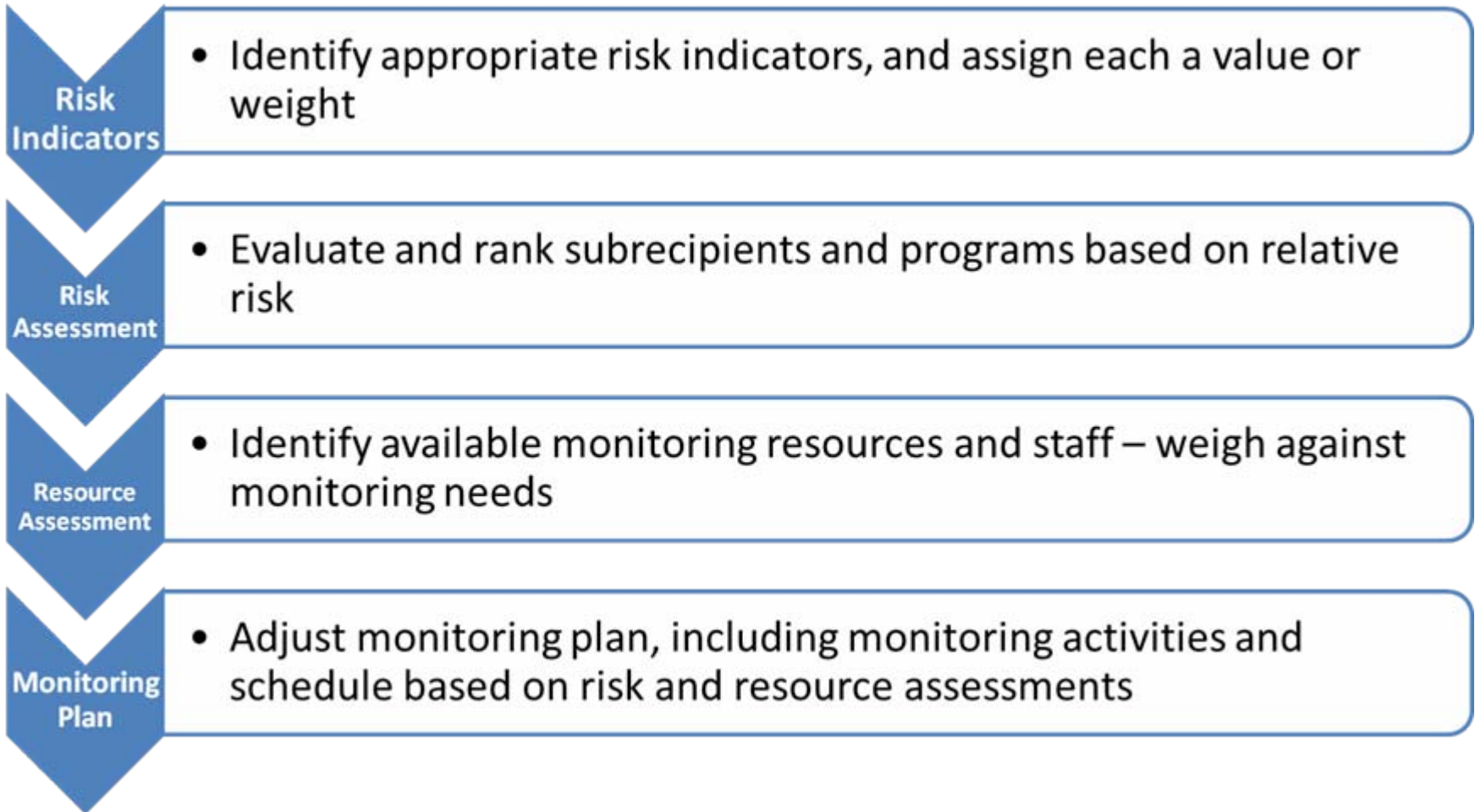




Using a Risk-Based Monitoring Approach

Prepared by the Risk Management Service

Risk Analysis



A-133 Compliance Supplement, Section M



Risk Indicators

- **Program Risk**
 - Program complexity
 - Percentage of program awards passed through to the subrecipient
 - Award amount

A-133 Compliance Supplement, Section M



Risk Indicators

- **Subrecipient Risk**
 - Award Amount
 - New recipients
 - History of non-compliance
 - New personnel
 - New or substantially changed systems

Examples from the Field



Risk Indicators

- Size of subrecipient's Federal award portfolio
- Prior findings: A-133 audits, federal program monitoring, grantee monitoring
- Program performance
- Academic performance and student subgroup performance
- Change in Program scope or activities
- Financial stability
- New management system
- Stakeholder complaints
- Percentage of Highly Qualified Teachers in district
- Type of entity
- Number of schools under improvement
- Distance from grantee

Using a Risk-Based Monitoring Approach



Risk Assessment

- Evaluate subrecipients and programs against risk indicators
- Rank subrecipients and programs by risk
- Use data analysis and automation to make process more efficient
- Perform analysis regularly to account for changes in risk

Using a Risk-Based Monitoring Approach



Resource Assessment

- Determine the amount and types of resources needed to monitor subrecipients and programs
- Identify available resources
- Address resource limitations

Adjusting the Monitoring Plan



Monitoring Plan

- Reconcile difference between need and availability of resources
- Adjust monitoring schedule based on identified risks and available resources
- Schedule technical assistance based on identified risks