

Airport Improvement Program (AIP)
Grant Oversight
Risk Model Policy

Office of Airports

Federal Aviation Administration

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Section 1 -Introduction

The Office of Airports (ARP) at Federal Aviation Administration (FAA) is responsible for administering the Airport Improvement Program (AIP). This policy further refines a risk-based approach to grant oversight and associated documentation requirements of the AIP. This approach develops a standard national risk model for grant oversight, including a computer tool for completing the assessment, and using the previously established three-tier risk ranking system (nominal, moderate, elevated). In addition, documentation requirements will be further refined in separate guidance to establish the standard documentation for AIP grant oversight and allow for a more targeted approach to increasing grant oversight, specifically related to sponsor documentation issues.

Section 2 –Background

This policy was issued in response to the Financial Statement audit findings related to FAA’s administration of the AIP Program; specifically in the areas of grant oversight and monitoring of sponsor activities. This is ARP’s response to provide a risk-based approach to minimize the potential for misuse of federal funds.

The Department of Transportation’s Office of the Inspector General (OIG) reviewed the AIP program during a past improper payment audit. One of the recommendations contained in the OIG’s Airport Improvement Program Audit Report on December 1, 2010, recommended that FAA revise its risk management procedures to require the following:

- To review annually the risk-assessments for their grantees and provide written confirmation to the associate administrator that the assessment was done in compliance with the risk-management criteria specified in the risk-management procedures.
- To review and approve payment support documents submitted by moderate-risk grantees within 30 days after request for payment.
- All low-risk grantees requesting payment to prepare and have on file for FAA review, as needed, a summary listing of invoices and other eligible charges for each payment request to include: (1) a brief work summary, (2) vendor names, (3) dates of service, (4) billed amounts, (5) applicable payment dates, and (6) a calculation of the Federal share.
- To review on a periodic basis the invoices or a summary listing of invoices and eligible charges for AIP payments to low-risk grantees.

At the time this recommendation was made, ARP had already initiated a process, which included contract support, to reassess PGL 07-01 and develop a more focused risk profile to strengthen the FAA grants oversight program. The first bullet of the OIG’s recommendation has been addressed within this policy. The remaining three bullets regarding payment oversight are addressed in the Grants Payment Policy which accompanied the implementation of the Department of Transportation (DOT)-wide Delphi eInvoicing System.

Section 3 -Description of the Risk Model

Beginning in September 2010, ARP initiated a process to review and update its risk-based grant management practices. ARP used the services of a national consulting firm with considerable expertise in auditing and financial management oversight to assist in the development of a more robust risk based model for grant oversight. ARP used the experience leveraged during the implementation of the American Recovery and Rehabilitation Act of 2009, as well as a team of Regional managers to act as a Risk Model Steering Committee (RMSC) for the development of the risk model and its’ associated guidance.

Section 3.1 - Risk Model

The overall ARP Risk Model consists of the following elements:

- Risk Factors – 10 factors and associated assessment criteria
- Risk Assessment Tool - computer assessment form and regional dashboard
- Risk Assessment Documentation – Sponsor Certification and Program Manager Review Forms

Section 3.1.1 Risk Factors

After several iterations and vetting through various staff focus groups throughout the ARP field organization, the RMSC identified the following ten Risk Factors, which can be grouped into three specific risk areas. The RMSC assigned percentage weights to the three risk groupings to emphasize those risks that are greater indicators. The model includes risk categories that reflect the sponsor's experience, past ability to provide information and adhere to grant guidelines and the ability to store and secure data. The risk categories, weighting percentages and associated risk factors are as follows:

- Category #1 - Sponsor Policies and Information Technology Structure – 15%
 - Risk Factor #1 - Sponsor does not have documented policies or procedures to enable oversight of procurement processes, grants oversight, disbursement processes, or business continuity.
 - Risk Factor #2 - Sponsor's information technology infrastructure and financial systems are not sufficient to support the ongoing management and reporting needs of the project.
- Category #2 - Sponsor Past Performance – 75%
 - Risk Factor #3 - Sponsor's projects are historically not completed within original schedule.
 - Risk Factor #4 – Sponsor has a history of engaging in improper contracting or procurement practices.
 - Risk Factor #5 – Sponsor has a history of grant payment and processing irregularities, such as improper drawdowns, late payments, large unliquidated outstanding balances and untimely financial project closeouts.
 - Risk Factor #6 – Sponsor has a history of requesting 15% amendments prior to project closeout.
 - Risk Factor #7 – Sponsor inability to maintain documentation in a way that can be retrieved easily.
 - Risk Factor #8 – Sponsor has a history of non-compliance with grant assurances and other federal grant requirements (e.g., Davis-Bacon and Buy America).
 - Risk Factor #9 – Sponsor has a history of previous Single Audit findings, or findings of wrongdoing by oversight bodies (e.g., OIG, GAO), or historic problems with audit findings.
- Category #3 - Sponsor Demographic – 10%
 - Risk Factor #10 - Sponsor expertise is lacking in key grant and project management areas including but not limited to first-time Sponsor, limited staff, high turnover, etc.

After the ten risk factors were finalized, the Committee developed a criteria rating scale for each factor. The goal of the scale was to enable the FAA field personnel to assess the extent to which each risk existed at the sponsor. The full rating scale for all the risk factors listed above is included in Appendix A.

Once sponsors are rated using the rating scales above, a risk rating is generated for each sponsor. The finalized risk ratings can range from 0-100 points. The RMSC defined FAA sponsor ratings as the following: Very Low (0-15), Low (16-30), Moderate (31-70), High (71-85), or Very High (86-100). These ratings will convert to three (3) risk level categories as described in Section 4.1 below.

Section 3.1.2 Risk Assessment Tool

A computerized risk assessment tool has been developed to execute the proposed risk model and standardize the documentation process for sponsors across all nine regions. The risk assessment tool was designed and customized in the Microsoft Excel Platform and will be maintained and executed on each regional shared drive. The intent is to incorporate the computerized tool in a future version of the ARP's System of Airports Reporting (SOAR) and replace the use of the Excel version. The risk assessment tool includes the following two components: the electronic risk assessment form and the electronic regional dashboard.

- The Risk Assessment Form includes a list of questions related to the sponsor's ability to manage grant funding.
- The Regional Dashboard provides a graphical and statistical representation of the risk assessments completed by the region. The dashboard also provides a regional overview of the risk assessment forms that are outstanding.

Section 3.1.2.1 Risk Assessment Form

A risk assessment form that incorporates the ten risk factors and assessment criteria (described in section 3.1.1 above) was created for each FAA grant sponsor. This form enables the execution of the risk model described above. The following benefits are expected from the risk assessment form:

- Promotes a standardized, identical risk assessment process across regions;
- Establishes accountability by requiring FAA field personnel to complete the form;
- Supports accessible data through use of regional shared drives; and
- Supports electronic documentation and retention of risk assessments.

The proposed new process requires Field Office personnel to complete a risk assessment form for each of the sponsors within the region. The form was programmed with the functionality to automatically calculate the values of the risk rating.

Section 3.1.2.2 Regional Dashboard

The regional dashboard provides a graphical and statistical representation of the risk assessments completed by the region, including any outstanding assessments. Information related to completed assessments is automatically consolidated to this dashboard, located on the region's share drive, for use by Field Office/Regional personnel.

Section 3.1.3- Supporting Documentation for Risk Assessment

During the development of the risk model, the RMSC noted that field personnel did not routinely collect some of the key data necessary to assess several of the risk categories. This includes documentation regarding sponsor's policies, procedures, and IT infrastructure. In order to address this gap in

documentation, the RMSC developed a Sponsors Risk Assessment Certification Checklist (see Appendix B).

To properly assess the remaining risk categories not captured in the Sponsors Risk Assessment Certification checklist, the RMSC developed a Project Manager Assessment Checklist (see Appendix C).

Section 3.1.3.1 Sponsors Risk Assessment Certification Document

The purpose of this document is to obtain a certified representation of the policies and processes for procurement, grant oversight, disbursement, business continuity, technology infrastructure, and demographics utilized by the sponsor. Once completed by the sponsor, FAA field personnel can then use the data provided to complete the 'Sponsor Policies and Information Technology Structure' category in the risk assessment tool.

Section 3.1.3.2 Project Manager Assessment Checklist

This document was assembled to enable FAA field personnel to assess sponsors past performance regarding project schedules, procurement practices, payments and processing, grant amendments, documentation, single audits, and improper practices. To complete the checklist, FAA field personnel will utilize the SOAR system to obtain relevant financial historical data. In addition, the FAA Project Managers will leverage personal knowledge, experience, and professional judgment to complete the assessment.

Section 4 - Results of Risk Assessment

The FAA will use the results received from the Risk Assessment Tool as described in section 3.1.2 above to assign one of the three risk levels to an airport sponsor in SOAR. These risk levels will be used to determine what levels of additional oversight a sponsor will receive with respect to their grant management responsibilities.

Section 4.1 Risk Level Definitions

Based on the results of the Risk Assessment Tool completed by ADO or Region, airport sponsors will receive one of three risk rating levels.

Nominal Risk: The Nominal Risk rating is the baseline level for airport sponsors. A sponsor within this classification is assumed to pose a minimal risk for grant management and oversight issues. It is anticipated most airport sponsors will be assigned this risk rating. The Nominal Risk rating will be assigned to all sponsors that receive a Very Low (0-15) or Low (16-30) result from the computerized Risk Assessment Tool.

Moderate Risk: A sponsor within this classification is assumed to pose an increased risk for grant management and oversight issues. The Moderate Risk rating will be assigned to all sponsors that receive a Moderate result (31-70) from the computerized Risk Assessment Tool.

Elevated Risk: A sponsor within this classification is assumed to pose a high risk for grant management and oversight issues. The Elevated Risk rating will be assigned to all sponsors that receive a High (71-85) or Very High (86-100) result from the computerized Risk Assessment Tool.

Section 4.2 Actions necessary for each Risk Level

Nominal Risk: Sponsors with a Nominal Risk rating will receive the basic level of grant oversight and monitoring. No additional documentation or requirements will be placed on the sponsor in

relation to the Risk Model. However, while a sponsor may not trigger a Moderate or Elevated Risk rating within the model, sponsors may receive targeted, increased oversight in a particular area of their grant management activities consistent with FAA guidance and procedures. For example, while a sponsor may be assigned an overall Nominal Risk rating, FAA field personnel may have identified some irregularities in a specific area such as grant payments. ARP's Grant Payment Policy outlines increased oversight and documentation requirements using the same risk level definitions in section 4.1 above.

Moderate Risk: Sponsors with a Moderate risk rating will receive additional targeted grant oversight related to the specific factor(s) that triggered the increase in risk rating. Field personnel will review the risk assessment form, and identify which risk factor(s) or combination of risk factors caused the increase. For example: a Risk Assessment form is completed, which results in a Moderate Risk rating. During review of the Risk Assessment form, field personnel identify the cause of the increase risk rating is the sponsor's history of grant payment and processing irregularities, such as improper drawdowns, late payments, large unliquidated outstanding balances and untimely financial project closeouts. The field personnel would then use the Grant Payment Policy to appropriately target the oversight as defined in the policy.

Elevated Risk: Sponsors assigned an elevated risk require significant attention of ARP staff. Coordination with Regional Management must take place before any sponsor is assigned an elevated risk rating. Those requirements under the moderate level would carry forward. In addition, sponsors would be required to develop a Risk Reduction Plan of Corrective Action. The plan must address the following three elements:

- Program Deficiencies Outlined
- Corrective Actions Planned
- Correction Dates mutually agreed to by FAA and Sponsor

A sponsor's risk rating will only be reassessed once the risk reduction plan has been completed.

Section 5 - Implementation of New Risk Model and Timeline

All sponsors received an initial risk assessment between FY2013 – FY2015. Any first time grant recipient shall receive an assessment before receiving an AIP grant. It is expected that sponsors will be assessed every three years if they are active grant recipients. The assessment due dates are calculated based on the completion of the PM checklist. Once you have completed the checklist, the data should be uploaded into the tool. Once the assessment has been submitted, a date will be generated at the bottom of your form as to when the next assessment is due for that sponsor.

If a sponsor is not an active grant recipient, assessments can be deferred until the year they anticipate accepting an AIP grant.

Interim assessments may be needed as described below:

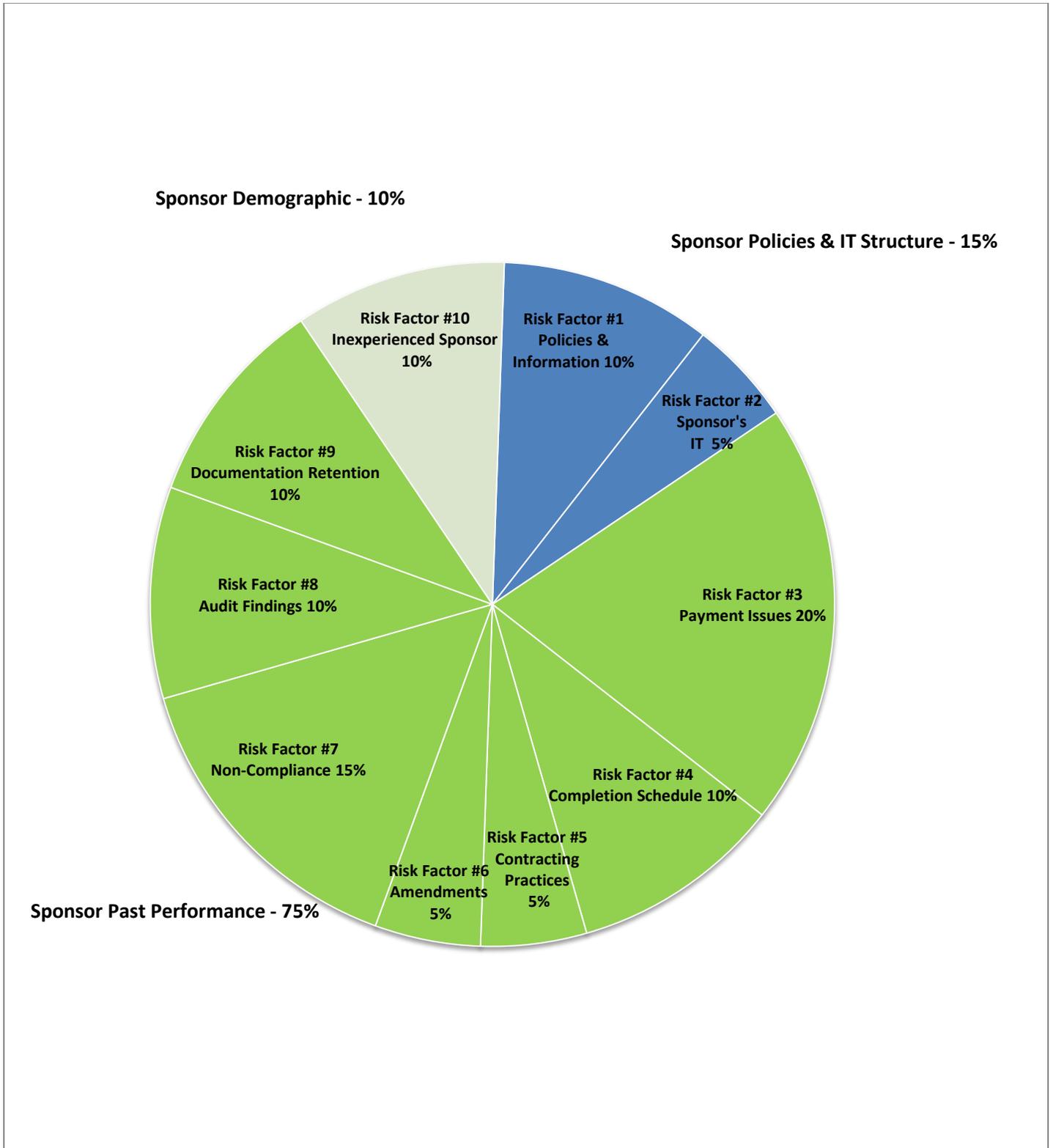
- Sponsors that have received a Moderate or Elevated risk rating and have demonstrated they have satisfied the issues that lead to the increased risk rating.
- Targeted oversight from various policies suggests reassessment is necessary.

Section 6 - Risk Model incorporation into other oversight policies

The structure of the new Risk Model outlined in this document was designed to provide a broad review of an airport sponsor's internal controls, past performance, and assess the overall risk associated with their grant management practices. This information will be used to determine if a sponsor has overarching issues that need to be addressed to protect the federal investment.

This Risk Model reaffirms the three risk levels that will be assigned to sponsors. All future policies related to grant management, project management, financial oversight, etc. shall incorporate this Risk Model philosophy using the three risk levels established. All future policies in these areas will provide for an increased level of oversight associated with each risk level. Incorporation of the Risk Model philosophy into individual policies will allow the FAA field personnel to perform targeted oversight in areas of concern for a particular sponsor. Each policy will be used in conjunction with this overall Risk Model.

Appendix A: Risk Factors Rating Scale



Appendix B: Sponsor Certification Checklist



**FAA
Airports**

AIP Grant Oversight Risk Assessment

Sponsor Certification Checklist

Scope

This checklist is for use by airport sponsors, who should review and complete all form sections below.

Purpose

This checklist helps the FAA decide if an airport sponsor has policies, procedures, and information technology infrastructure supporting the internal controls below. Once you complete the checklist, sign it and return a copy to the relevant FAA Field Office.

Airport sponsor's full name:

Airports owned or operated by the sponsor:

--

Checklist

Section 1 – Sponsor Policies and Procedures

Check any box below that applies to your internal controls environment.

- Procurement.** The sponsor has a documented Procurement Process.
 - Procurement process document outlines the roles and responsibilities of each individual involved in processing procurement transactions. This section should also include specific segregation of duties of individuals' responsibilities and necessary authorizations and approvals.
 - Procurement process document specifies which individuals have been authorized to approve procurement transactions.
 - Procurement process document outlines data retention requirements.
 - Procurement process document outlines purchase card usage and authorizations (if applicable).
 - Procurement process document outlines processes for goods and services receipt and acknowledgement.

- Procurement process document outlines processes for invoice reconciliations and exception handling.
- Procurement process document has been reviewed and updated within the last 3 years.

- Grants Oversight.** The sponsor has a documented Grants Oversight Process.
 - Grants Oversight process document outlines specific steps for gathering documents requested for grant applications. This includes the scope of project, cost estimates, projected timelines of completion, and necessary internal approvals. Process document also includes steps for validating the accuracy of requested documentation and process for submission to the grantor.
 - Grants Oversight process document outlines roles and responsibilities for managing grant funds. This includes coordination and communication of progress reports and completion schedules with the grantor in accordance with grant specifications. Process document also includes detailed steps regarding the oversight, management, and proper usage of funds toward the awarded project.
 - Grants Oversight process document outlines specific steps for grant closeout. This includes the preparation and submission of required FAA forms, progress reports, and other documents required by grant award. Process document also includes steps for validating the accuracy of required forms prior to submission to the grantor.
 - Grants Oversight process document outlines specific steps for grant records management. This includes invoice and receipt retention, maintenance of all progress reports, time schedules, and any additional documentation in accordance with grant specifications.
 - Grants Oversight process document has been reviewed and updated within the last 3 years.

- Disbursement.** The sponsor has a documented Disbursement Process.
 - Disbursement process document outlines the specific steps involved in the disbursement process. Steps should document the support required in order to make a disbursement. Example items include purchase order, invoice, and other necessary authorizations.
 - Disbursement process document outlines which individuals have been authorized to release disbursements. This section should also include specific segregation of duties of individuals' responsibilities and necessary authorizations and approvals for disbursing funds.
 - Disbursement process document outlines procedures for reconciliations.
 - Disbursement process document has been reviewed and updated within the last 3 years.

- Business Continuity.** The sponsor has a documented Business Continuity Process.
 - Business Continuity process document outlines contingency plans in the case of disaster.
 - Business Continuity process document outlines contingency plans in the event of resource turnover. This includes the loss of 2 or more key resources heavily involved in normal business operations, including leading teams, approving expenditures and procurement, and overseeing Sponsor projects.
 - Business Continuity process document outlines a list of emergency contacts in the case of disaster.
 - Business Continuity process document outlines data retention requirements (i.e. data backup requirements, storage requirements, etc.).
 - Business Continuity process document specifies instructions for resuming operations in the case of disaster.
 - Business Continuity process document has been reviewed and updated within the last 3 years.

Section 2 – Sponsor Information Technology Infrastructure

Check the **one** response below that **best** describes the current status of the Information Technology environment at the sponsor's airports named at the top of this form.

- Sponsor uses only manual methods to conduct business** (Some examples follow)
 - Sponsor communicates with contractors via phone call or manual hand-written letters.
 - Sponsor keeps documentation by manual paper trail and uses storage cabinets.
- Sponsor uses a mix of manual and electronic methods to conduct business** (An example follows)
 - Sponsor keeps some documentation in printed form and some as electronic files.
- Sponsor uses only electronic methods to conduct business** (Some examples follow)
 - Sponsor keeps all documentation as electronic files.
 - Sponsor makes maximum use of electronic email and attachments.
 - Sponsor uses web conferencing software for online meetings.

Sponsor Certification & FAA Acceptance

I certify that the above information regarding the sponsor named above is accurate and represents the airport sponsor's existing internal controls.

Airport sponsor's signature: _____ **Date:** _____

I accept the certification submitted by the airport sponsor and believe it to be accurate based on my professional expertise.

Responsible FAA staff signature: _____ **Date:** _____

Appendix C: Project Manager Assessment Checklist



**FAA
Airports**

Airport Sponsor Risk Assessment

Project Manager Assessment Checklist

Scope

This checklist is for use by ARP Project/Program Managers (PM), who must review and complete the suggested assessment procedures stated below.

Note: The checklist provides suggested documentation the PM can review to assist in completing the checklist. Additional review processes might be necessary in order to perform a comprehensive assessment of the Sponsor. Answering the questions on this form will allow the specialist to enter the data necessary to complete the Risk Assessment Tool. Under some of the questions, additional guidance is provided to provide clarification of the intended scope of the PM's review.

Purpose

The checklist below helps ARP assess a sponsor's performance and associated risk.

Airport Sponsor's Full Name: _____

Sponsor's Airports: _____

The PM's initials below simply acknowledge the PM completed the checklist and the associated date. Answers are based solely on the PM's knowledge and professional judgment of the sponsor along with any items researched as suggested on the checklist.

PM Initials: _____

Date Completed: _____

(Enter the FY into the Risk Model Tool to generate the next assessment's due date.)

Checklist

2A. Risk Category: Sponsor Past Performance (Payments and Processing)

Below is a list of suggested source documentation that can be used to assess whether a Sponsor has a history of grant payment and processing irregularities.

- "Open/Closed Grant Status" report in SOAR- to determine if the sponsor has a history of untimely grant closeout.
- Sponsor's "Quarterly Performance Reports"- for questionable sponsor grant payment history as compared to project progress.
- Quarterly review of payments in invoicing- to determine improper draws (i.e. no attachments, wrong or inconsistent amounts, etc.)

"Delphi Grant Balance Detail" report in SOAR- to review grant inactivity

*(Staff need only consider grants **issued** in the last 3 fiscal years.)*

- 1) For all open grants within the last 3 fiscal years, select the frequency in which the Sponsor has submitted improper drawdowns.

Never Occasionally Regularly Always

- 2) For all open grants within the last 3 fiscal years, select how often the time between Sponsor grant drawdowns is greater than 30 days.

Never Occasionally Regularly Always

- 3) For all open grants within the last 3 fiscal years, select the frequency in which the Sponsor has submitted untimely financial project closeouts. (e.g. 6 or more months after a construction project is physically/substantially complete)

Never Occasionally Regularly Always

2B. Risk Category: Sponsor Past Performance (Payments and Processing)

Below is a list of suggested source documentation that can be used to assess whether the Sponsor has a history of grant payment processing irregularities, such as improper drawdowns, late payments, large outstanding balances not liquidated or untimely financial project closeouts.

- "Delphi Grant Payment Detail" report in SOAR- for payment activity irregularities.
- "Open/Closed Grant Status" report in SOAR- to determine if the sponsor has a history of untimely grant closeout.
- Sponsor's "Quarterly Performance Reports"- for questionable sponsor grant payment history as compared to project progress.

- 1) During the last three fiscal years, select the level of frequency the Sponsor has been untimely submitting closeout documents exclusive of factors outside the Sponsor's control such as weather.

Never Occasionally Regularly Always

2C. Risk Category: Sponsor Past Performance (Improper Contracting/Procurement)

Below is a list of suggested source documentation, if applicable, that can be used to assess whether Sponsor has a history of engaging in improper contracting or procurement practices.

- Bid tabs submitted with grant application package-to assess continued compliance with AIP fund regulations.
- Project contracts submitted with grant application packages-to determine if the contracts contained a representation of true market conditions.
- Engineer Estimates/Reports submitted with grant applications and progress reports- to assess continued reasonableness of costs.
- Change Orders for cost analysis retained in sponsor's grant file-to assess if there have been (and the reason for) any significant differences in the proposed contract prices and the Sponsor's cost estimate.
- Bid Protests against the sponsor and contract disputes brought against the Sponsor for any improprieties.

*(Staff need only consider grants **issued** in the last 3 fiscal years.)*

- 1) For any open grants issued within the last 3 years, does the Sponsor have a history of any of the actions below?
If Yes, answer questions 2 through 6.
If No, go to section 2D.
Yes No

- 2) For any open grants issued within the last 3 years, does the Sponsor have a history of improper relationships with contractor personnel?
Yes No

- 3) For any open grants issued within the last 3 years, does the Sponsor have a history of irregular bidding practices?
Yes No

- 4) For any open grants issued within the last 3 years, does the Sponsor have a history of not preparing estimates or preparing estimates after solicitations were opened/awarded?
Construction Estimates
Yes No

- 5) For any open grants issued within the last 3 years, does the Sponsor have a history of issuing modifications or proposal changes following contract award that could alter the apparent low bidder?
Yes No

- 6) For any open grants issued within the last 3 years, does the Sponsor have a history of engaging a contractor with a cost reimbursement or cost plus contract without prior FAA approval?
(While the question calls out two specific methods, staff should focus generally on contracting methods not allowed by the FAA.)

Yes No

2D. Risk Category: Sponsor Past Performance (Grant Amendments)

Below is a list of suggested source documentation that can be used to assess whether the sponsor has a history of requesting 15% amendments prior to project closeout.

- AIP Grant Status Report (Form 5100-107) in SOAR-review for past grant amendments.

*(Staff need only consider grants **issued** in the last 3 fiscal years.)*

- 1) For all open grants issued within the last 3 fiscal years, select the frequency in which the Sponsor has requested an amendment for the full 15% amount of the grant.

Never Occasionally Regularly Always

2E. Risk Category: Sponsor Past Performance (Non-compliance)

Below is a list of suggested activities that can be performed to assess whether sponsor has a history of previous Single Audit findings, or findings associated with oversight bodies (e.g. OIG, GAO), historic problems with audit findings, or non-compliance with grant assurances and other federal grant requirements (e.g. SAM Registration, Davis-Bacon and Buy American).

- The sponsor file-to identify any Sponsor compliance issues, such as Single Audit findings and improper practices.
- Contact the Regional compliance specialist/ACO-100 to confirm any sponsor compliance issues

- 1) In the last 3 fiscal years, has the Sponsor had any instances for non-compliance of the following: Federal legislation, grant assurances, or FAA grant requirements?

If No, go to section 2F. If yes, answer questions 2 through 4.

Yes No

- 2) Has the Sponsor had one or more instances of non-compliance with Federal legislation in the last 3 fiscal years?

Yes No

- 3) In the last 3 fiscal years, has ACO-100 found the Sponsor to be in non-compliance with the Sponsor's grant assurances?

Yes No

- 4) Has the Sponsor had one or more instances of non-compliance with regard to applicable FAA grant requirements in the last 3 fiscal years? (Reporting)

Yes No

2F. Risk Category: Sponsor Past Performance (Single Audit/Improper Practices)

Below is a list of suggested activities that can be performed to assess whether sponsor has a history of previous Single Audit findings, or findings associated with oversight bodies (e.g. OIG, GAO), historic problems with audit findings, or non-compliance with grant assurances and other federal grant requirements (e.g. Davis-Bacon and Buy American).

- The sponsor file-to identify any Sponsor compliance issues, such as Single Audit findings and improper practices.
- Contact the Regional compliance specialist/ACO-100 to confirm any sponsor compliance issues
- Previous single audits submitted to the Federal Audit Clearinghouse (FAC)
- Review yearly improper audit findings (see Headquarters' Regional Implementation Guidance (RIG's)

1) In the last 3 fiscal years, has the Sponsor received any citations for, the following: FAA internal reviews, formal findings or Single Audit findings?

If Yes, answer questions 2 through 4.

If No, go to question 2G.

Yes No

2) In the last 3 fiscal years, has the Sponsor had one or more findings through FAA internal reviews? (e.g. PFC, AIP, Environmental, Contracts, or any other review excluding Single Audits)

Yes No

3) In the last 3 fiscal years, has the Sponsor had one or more formal findings by any oversight body? (e.g. DOT, OIG, or GAO excluding Single Audit)

Yes No

4) Has the Sponsor had one or more Single Audit findings in the last 3 fiscal years?

Yes No

2G. Risk Category: Sponsor Past Performance (Documentation)

Leverage the personal knowledge, experience, and professional judgment from previous interactions / requests made to the sponsor to assess whether the sponsor has a history of being able to provide documentation within 30 days of request.

1) Historically, the Sponsor is unable to provide documentation within 30 days of request.
(Staff should focus on **standard** grant documentation and not unique or large volume requests for information.)

Yes No

3. Risk Category: Sponsor Demographics

Leverage the personal knowledge, experience, and professional judgment from previous interactions / requests made to the sponsor.

- 1) Do any of the following items apply to the Sponsor: limited staff with shared responsibilities, employ key decision makers with conflicts of interest, employ inexperienced individuals, and has experienced recent turnover resulting in new staff that are unfamiliar with processes and procedures.

If Yes, answer questions 2 through 6.

If No, you are done.

Yes No

- 2) The Sponsor has limited staff with shared responsibilities, roles, and functions. Staff also may possess additional job roles outside of the typical airport functions.

Yes No

- 3) Does the Sponsor have key decision makers that have potential conflicts of interest or a negative effect on the decision making process?

Yes No

- 4) Is this the first time we are issuing a grant to this Sponsor?

Yes No

- 5) The Sponsor employs inexperienced individuals (lack of appropriate competencies such as environmental regulations or financial management).

Yes No

- 6) Within the last fiscal year, has the Sponsor experienced recent turnover that resulted in hiring new staff that are unfamiliar with policies, procedures, regulations, and requirements?

Yes No