

**Office of Inspector General
American Recovery and Reinvestment Act of 2009
General Risk Readiness Review**

Review Performed By:

Date(s) of Review:

Agency:

Areas Reviewed: Procurement/Acquisition, Budget, Legal, and Finance & Accounting

Subject: Risk Readiness Review

Objective: The objective of this review is to assess the status of the implementation of internal controls, which should help mitigate the risk of fraud, waste, or abuse, in programs receiving funds under the American Recovery and Reinvestment Act of 2009. This “General” review focuses on the internal controls of the agency’s Procurement/Acquisition, Budget, Legal, and Finance & Accounting functions. An agency would typically perform this review once and perform the “Program Risk Readiness Review” for each program identified as requiring additional oversight activities. This review should provide important feedback to operating/program managers; however, operating/program managers are ultimately responsible for ensuring that adequate internal controls are in place to deter fraud, waste, or abuse.

Instructions: The auditor should indicate the completion of each step of the review by entering “Yes,” “No,” or “N/A” and inputting their initials and the date where indicated. Comments and recommendations should be completed if the auditor feels this is needed to provide an explanation to a question or it is relevant to the review. As this is a limited review, a “Yes” only indicates that the auditor has examined some evidence of controls that should help mitigate risk. If the auditor determines that the risk related to a review step has not been appropriately mitigated or that no evidence of the internal control is available (because the program is in an early implementation stage or for any other reason), he or she should check the box for that step in the column “Follow-up Required” to indicate that follow-up is needed and should indicate a target date to perform the follow-up. The auditor completing this review should use their judgment to determine whether more detailed review of an area is necessary.

	Yes, No, N/A	Auditor Initials/Date	Comments/Recommendations	Follow- up Required	Follow-up Date
A. Procurement/Acquisition Contact Person:					
1) Is the procurement/acquisition area using existing procedures for funds received under the Recovery Act?					
a. If existing procedures, were they updated to					

	Yes, No, N/A	Auditor Initials/Date	Comments/Recommendations	Follow- up Required	Follow-up Date
include all requirements of the Recovery Act?					
2) Is the procurement/acquisition area using new procedures for funds received under the Recovery Act?					
a. If new procedures, do they adequately address all requirements of the Recovery Act?					
3) Are existing internal controls sufficient to mitigate the risks of fraud, waste, and abuse associated with the Recovery Act funds?					
4) Have qualified personnel been assigned to oversee the area of procurement/acquisition involving Recovery Act funds?					
5) Are there sufficient levels of qualified personnel in the procurement/acquisition area to manage the Recovery Act programs (for instance, Grants, Contracting, etc.)?					
6) Are staff adequately trained to effectively implement Recovery Act requirements?					
7) Are new Requests for Proposal issued under Recovery Act initiatives created with the necessary language to satisfy the requirements of the Recovery Act?					
8) Are Recovery Act contracts awarded in a prompt, fair, and reasonable manner?					
9) Do new contracts awarded using Recovery Act funds have the specific terms and clauses required?					
10) Are contracts awarded using Recovery Act funds transparent to the public?					
11) Are the public benefits of the funds used under these contracts reported clearly, accurately and in a timely manner?					

	Yes, No, N/A	Auditor Initials/Date	Comments/Recommendations	Follow- up Required	Follow-up Date
12) Are Recovery Act funds used for authorized purposes and the potential for fraud, waste, error, and abuse mitigated?					
13) Are there any performance issues identified with regards to a (potential) contractor? a. If yes, are there follow-up actions required to address the insufficient performance?					
14) Are procurement/acquisition staff assigned to oversee Recovery Act funds trained in the performance management requirements?					
15) Are procurement/acquisition operational systems configured to manage and control Recovery Act funds?					
16) Can the operational systems support any increases in volume of Recovery Act contracts, grants, etc.?					
17) Is the reporting required by the Recovery Act in place?					
18) Are the appropriate data elements identified that must be captured, classified and aggregated for analysis and reporting to meet Recovery Act requirements?					
19) Has the agency implemented communication vehicles to ensure Recovery Act data is promptly reported?					
20) Are reports issued accurate and have the data elements required under Recovery Act?					
B. Budget Contact Person:					

	Yes, No, N/A	Auditor Initials/Date	Comments/Recommendations	Follow- up Required	Follow-up Date
1) Is the budget area using existing procedures for funds received under the Recovery Act?					
a. If existing procedures, were they updated to include all requirements of the Recovery Act?					
2) Is the budget area using new procedures for funds received under the Recovery Act?					
a. If new procedures, do they adequately address all requirements of the Recovery Act?					
3) Are existing internal controls sufficient to mitigate the risks of fraud, waste, and abuse associated with the Recovery Act funds?					
4) Have qualified personnel been assigned to oversee the area of budget involving Recovery Act funds?					
5) Are there sufficient levels of qualified personnel in the Budget area to manage the Recovery Act programs?					
6) Are staff adequately trained to effectively implement Recovery Act requirements?					
7) Are Recovery Act funds used for authorized purposes and the potential for fraud, waste, error, and abuse mitigated?					
8) Do projects funded under Recovery Act avoid unnecessary delays and cost overruns?					
9) Are financial and operational systems used by Budget configured to manage and control Recovery Act funds?					
10) Can financial and operational systems support any increase in volume of Recovery Act contracts, grants and loans etc.?					
11) Has the agency established separate code(s) within FLAIR to ensure Recovery Act funds					

	Yes, No, N/A	Auditor Initials/Date	Comments/Recommendations	Follow- up Required	Follow-up Date
are clearly distinguishable?					
12) Are there controls in place to ensure that Recovery Act funds are not commingled with other agency funds?					
13) Is the reporting required by the Recovery Act in place?					
14) Are the appropriate data elements identified that must be captured, classified and aggregated for analysis and reporting to meet Recovery Act requirements?					
15) Has the agency implemented communication vehicles to ensure Recovery Act data is promptly reported?					
16) Are reports issued accurate and have the data elements required under Recovery Act?					
17) Are issues identified through established reports addressed on a timely basis?					
C. Legal Contact Person:					
1) Is legal using existing procedures for reviewing materials regarding funds received under the Recovery Act?					
a. If existing procedures, were they updated to include all requirements of the Recovery Act?					
2) Is legal using new procedures for reviewing materials regarding funds received under the Recovery Act?					
a. If new procedures, do they adequately address all requirements of the Recovery Act?					

	Yes, No, N/A	Auditor Initials/Date	Comments/Recommendations	Follow- up Required	Follow-up Date
3) Have qualified personnel been assigned to review documents involving Recovery Act funds?					
4) Are there sufficient levels of qualified personnel in legal to manage the review of Recovery Act programs?					
5) Are staff adequately trained to effectively implement Recovery Act requirements?					
6) Does legal review new Requests for Proposal issued under the Recovery Act initiatives to ensure that necessary language is contained to satisfy the requirements of the Recovery Act?					
7) Do new contracts awarded using Recovery Act funds have the specific terms and clauses required?					
8) Are contracts awarded using Recovery Act funds transparent to the public?					
9) Are the public benefits of the funds used under these contracts reported clearly, accurately and in a timely manner?					
10) Are Recovery Act funds used for authorized purposes and the potential for fraud, waste, error, and abuse mitigated?					
11) Are there any performance issues identified with regards to a (potential) contractor?					
a. If yes, are there follow-up actions required to address the insufficient performance?					
12) Are legal staff assigned to review Recovery Act documents trained in the performance management requirements?					
13) Is the reporting required by the Recovery Act in place?					

	Yes, No, N/A	Auditor Initials/Date	Comments/Recommendations	Follow- up Required	Follow-up Date
14) Are reports published under the Recovery Act reviewed and approved?					
D. Finance & Accounting Contact Person:					
1) Is the finance & accounting area using existing procedures for funds received under the Recovery Act?					
a. If existing procedures, were they updated to include all requirements of the Recovery Act?					
2) Is the finance & accounting area using new procedures for funds received under the Recovery Act?					
a. If new procedures, do they adequately address all requirements of the Recovery Act?					
3) Are existing internal controls sufficient to mitigate the risks of fraud, waste, and abuse associated with the Recovery Act funds?					
4) Have qualified personnel been assigned to oversee the area of finance & accounting involving Recovery Act funds?					
5) Are there sufficient levels of qualified personnel in the finance & accounting area to manage the Recovery Act programs (for instance, financial management, reimbursement of invoices)?					
6) Are staff adequately trained to effectively implement Recovery Act requirements?					
7) Are Recovery Act funds used for authorized purposes and the potential for fraud, waste,					

	Yes, No, N/A	Auditor Initials/Date	Comments/Recommendations	Follow- up Required	Follow-up Date
error, and abuse mitigated?					
8) Do projects funded under Recovery Act avoid unnecessary delays and cost overruns?					
9) Are there any performance issues identified with regards to a (potential) contractor?					
a. If yes, are there follow-up actions required to address the insufficient performance?					
10) Are finance & accounting staff assigned to oversee Recovery Act funds trained in the performance management requirements?					
11) Are financial and operational systems used by finance & accounting configured to manage and control recovery funds?					
12) Can financial and operational systems support any increase in volume of Recovery Act contracts, grants and loans etc.?					
13) Has the agency established separate code(s) within FLAIR to ensure Recovery Act funds are clearly distinguishable?					
14) Are there controls in place to ensure that Recovery Act funds are not commingled with other agency funds?					
15) Is the reporting required by the Recovery Act in place?					
16) Are the appropriate data elements identified that must be captured, classified and aggregated for analysis and reporting to meet Recovery Act requirements?					
17) Has the agency implemented communication vehicles to ensure Recovery Act data is promptly reported?					
18) Are reports issued accurate and have the data elements required under Recovery Act?					

	Yes, No, N/A	Auditor Initials/Date	Comments/Recommendations	Follow- up Required	Follow-up Date
19) Are issues identified through established reports addressed on a timely basis?					