

Office of Airports Funding Programs  
Grant Oversight  
Risk Model Policy

Office of Airports  
Federal Aviation Administration

Revised: July 2023

## Table of Contents

Section 1 -Introduction .....	3
Section 2 -Background .....	3
Section 3 -Description of the Risk Model .....	3
Section 3.1 Risk Model.....	4
Section 3.1.1 Risk Factors.....	4
Section 3.1.2 Risk Assessment Tool.....	5
Section 3.1.3- Supporting Documentation for Risk Assessment .....	5
Section 4 – Results of Risk Assessment.....	6
Section 4.1 Risk Level Definitions .....	6
Section 4.2 Actions necessary for each Risk Levels .....	6
Section 5 – Implementation of Risk Model.....	7
Section 6 – Risk Model Incorporation into other oversight policies .....	8
Appendix A: Risk Factors Rating Scale .....	9
Appendix B Sponsors Risk Assessment Checklist.....	10
Appendix C: Project Manager Assessment Checklist.....	15

## **Section 1 -Introduction**

The Office of Airports (ARP) at Federal Aviation Administration (FAA) is responsible for administering the Office of Airports funding programs. This policy further refines a risk-based approach to grant oversight of the Office of Airports Funding Programs and formalizes a standard national risk model using a three-tier risk ranking system for grant oversight. The risk assessment tool is completed and the results (nominal, moderate, elevated) are stored electronically. For sponsors assessed moderate or elevated risk, the FAA will increase oversight in the specific area(s) as applicable, i.e. procurement, grant payments, plans and specification, project inspection, etc.

## **Section 2 –Background**

This policy was issued in response to the Financial Statement audit findings related to FAA’s administration of the Office of Airports Funding Programs; 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 Office of Airports funding programs 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. 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 -Description of the 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 - 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 contained within SOAR
- 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 A - Sponsor lacks documented policies or procedures to enable oversight of procurement processes, grants oversight, disbursement processes, or business continuity.
  - Risk Factor B - 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 A – 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 B – Sponsor has a history of submitting closeout documents in an untimely manner.
  - Risk Factor C – Sponsor has a history of engaging in improper contracting or procurement practices.
  - Risk Factor D – Sponsor has a history of requesting 15% amendments prior to project closeout.
  - Risk Factor E – Sponsor has a history of non-compliance with grant assurances and other federal grant requirements (e.g. Davis-Bacon, Buy America, DBE, Civil Rights).
  - Risk Factor F – 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.
  - Risk Factor G – Sponsor inability to maintain documentation in a way that can be retrieved easily.
- **Category #3 - Sponsor Demographic – 10%**
  - Risk Factor A - 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**

An electronic risk assessment tool has been developed to execute the risk model and standardize the process for sponsors across all nine regions. The tool is currently incorporated in ARP's System of Airports Reporting (SOAR). The risk assessment process includes a risk assessment checklist for sponsors and a risk assessment checklist for FAA personnel. Input from the checklists is evaluated utilizing the risk assessment tool.

- 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 process requires Field Office personnel to complete a risk assessment form for each of the sponsors within the region, including the state for State Block Grants (SBG). The SBG states will perform risk analysis for all airport sponsors receiving grants under the SBG program. 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.

**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 Risk Model

All sponsors received an initial risk assessment between FY2013 – FY2015. As of FY2021, sponsors have received at least two (2) assessments each, and one-third or more have received three (3) assessments. Based on the effective risk model implementation and the experience gained over the past decade, the below assessment timing will be implemented starting in FY2022.

- Any first time grant recipient shall receive an assessment before receiving an Office of Airports funding programs grant.
- Grant recipients receiving grants on a regular basis (i.e., at least once every three (3) years, will receive an updated assessment every five (5) years.
- If a sponsor is not an active grant recipient, assessments can be deferred until the year they anticipate accepting an Office of Airports funding programs grant.

When an updated assessment is needed, the assessment should be timed for completion PRIOR to awarding an Office of Airports funding programs grant that particular fiscal year.

Interim assessments may be needed as described below:

- A change in the sponsor's conditions that could indicate the current assessment on file is no longer valid or may need to be updated.
- 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 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. The risk assessment forms allow the area of risk to be identified such that an increase in oversight can be tailored to the sponsor. This information can also 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. Incorporation of the Risk Model policy into specific targeted areas of grant and sponsor oversight aims to improve sponsor performance and reduce risk identified efficiently and effectively. The FAA will increase oversight in the specific area(s) as applicable. (i.e. procurement, grant payments, plans and specification, project inspection, etc)

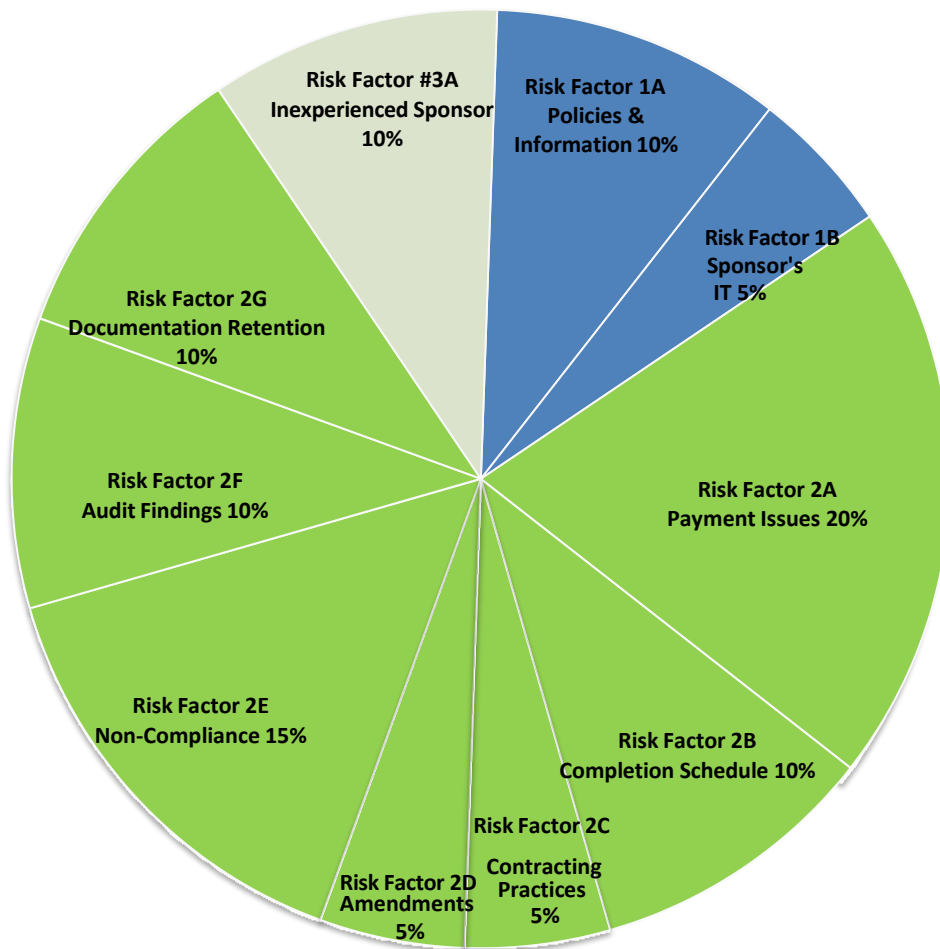


## Appendix A: Risk Factors Rating Scale

SEE ATTACHED

**Category #3**  
**Sponsor Demographic - 10%**

**Category #1**  
**Sponsor Policies & IT Structure - 15%**



**Category #2**  
**Sponsor Past Performance - 75%**

## Appendix B: Sponsor Certification Checklist

SEE ATTACHED



**FAA**  
**Airports**

## Office of Airports Funding Programs 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 the 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

SEE ATTACHED





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 PMs 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 PMs 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.)

## **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 eInvoicing- to determine improper draws (i.e. no attachments, wrong or inconsistent amounts, etc.)
- "Delphi Grant Balance Detail" report in SOAR- to review grant inactivity

- 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

*(\*For all open grants within the last 3 fiscal years, staff only need to consider grants issued in the last 3 fiscal years.)*

## **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 the Office of Airports funding programs 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.

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

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

*(\*For all open grants within the last 3 fiscal years, staff only need to consider grants issued in the last 3 fiscal years.)*

## **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.

- Office of Airports funding programs, Grant Status Report (Form 5100-107) in SOAR-review for past grant amendments.

- 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

*(\*For all open grants within the last 3 fiscal years, staff only need to consider grants issued in the last 3 fiscal years.)*

## **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 2-4.

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 No, go to question 2G. If yes, answer questions 2-4.

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 no, you are done. If yes, answer questions 2-6.

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