



Georgia Department of Human Services
Aging Services | Child Support Services | Family & Children Services

Pre-Award Risk Assessment Instructions

Overview

This template is intended to provide the practical application of the Pre-Award Risk Assessment (PARA) and as documentation of compliance with the Office of Management and Budget (OMB), 2CFR200 Uniform Guidance. The PARA will be used by the Department for all contracts, especially contracts that are funded by federal funds.

The Pre-Award Risk assessment is now mandatory for **all** contracts, especially any federally funded contracts and must be completed prior to the issuance of any funds. It is the responsibility of the division/program to include any backup documentation to support the determination of the risk assessment.

Please remember, the following **must** be completed prior to submitting the Pre-Award Risk Assessment:

- Form must be completed in its entirety.
- Scores that are moderate and/or high **must** include:
 - Justification for using applicable contractor.
 - Justification statement signed (unless an email) by Division Director and/or Program Manager acknowledging the use of a moderate/high risk contractor.

Definitions

Accounting system: The system that the company (i.e. contractor) uses to store and process their financial information.

CFDA: Catalog of Federal Domestic Assistance

Entity: The company (i.e. contractor) that has received the grant funds.

Risk: The process of identifying potential hazards an organization may face and analyzing methods of response if risk(s) should occur.



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Form Instructions

Top of Form: Contractor/Grantee Name, CFDA/Contract/Grant Award Number, Program(s) Name, Risk Assessment Completed By, Risk Assessment Completed Date, Contract/Grant Period and Contract/Grant Amount(s).

Line 1: Amount: Use the drop down box to select the amount of the contract/grant (Small-<\$25,000; Medium-\$25,000-\$250,000; Large->\$250,000).

Line 2: Accounting System: The system the contractor uses to maintain and track their accounting records. **Automated:** when information is input into the computer, and the system produces reports. **Manual:** Information and reports are completed manually; **Combination:** a combination of manual and automated input is used to produce applicable information.

Line 3: Program Complexity: Determine the complexity of the program, based on applicable contract/grant requirements: **Slightly Complex:** Has at least one contract/grant requirement; **Moderately Complex:** Has at least two grant requirements; **Highly Complex:** has more than two grant requirements.

Line 4: Entity Risk: Answer all applicable questions with **Yes** or **No** from the drop down based on division/program knowledge of the contractor. Questions should be answered according to how the contractor has met the contract/grant requirements of the program. For example, questions could potentially be answered based on the documentation the contractor was required to submit (i.e. monthly reports) to the division/program, monitoring visits that were performed by division/program staff, and/or previous audit findings from federal or state auditors, just to name a few.

For question "o", please review the section "**Other Issues**". There are approximately seven issues listed. For each issue(s) the contractor had and/or is currently encountering during the fiscal year under review, apply five (5) points. For example, the contractor has encountered the following issues: **1. New computer system**, **3. Environmental changes** and **5. New to services**; this would be equal to 15 points. Briefly explain which numbers were chosen and why.

Line 5: Reporting and Budget: Answer questions **a** through **e** with Yes, No or N/A from the drop down based on division/program knowledge of the contractor and how the contractor met the requirements of the contract/grant. For example, these questions could be answered based on any performance documentation the contractor has been required to submit, were performance measures met, did the contractor stay within budget, etc.

Signature: Please have the appropriate individual(s) sign and date the form. If score is **moderate** or **high**, a justification statement signed by the division director and/or program manager **must** be included either documented within the form or by an email that will be submitted with the form. Submit the form, all applicable backup documentation, and the contract to OPC according to contract submittal instructions.



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What are the risk factors?

After answering all the questions related to the entity's prior year of grant award, a score will be tabulated to determine if the contractor presents a **low**, **moderate**, or **high risk**. The following are some, but not limited to attributes associated with low and high risk contractors. These risk attributes are also located at the end of the risk assessment. A combination of low and high risk could potentially generate contractors that may be considered a moderate risk.

Low Risk:

1. Entity has complied with the terms and conditions of prior grant awards.
2. No known financial management problems or financial instability.
3. High quality programmatic performance.
4. No, or very insignificant, audit or other monitoring findings.
5. Timely and accurate financial and performance reports.
6. Program likely does not have complex compliance requirements.
7. Entity has received some form of monitoring (e.g. single audit, on-site review, etc.).

High Risk:

1. History of unsatisfactory performance or failure to adhere to prior grant terms and conditions.
2. Financial management problems and/or instability; inadequate financial management system.
3. Program highly complex compliance requirements.
4. Significant findings or questioned costs from prior audit.
5. Untimely, inadequate, inaccurate reports.
6. Recurring/unresolved issues.
7. Lack of contact with entity or any prior monitoring.
8. Large award amount.

Additional Assistance

After reviewing the instructions in conjunction with the Pre-Award Risk Assessment Form, and you still have questions or need clarification, please contact the Compliance Unit at dhs.compliance@dhs.ga.gov or Wanda Houston at wanda.houston@dhs.ga.gov.