never self-administered a CDBG subgrant before, or
3. The Recipient did not keep accurate financial records during past subgrants, or
4. The Recipient is using a consulting firm for administrative services that does not have CDBG experience, or
5. The Governor's Office has identified the Recipient as being in a **State of Financial Emergency**.

Also rate the subgrantee a **high risk** if it meets at least three of the following conditions:

1. The Recipient does not have staff members who have CDBG experience.
2. A prior subgrant had two or more time extensions not related to job creation.
3. Financial monitorings from previous subgrants yielded findings.
4. Audits or audit certification letters were filed late.
5. The most recent technical audit memo had recommendations to improve financial management that were not CDBG-specific.
6. The Recipient does not have adequate separation of fiscal duties.
7. The site visit raised concerns that indicate additional monitoring will be needed.
8. Required reports were not filed on time during a past grant.

Rate the subgrantee a **moderate risk** if it meets two of the following conditions:

1. The Recipient does not have staff members who have CDBG experience.
2. A prior subgrant had two or more time extensions not related to job creation.
3. Financial monitorings from previous subgrants yielded findings.
4. Audits or audit certification letters were filed late.
5. The most recent technical audit memo had recommendations to improve financial management that were not CDBG-specific.
6. The Recipient does not have adequate separation of fiscal duties.
7. The site visit raised concerns that indicate additional monitoring will be needed.
8. Required reports were not filed on time during a past grant.

Rate the subgrantee a **low risk** if it did not meet the criteria for a high risk or a moderate risk.

If a Recipient is determined to be a **high risk**, the grant manager will develop a monitoring plan to track the Recipient's progress. The monitoring plan will be attached to this checklist. The plan should include a combination of regular phone calls to the Recipient or its consultant, e-mail communications, and on-site visits to check on the progress of the subgrant activities. Most high risk subgrants should receive at least three on-site monitoring visits. However, if the Recipient completes activities as scheduled in its work plan and submits reports and Requests for Funds in a timely manner, the grant manager can re-evaluate how many monitoring visits are needed. The risk level can be adjusted during the subgrant period if the Recipient shows good progress in developing capacity or completing project activities.