



Risk Analysis Worksheet

Purpose

Completing this worksheet will provide an assessment of the risk a Grantee may pose to the Community Development Block Grant (CDBG) program. Risk is assessed to determine which Grantees pose the highest risk to the Department, which Grantees will be selected for annual monitoring, and to determine the most effective means to increase Grantee compliance.

Instructions

Complete the first table at the top of Page 1. Then the Evaluator will assess the Grantee against several Standard Factors, including **Financial Risk, CDBG Grant Amount, Draws, Program Management/Capacity, Compliance, Program Income, Environmental Mitigation, and Accountable Property**. The Evaluator will choose the appropriate point amount for each Standard Factor based on the Criteria provided and enter the point total into the Evaluator Rating cell next to the Criteria. The Evaluator will then clearly describe the reasons the point amount was chosen in the Evaluator Comment cell. Once each Standard Factor has been evaluated, the Evaluator will total the points in the Overall Risk Assessment table.

Risk Assessment

Grantee:		Fiscal Years Reviewed:	
Evaluator:		Date:	

Financial Risk		
Risk is based on the current financial staff capacity of the grantee regarding its ability to ensure financial management practices that are compliant with CDBG regulations and applicable 2 CFR 200.		
<u>Criteria</u>	<u>Evaluator Rating</u>	<u>Evaluator Comments</u>
0 points - During the last 3 program years, financial management staff has been able to demonstrate sufficient knowledge or skill sets regarding the		



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CDBG program. AND has had no violations or deficiencies in the aforementioned areas.		
5 points - During the last 3 program years, financial management staff has demonstrated a lack of knowledge or skill sets needed to administer the financial management responsibilities for the CDBG program AND has not had any violations or deficiencies of the applicable regulations or 2 CFR 200.		
10 points - During the last 3 program years, as evidenced though information available (e.g., single audits, previous HCD monitoring, grantee correspondence with HCD), financial management staff has demonstrated a lack of knowledge or skill sets needed to administer the financial management responsibilities of the CDBG program AND has had one or more violations or deficiencies of the applicable regulations or 2 CFR 200.		
CDBG Grant Amount		
Risk is based on the absolute amount of the grantee's CDBG grant for the past 3 program years.		
<u>Criteria</u>	<u>Evaluator Rating</u>	<u>Evaluator Comments</u>
0 points - Less than \$1.5 million.		
5 points - At least \$1.5 million but less than \$3 million.		
10 points - \$3 million or greater		



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Draws		
<u>Criteria</u>	<u>Evaluator Rating</u>	<u>Evaluator Comments</u>
0 points - Submitted draws every 3 months without prompting.		
5 points - Submitted draws every 3 months after prompting from program representative.		
10 points - Delinquent in submitting draws every 3 months even after a prompting from program representative.		
Program Management/Capacity		
<u>Criteria</u>	<u>Evaluator Rating</u>	<u>Evaluator Comments</u>
0 points - Grantee has designed a program that appears to suit the level of staff capacity and has an application intake system that is manageable.		
5 points - Grantee has designed a program that implements three or fewer types of activities AND requires a highly complex application intake system that may strain resources.		
10 points - During the last three program years, the grantee has experienced turnover in at least one key position within its program administration AND the program the grantee.		
Compliance		
<u>Criteria</u>	<u>Evaluator Rating</u>	<u>Evaluator Comments</u>
0 points - No issues on compliance		



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5 points - Small compliance mistakes that are easily correctable.		
10 points - Major issues with compliance that requires intervention.		
Program Income		
<u>Criteria</u>	<u>Evaluator Rating</u>	<u>Evaluator Comments</u>
0 points – Grantee is not generating Program Income		
5 points – Grantee is generating Program Income from past or current activities and have encumbered		
10 points – Grantee is generating Program Income from past or current activities and have not encumbered		
Environmental Mitigation		
<u>Criteria</u>	<u>Evaluator Rating</u>	<u>Evaluator Comments</u>
0 points – No activities have required Environmental Mitigation		
5 points – One activity has required Environmental Mitigation		
10 points – Two or more activities have required Environmental Mitigation		
Accountable Property		
<u>Criteria</u>	<u>Evaluator Rating</u>	<u>Evaluator Comments</u>
0 points – Grantee has not acquired accountable property		



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5 points – Grantee has acquired 1-2 accountable property items		
10 points – Grantee has acquired 3 or more accountable property items		

Overall Risk Assessment		
<u>Standard Factor</u>	<u>Maximum Score</u>	<u>Points Assigned</u>
1. Financial Risk	10	
2. CDBG Grant Amount	10	
3. Draws	10	
4. Program management/Capacity	10	
5. Compliance	10	
6. Program Income	10	
7. Environmental Mitigation	10	
8. Accountable Property	10	
Standard Factor Total	80	



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- 0-30 points (Low Risk)- Monitor as required by Policies and Procedures
- 31-55 points (Medium Risk) – Monitor within 12 months of conducting this Risk Assessment
- 56-80 points (High Risk) Monitor within 6 months of Conducting this Risk Assessment, or prior to approval of next claim. Project Manager puts contract “On-Hold” until on-site monitoring is completed.

Evaluator

Date

CDBG Program Manager

Date