

## Risk Management

**PURPOSE:** Risk Management is an audit requirement for all agencies receiving federal funds (2 CFR 200.331). The purposes are: (1) Pre-Award - to determine whether an organization is managerially and financially responsible and capable to carry out the Aspire grant award, and (2) Post-Award – to determine the appropriate monitoring of the Aspire grantee.

**PROCEDURE:** Risk will be assessed on an annual basis. The Ohio Department of Higher Education (ODHE) Aspire staff will use the Risk Assessment tool to evaluate the local program’s level of risk for managing the Aspire grant. The risk score - high, medium, or low – will be a determining factor in awarding grants and the amount of intervention needed post award.

A higher score indicates a greater level of risk. However, **a high risk assessment score should never be interpreted as a negative reflection on the program.** ODHE will review risk factors and the criteria scale annually and make appropriate changes as needed.

**MONITORING:** The Risk Assessment process is used by ODHE Aspire staff to determine the monitoring strategy appropriate for each program. The review of the Risk Assessment process will be ongoing. Use of the Risk Assessment process does not limit ODHE to monitor any program at any time. There may be circumstances that may warrant onsite monitoring, targeted technical assistance, desk monitoring or other strategies regardless of a program’s risk score. Although the Risk Assessment tool is the primary means by which monitoring strategies are determined, it is not the only method that may be used.

Programs identified as High-Risk may have special conditions imposed to mitigate specific factors that resulted in the High-Risk designation and may include one or more of the following (2CFR 200.207):

- Payment on a reimbursement basis
- Withholding authority to proceed until acceptable performance
- Requiring more detailed financial reports
- Requiring additional technical or managerial assistance
- Establishing additional prior approvals