



# North Carolina Community College System

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## **Title II Risk Assessment** Adult Education and Family Literacy Act (AEFLA)

August 7, 2018 10a – 12p

August 8, 2018 2p – 4p

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# Presentation Overview

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1. Risk Assessment Definitions and Concepts
2. Purpose of the Risk Assessment
3. Goals of Uniform Guidance (2 Code of Federal Regulations (CFR) part 200)
4. Risk-Based Monitoring



## What is a risk assessment?

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- Risk assessments must be completed for each provider that has been awarded a Title II Federal grant
- The Uniform Guidance requires all agencies to conduct a risk assessment on Federal grant sub-recipients
- Per the Uniform Guidance, as the pass-through entity, the North Carolina Community College System office, must assess risk to inform both monitoring and technical assistance priorities annually

CFR 200.331



## Purpose of the risk assessment

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- The purpose of this assessment is to furnish the NCCCS state staff with information which will help in monitoring potential risk factors associated with grants awarded to providers. These risk factors are based on Federal guidelines.
- The focus of the Risk Assessment is to ensure that providers meet the following requirements:
  1. Adhere to the grantor's guidelines and agreements,
  2. Remain within the budget,
  3. Fulfill the scope of service, and
  4. Ensure that proper internal controls are in place.

CFR 200.331



# Key Changes for Title II and other US Department of Education Federal Award Activities

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- Greater emphasis on internal controls to ensure compliance and fiscal responsibility;
- Enhanced oversight requirements of subrecipients, which includes risk assessment to develop an appropriate monitoring plan and tools;
- Enhanced oversight of contracts; and
- Greater focus on performance expectations and results.



## US Department of Education Expectations of Title II Pass-through Entities

- Per the 2 CFR 200.331, pass-through entities, which in this case would be the North Carolina Community College System, are required to:
- Provide subaward information to their subrecipients, including the indirect cost rate for the Federal award;
- Perform a risk assessment for the purpose of subrecipient monitoring;
- Verify that every subrecipient is audited (as required by the Single Audit Act).

CFR 200.331



# US Department of Education Expectations (cont.)

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- Pass through entities have increased responsibilities, as it relates to monitoring programs for compliance.
- 2 CFR 200.331 As the pass-through entity, the North Carolina Community College System (NCCCS) office must assess the risk of a subgrantee not complying with Federal statues, regulations and the terms and conditions of subawards for the purpose of determining the appropriate monitoring actions.
- Risk Assessments do not have to be completed before subawards are made, but recipients can decide to make assessments before making the subawards.
- Under 2 CFR 200.331 (d) the North Carolina Community College System office monitoring must include:
  - Review of financial and performance reports;
  - Issuance of management decisions for audit findings on subrecipients; and
  - Follow-up activities ensuring subrecipients take timely, appropriate actions to cure deficiencies.

CFR 200.331



## US Department of Education Expectations (cont.)

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Pass through entities have various considerations when evaluating a subrecipient's risk. As stated per the NCCCS Risk Assessment document, risk factors will include, but will not be limited to:

- Audit and Monitoring Findings
- History of audits
- New Personnel or new systems
- Performance
- Number of years the program has been in existence
- Late Reporting
- Allocation Amount
- Relevant Federal monitoring
- Prior experience with the same or similar awards





## US Department of Education Expectations (cont.)

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- Per the Uniform Guidance, 2 CFR 200.331 (e) the North Carolina Community College System office, must assess risk to determine the monitoring approach.
- Monitoring and follow up may include:
  - Providing training and technical assistance,
  - Performing an on-site review of the provider's program operations, and
  - Arranging for agreed-upon-procedures for audit services.

CFR 200.331



## Determination of Risk Levels

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- Upon completion of the risk assessment, all Providers will be classified as **high**, **moderate** or **low risk**. Each level of risk will have various levels of programmatic and fiscal monitoring that will be implemented during the program year.
- The purpose of the monitoring reviews will be to confirm that programs are expending and obligating the funds as stated in the initial approved grant application.
- The different types of programmatic and fiscal monitoring may include:
  - On-Site Monitoring
  - Desktop Monitoring
  - Submission of Additional Documentation
  - Required Attendance at Trainings/Technical Assistance

CFR 200.330



# Submission Schedule of Documents

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- **High Risk**

- A score of 65 or higher
- Submit documents via the Moodle portal **monthly**

- **Medium Risk**

- A score of 36-64
- Submit documents via the Moodle portal **quarterly**

- **Low Risk**

- A score of 35 or lower
- Submit documents via the Moodle portal **bi-annually**
  
- Documentation will include the following items:
  - Time and Effort
  - XDBRs or Chart of Accounts
  - Real-time Performance Data



## Questions

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Still more questions, email us.

Please the information for your representative below.

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