**Risk Assessment and Monitoring Plan Instructions: Indian Nations and Urban Indian Organizations**

Purpose:

The purpose of the INA and UIO risk assessment is to comply with federal regulations over subrecipient monitoring related to risk assessments and contract monitoring based on risk. In the current INA, the HCA negotiated with the Tribes to a monitoring process that was streamlined for all INA/UIO subrecipients. Completing the risk assessment and monitoring based on the level of risk will honor our commitment to Tribes and UIOs to reduce administrative burden where possible, while ensuring compliance with federal compliance requirements.

HCA honors and is committed to Tribal sovereignty and the Tribes inherent right to implement programs as they see fit, reducing oversight when possible, and support Tribal sovereignty activities such as the Tribal attestation, in accordance with RCW 71.24.025(26)(c); Section 408(a) of the Indian Health Care Improvement Act, 25 U.S.C. § 1647a(a); and 42 C.F.R. § 431.110.

This form will be completed by the INA/UIO contract managers, which is the HCA’s Office of Tribal Affairs as negotiated through Tribal consultation. Once this is complete, the risk assessment tool and monitoring plan will be shared with the Tribe/UIO and monitoring will be conducted based on the level of risk and as requested by the Tribe.

Delays and errors directly caused by HCA internal processes will not result in negative impacts to the Indian Nation or UIO’s risk assessment and monitoring plan. New Agreement/Contract:

* Complete the entire form and send the completed form to HCA Contracts with your approved Good and Services Request (GSR) when you request a new Indian Nation Agreement (INA) or Urban Indian Organization (UIO) contract.

INA Amendment/UIO Contract Amendment:

* Complete any risk assessments for an Indian Nation or UIO in accordance with the risk assessment desk monitoring plan.
* This form may be completed again prior to the desk review process for the following reasons:
	+ There are significant changes at the Indian Nation or UIO that warrant an updated risk assessment. Examples of significant changes include a new Statement of Work is being created/added or there have been significant changes in contract compliance in the past year.
* HCA Contracts Manager will draft the risk assessment and share with the Tribe. The results of the Risk Assessment may be discussed with the Indian Nation or UIO at HCA’s discretion, but the final decision of risk score will be HCA’s.

Subrecipient Risk Assessment

To complete the Subrecipient Risk Assessment section, assess each area as low, medium, or high risk based on the factors for each category. Some categories may require inquiry to the Indian Nation or UIO. Then calculate the total risk score from the five areas. For the calculation an area with Low Risk = 1, Medium Risk = 2, and High Risk = 3. The possible risk score ranges from 5 – 15.

The risk score will provide an overall risk assessment for the subrecipient based on the following scale:

**Total risk score:**

**Low Risk = 5 - 8**

**Medium Risk = 9 - 12**

**High Risk = 13 - 15**

For example, a subrecipient with three low risk areas, one medium risk area, and one high risk area would score 10 (1 +1 +1 +2 +3). This would result in an overall medium risk assessment based on the total risk score scale.

Monitoring Plan

Use the overall risk assessment determined above to identify the level of monitoring needed in the Monitoring Plan section. There are six monitoring plan categories.

1. Financial and Performance Reports.
2. Federal Award Monitoring Report Deficiencies.
3. Audit Findings Management Decision
4. Training and Technical Assistance
5. Desk Reviews
6. Develop agreed upon procedures

Enter the overall risk assessment in each monitoring category except for categories Federal Award Monitoring Report Deficiencies, and Audit Findings Management Decision.

* For Federal Award Monitoring Report Deficiencies, enter the risk determination identified in the Subrecipient Risk Assessment area Results from a Federal Awarding Agency.
* For Audit Findings Management Decision, enter the risk determination identified in the Subrecipient Risk Assessment area Results of previous Single Audits.

All other categories will have the same determination of low, medium, or high as determined by the total risk score. Conduct the monitoring activities identified by the results of the risk assessment.

**Monitoring Plan Completed By:** **Date of Completion:**

**Subrecipient Risk Assessment:**

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| **Subrecipient’s Prior Experience with the Same or Similar Subawards** | **Score** |
| [ ]  Low (1) | Subrecipient has significant prior experience with similar subawards including direct grants from the same Federal Awarding Agency that issued the funds supporting your subaward (more than 3 years).  |  |
| [ ]  Medium (2) | Subrecipient has some experience with similar subawards including direct grants from the same Federal Awarding Agency that issued the funds supporting your subaward (3 years or less). |
| [ ]  High (3) | Subrecipient has minimal experience with similar subawards including direct grants from the same Federal Awarding Agency that issued the funds supporting your subaward (2 years or less).  |

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| **Results of previous Single Audits**  | **Score** |
| [ ]  Low (1) | Single Audit report was conducted timely with no findings or findings that are not significant or material to the program. |  |
| [ ]  Medium (2) | Single Audit report was conducted timely with minimal findings; or Single Audit Report was not conducted timely but had no findings. |
| [ ]  High (3) | Single Audit Report was conducted timely with findings for the HCA programs or general administration sections.  |

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| **Subrecipient administrative systems** | **Score** |
| [ ]  Low (1) | Subrecipient does not have new personnel and has not substantially changed systems.  |  |
| [ ]  Medium (2) | Subrecipient has new personnel, but systems have not substantially changed; or subrecipient has new systems, but personnel are the same. |
| [ ]  High (3) | Subrecipient has new personnel and significant changes in systems. |

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| **Results from a Federal Awarding Agency (If applicable – see 2 CFR 200.332(b)(4) below).** *Federal Awarding Agency reports must be either from the same Federal Awarding Agency that issued the federal funds supporting your subaward or from a different Federal Awarding Agency but regarding general administration of federal funds.* | **Score** |
| [ ]  Low (1) | Subrecipient does not have concerns reported in a federal awarding agency monitoring report.  |  |
| [ ]  Medium (2) | Concerns were documented in a federal awarding agency monitoring report, but no corrective action plans are documented. |
| [ ]  High (3) | Concerns were documented in a federal awarding agency monitoring report and corrective action plan was developed. |

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| **Reporting Timeliness and Funding Utilization (HCA will consider delays due to HCA internal processes)**  | **Score** |
| [ ]  Low (1) | Spending reports are submitted timely and accurately or with minimal delays; spending pattern is appropriate for the program or includes over/underspend with prior HCA notification or review. |  |
| [ ]  Medium (2) | Spending reported timely but with multiple iterations required or spending pattern includes under or overspending with justification but without prior HCA notification or review. |
| [ ]  High (3) | Subrecipient has no historical spend reported to HCA or Spending was not reported timely and accurately and spending pattern is underspent or overspent without justification or plan for adequate service provision. |

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| **Risk assessment results** | **Score** |
| **Subrecipient’s Prior Experience with the Same or Similar Subawards** |  |
| **Results of previous Single Audits** |  |
| **Subrecipient administrative systems** |  |
| **Results from a Federal Awarding Agency** |  |
| **Funding Utilization** |  |
| **Total:** |  |

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| **Total Risk Score – Overall Risk Assessment** |
| [ ]  Low  | 5-8 points |
| [ ]  Medium | 9-12 points |
| [ ]  High | 13-15 points |

**Monitoring Plan**

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| **Review Financial and Performance Reports**  |
| [ ]  Low | * Review invoices and performance programmatic reports, reconcile annually to ensure payments are in compliance with all regulations, laws, and provisions of the award. Do not withhold payments.
 |
| [ ]  Medium | * Review invoices and performance programmatic reports quarterly to ensure payments are in compliance with all regulations, laws, and provisions of the award, reconcile quarterly. Do not withhold payments.
 |
| [ ]  High | * Review invoices and performance programmatic reports and ensure they align with invoices for payment. Withhold payment if necessary, until the programmatic reports align with invoices.
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| **Federal Award Monitoring Report Deficiencies – Same level as Results from a Federal Awarding Agency** |
| [ ]  Low | No action needed on deficiencies or no deficiencies.  |
| [ ]  Medium | Request information on monitoring deficiencies. Document when deficiencies are resolved.  |
| [ ]  High | Monitor compliance with deficiencies and develop a corrective action plan activity. |

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| **Audit Findings Management Decision – Same level as Results of previous Single Audits** |
| [ ]  Low | No action needed due to no SAR findings.  |
| [ ]  Medium | Request information on audit findings. Document when findings are resolved. |
| [ ]  High | Issuing a management decision for applicable audit findings pertaining only to the federal award provided to the Indian Nation or UIO from HCA as required by § 200.521. |

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| **Training and Technical Assistance** |
| [ ]  Low | No training or technical assistance needed unless requested. Check in as needed. |
| [ ]  Medium | Offer general or one-time training and technical assistance on issues related to the INA or UIO contract. Meet quarterly. |
| [ ]  High | Host multiple training and technical assistance events. Meet monthly or weekly. |

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| **Desk Reviews**  |
| [ ]  Low | No desk review is needed on a regular basis. |
| [ ]  Medium | Conduct programmatic desk reviews every two years. Conduct fiscal audit review when there are complaints, or a risk of fraud exists.  |
| [ ]  High | Conduct bi-annual desk review including fiscal audit sample (1 quarter) review. |

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| **Develop agreed upon procedures**  |
| [ ]  Low | No additional procedures are needed.  |
| [ ]  Medium | Add additional minor procedures. Examples include, create a performance improvement plan, meet regularly at longer frequencies.  |
| [ ]  High | Add significant additional procedures: Examples include, request and follow a corrective action plan, establish frequent meetings to discuss agreements/contract deliverables, communicate with Tribal elected leadership and executive level staff within the Tribe, establish formal communications via DTLL for compliance concerns.  |

**Background and References**

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| CFR Reference | CFR Content |
| 2 CFR 200.332(b) – Subrecipient Risk Assessment | (b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in [paragraphs (d)](https://www.ecfr.gov/current/title-2/section-200.332#p-200.332(d)) and [(e)](https://www.ecfr.gov/current/title-2/section-200.332#p-200.332(e)) of this section, which may include consideration of such factors as: 1. The subrecipient's prior experience with the same or similar subawards;
2. The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with [Subpart F of this part](https://www.ecfr.gov/current/title-2/part-200/subpart-F), and the extent to which the same or similar subaward has been audited as a major program;
3. Whether the subrecipient has new personnel or new or substantially changed systems; and
4. The extent and results of Federal awarding agency monitoring (*e.g.,* if the subrecipient also receives Federal awards directly from a Federal awarding agency).
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| 2 CFR 200.332(d) and (e) - Monitoring | d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include: 1. Reviewing financial and performance reports required by the pass-through entity.
2. Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and written confirmation from the subrecipient, highlighting the status of actions planned or taken to address Single Audit findings related to the particular subaward.
3. Issuing a management decision for applicable audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by § 200.521.
4. The pass-through entity is responsible for resolving audit findings specifically related to the subaward and not responsible for resolving crosscutting findings. If a subrecipient has a current Single Audit report posted in the Federal Audit Clearinghouse and has not otherwise been excluded from receipt of Federal funding (e.g., has been debarred or suspended), the pass-through entity may rely on the subrecipient's cognizant audit agency or cognizant oversight agency to perform audit follow-up and make management decisions related to cross-cutting findings in accordance with section § 200.513(a)(3)(vii). Such reliance does not eliminate the responsibility of the pass-through entity to issue subawards that conform to agency and award-specific requirements, to manage risk through ongoing subaward monitoring, and to monitor the status of the findings that are specifically related to the subaward.

(e) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals: 1. Providing subrecipients with training and technical assistance on program-related matters; and
2. Performing on-site reviews of the subrecipient's program operations.
3. Arranging for agreed-upon-procedures engagements as described in § 200.425.
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