U.S. Subrecipient Monitoring: Conducting Risk Assessments for International Collaborations
U.S. SUBRECIPIENT MONITORING: CONDUCTING RISK ASSESSMENTS FOR INTERNATIONAL COLLABORATIONS
2CFR 200.331 (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...

2CFR 200.331 (b): Evaluate each subrecipient’s risk of noncompliance with Federal statutes, regulations,...for purposes of determining the appropriate subrecipient monitoring.
2CFR 200.331.(d): Monitor the activities of the subrecipients as necessary to ensure that the subawards are used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions...
This language isn't new. It was included in OMB Circular A-133 section D.400(d)(3) revised in June 2003!
2CFR 200.331 (b): Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations,...for purposes of determining the appropriate subrecipient monitoring.
2CFR 200.331.(e): Depending on the pass through entity's assessment of risk posed by the subrecipient ..., the following monitoring tools may be useful...

(1) Providing subrecipients with training and technical assistance...
(2) Performing on-site reviews of the subrecipient's program operations.
(3) Arranging for agreed-upon procedures engagements...
Factors to Consider

- Prior Experience with Subrecipient
- Results of Previous Audits
  - Previous A-133 Audits
  - Previous Audits of Same or Similar Award(s)
Factors to Consider

- Extent and Results of Federal award agency monitoring
- Other Published Audit or Investigation Reports
- Suspension or Debarment
Risk Assessment Questionnaire

Subrecipient Institution
Subject to Single Audit? Yes No
Relevant Findings?

Prime Sponsor
DUNS FACE/EIN

See other subfor guidance and frequently asked questions

Threshold Questions (Not Scored)

1. If yes to 1, 2, or 3, consider alternatives to initiating agreement:
   - Is the Subrecipient Institution presently debarred or suspended?
   - Is the Subrecipient Institution’s PI presently debarred or suspended?
   - Does the Subrecipient show “delinquent federal debt” in SAM?

2. If no to 4, 5, 6, or 7, consider alternatives to initiating agreement:
   - If required by the sponsor, does the Subrecipient have a compliant conflict of interest policy?
   - Does the Subrecipient have an acceptable accounting system?
   - Does the Subrecipient have an acceptable procurement system?
   - If required, has the Subrecipient completed audit under A-133 or Uniform Guidance for the most recent fiscal year?

Other Considerations (Not Scored)

8. Has there been a PTE issued management decision on audit findings that may affect this award?
9. Does the Subrecipient have a negotiated indirect cost rate (or experience setting up such a rate)?
10. Does the project include work covered by TAR or EAR (at Subrecipient, or Subrecipient accessing at PTE)?
11. Is there a potential or identified conflict of interest?
12. Is cost-share required or included?
13. Is participant support included in the Subrecipient’s budget?
14. Does the Subrecipient have adequate experience receiving same or similar federal awards?
15. Have other risks been identified? Yes, explain in Notes below.

Notes:

Assessment Performed: Initials Date

Assessment Incomplete

Institution Questions (Scored)

16. Is the Subrecipient institution foreign or domestic?
17. What is the Subrecipient Organization type?
18. Does the Subrecipient have a Negotiated IDC Rate Agreement?
19. Were the results of the most recent Single audit (or similar) satisfactory?
20. Is the Subrecipient Institution mature?
21. Does the Subrecipient Institution have experience with determining conflicts of interest (evidence of an acceptable COI Policy)?

Project Questions (Scored)

22. What is the Prime Sponsor type?
23. What is the Prime Award type?
24. Amount of Outgoing Funds?
25. What is the percentage of the Prime Award being subcontracted (specific to this Subrecipient - not total)?
26. Does the work include Human Subjects, Animal Subjects, or Embryonic stem cells?
27. What are the Subrecipient’s Scope of Work/Deliverables?
28. Where is the Place of Performance?

Assessed Risk Score

Institution 0
Project 0
Total 0
Capacity Review and Risk Assessment

Summary

- UNinsulted costs, RME Stang
- Risk Allocation: Starting from Risk Allocation Matrix
- Expect Multiple Requests for Diluents
- Expect Different Determinations
- Engage with Callagene Risk Filtering
  RNsilico Monitoring Program
### Capacity Review and Risk Assessment Tool for Foreign Sub-Recipients

<table>
<thead>
<tr>
<th>Sub-recipient's Name</th>
<th>Amount of Award</th>
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</thead>
<tbody>
<tr>
<td>Sponsor</td>
<td>Date Completed</td>
</tr>
<tr>
<td>Award No.</td>
<td>Reviewed By</td>
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</tbody>
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#### Risk Assessment Values

<table>
<thead>
<tr>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
<th>61-100</th>
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#### Evaluation Criteria

<table>
<thead>
<tr>
<th>Criteria</th>
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<tbody>
<tr>
<td>Award amount: Amount of award as % of Sub-recipient's total annual budget</td>
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<tr>
<td>Past performance: Number of prior grants/awards completed with satisfaction</td>
</tr>
<tr>
<td>Annual audited financial statements: available - unqualified opinions</td>
</tr>
<tr>
<td>A-133 Audit</td>
</tr>
<tr>
<td>Sub-recipient's Financial Health Assessment</td>
</tr>
<tr>
<td>Sub-recipient's location - Country</td>
</tr>
<tr>
<td>Prior knowledge of USAID/donor rules and regulations</td>
</tr>
<tr>
<td>Prior US government funding</td>
</tr>
<tr>
<td>Financial systems in place (pre-award assessment)</td>
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#### Scoring System

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<th>Points</th>
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#### Source

Source: NACUBO (National Association of College and University Business Officers)
Monitoring Procedures for Foreign Sub-recipients

The university’s monitoring procedures for foreign sub-recipients involve a 3 step process: risk-rating each foreign sub-recipient at the inception of the relationship by requesting pertinent information regarding financial, internal control and prior experience with U.S. government donors or private foundations; documenting proof of performance during the relationship at regular intervals or more often as needed; and ongoing monitoring activities as needed, including requesting for copies of annual A-133 audits or conducting A-133 equivalent program specific audits, internal control reviews through agreed upon procedures, or site visits to the sub-recipients’ offices or service delivery sites.

Once the risk rating for a foreign sub-recipient has been completed and a particular risk category has been assigned, a monitoring plan for the sub-recipient should be developed and reviewed by the Risk Management Officer. The monitoring plan should consider both the sub-recipient’s risk category and the amount of the sub-grant.

Certain donors (US government) require additional monitoring and/or reporting of foreign sub-recipients. These donors may also require the implementation of special conditions to comply with the terms of their awards. In these cases, the monitoring plan must be adjusted to meet the compliance requirements of donors. In addition, for some sub-recipients, special conditions may be imposed.

<table>
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<th>Minimum Recommended Monitoring Procedures</th>
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<tbody>
<tr>
<td><strong>Low Risk</strong></td>
</tr>
<tr>
<td>Minimum Recommended Monitoring Procedures</td>
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Source: NACUBO (National Association of College and University Business Officers)
Common Risk Mitigation Solutions

• On-going Review of Audits and Financial Statements
• Invoice Review and Approval
  • Additional Documentation
• Conducting Site Visits
• Providing Training and Technical Assistance
Summary

• USInstitutions are Still Learning.
• USInstitutions are Starting from a Risk-Averse Mindset.
• Expect Multiple Requests for Data
• Expect Different Determinations
• Engage with Colleagues in Setting Realistic Monitoring Processes.
Questions?

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