

## Risk Assessment Tool

**THIS MAY BE TAILORED BY PROGRAM OR PROJECT AND AGENCY OR SUBRECIPIENT; HOWEVER, THE CRITERIA USED BELOW SHOULD BE EVALUATED AT A MINIMUM**

Adapted from King County Office of Performance, Strategy and Budget

**Purpose.** To identify risks associated with issuing a grant to an organization seeking assistance and put appropriate measures in place to ensure that funds are used in accordance with the intended uses outlined in the applicable King County Ordinances, the program scope included as an attachment to the grant agreement, and the federal requirements governing the American Rescue Plan (ARP).

**Methodology.** Review a risk assessment questionnaire completed by the King County Agency or Subrecipient organization receiving a grant as part of the pre-award process and assign an overall organizational risk level: HIGH, MEDIUM, or LOW. The organization's risk score determines what monitoring activities and back-up documentation will be needed for King County to manage effectively the risks associated with the grant. Any additional descriptions provided by organization (e.g., audit reports) may also be used to assist with scoring and final determination.

**HIGH:** A score of 36-50 requires intensive follow-up and improvement based on a thorough evaluation of the grant project and execution of the approved action plan.

**MEDIUM:** A score of 21-35 requires evaluating areas that need improvement and improving those areas based on the approved action plan.

**LOW:** A score of 20 or less generally identifies that the program is at lower risk for potential waste, mismanagement, non-compliance, or fraud.

For medium or high scores, the following monitoring activities will be considered to mitigate risk:

- (1) Providing subrecipients with training and technical assistance on program-related matters;
- (2) Performing on-site or desk reviews of the subrecipient's program operations;
- (3) Arranging for agreed-upon-procedures engagements as described in §200.425 Audit services.

**KING COUNTY SHOULD CONSIDER THE SUBRECIPIENT'S PERFORMANCE USING CORONAVIRUS RELIEF FUNDING (CRF) AS PART OF THE RISK ASSESSMENT DETERMINATION AND REQUEST TECHNICAL ASSISTANCE PRIOR TO ENGAGEMENT AS NEEDED.**

<b>Subrecipient/Contractor Name:</b>	
<b>Grant Award Number:</b>	
<b>Grant Project Name:</b>	
<b>Risk Assessment Completed By:</b>	
<b>Date Risk Assessment Completed:</b>	

**AGENCY SCORE:** \_\_\_\_ (see pages 2-3 for detail)

**AGENCY RISK RATING:** \_\_\_\_\_ (see pages 2-3 for detail)

**Prior Experience & Contract Amount**  
Place a "x" in the box to select the score

1. Agency's Experience Managing Contract Funds in The Past 5 Years	Score	"x"
5 years of experience with Local, State or Federal funding.	1	
Less than 5 years of experience with Local, State or Federal funding.	3	
No experience with Local, State or Federal Funding	5	
2.Total CRF Requested	Score	"x"
\$0 – \$49,999.00	1	
\$50,000 - \$99,999.00	2	

\$100,000 - \$499,999.00	3	
\$500,000 - \$999,999.00	4	
\$1 Million or more	5	

### **Management Systems and Personnel**

Place a "x" in the box to select the score

<b>3. Substantial change in management systems (technology or other) in the past 12 months</b>	<b>Score</b>	<b>"x"</b>
No or low change in key management systems.	1	
Recent change in management systems.	3	
Frequent or multiple changes in management systems.	5	
<b>4. Key Personnel Turnover</b>	<b>Score</b>	<b>"x"</b>
No or low turn-over of key agency staff (e.g., finance or management staff).	1	
Recent turn-over of key agency staff (e.g., finance or management staff).	3	
Frequent and multiple turn-over of key agency staff (e.g., finance or management staff).	5	
<b>5. Agency has capacity to manage and implement federal regulations, including 2 CFR 200 and specific federal funder regulations.</b>	<b>Score</b>	<b>"x"</b>
Yes	1	
No, and requesting technical assistance	3	
No	5	
<b>6. Internal controls are reasonable in accordance with the applicable cost principles? (i.e., segregation of duties, handling of cash, contracting procedures, personnel &amp; travel policies)</b>	<b>Score</b>	<b>"x"</b>
Yes	1	
No	5	

### **Audit Reports and Findings**

Place a "x" in the box to select the score

<b>7. Agency's Audit Results (or similar Audit review)</b>	<b>Score</b>	<b>"x"</b>
Audit with no findings or corrective actions.	1	
Audit with significant deficiency.	2	
Audit with material weakness finding(s).	3	
Audit with both material weaknesses and significant deficiency findings.	4	
No audit performed (if required).	5	

<b>8. Audit Correction of Compliance Issues</b>	<b>Score</b>	<b>"x"</b>
Not applicable - no audit finding/management letter	1	
Audit finding/management letter requiring corrective actions addressed in a timely manner.	2	
Audit finding/management letter requiring corrective actions NOT addressed in a timely manner.	3	
Audit finding/management letter requiring corrective actions NOT addressed at all	5	

### **Financial Stability**

Place a "x" in the box to select the score

<b>9. Accounting systems, procedures, and file management for recording transactions</b>	<b>Score</b>	<b>"x"</b>
An automated accounting system that segregates expenditures is in place and use.	1	
Transactions are recorded in a combo accounting system (automated/manual), expenditures are segregated using combo system.	3	
Transactions are recorded in a manual accounting system; expenditures are segregated manually.	5	

<b>10. The agency maintains central files for grants, loans, or other type of financial assistance</b>	<b>Score</b>	<b>"x"</b>
Files are maintained centrally.	1	
Files are not maintained centrally.	5	

**Reviewer Notes:**