Agency Risk Self-Assessment (RSA) Training

Manny Mendez

Office of Management and Budget

Purpose

- Risk Self-Assessment: The Agency self-evaluates its operational processes for compliance with State of Indiana policies, plans, procedures, laws, and regulations

- Financial Management Circular (FMC) Section 6
  - Office of Management & Budget (OMB) Submission: The State agency shall submit an annual risk assessment to the Director of OMB by September 1st of each even-numbered year.

- The RSA will help agencies fulfill the requirement to create a risk management plan. The tool identifies high-priority risks based on responses to survey questions

Purpose

- To be successful
  - Agencies must provide transparent and candid responses to the RSA survey questions
  - The RSA is not a "gotcha" exercise that will result in criticism of you or your agency. Instead, this activity will help identify risks and form the basis for future statewide training opportunities addressing high-risk areas.

- In addition to strengthening processes and controls, the training will also provide confidence to your agency's finance personnel, which may result in more satisfaction, more efficiency, and less turnover

Resources

- Agency Risk Self-Assessment Portal
- Links to FMCs & Accounting Manual
- Frequently Asked Questions (FAQ)

Timelines

Finance Summit 7/14/22	→	Portal Access 7/15/22 - 9/1/22	→	RSA Deadline 9/1/22
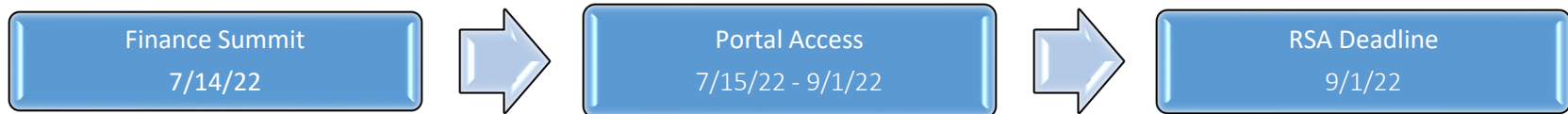
- All Self-Assessments must be entered by 9/1/22
- Agency RSA reports will be sent to all Agency heads by 9/23/22
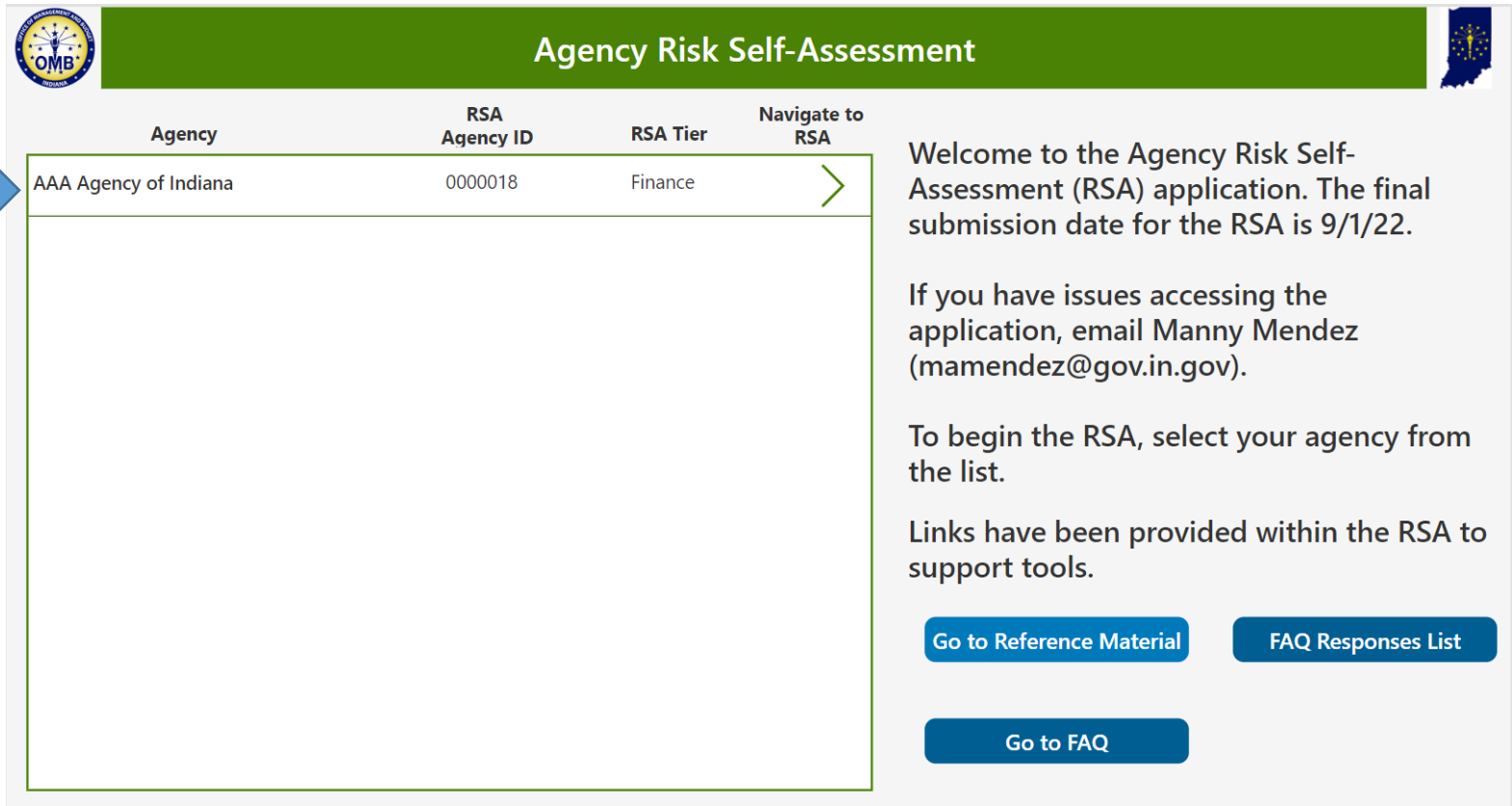
RSA Portal

- In this first generation of the RSA we ask that the agency limits access to the application to 1 or 2 finance managers
  - With any new process, your input is valuable
  - You will receive a survey asking for your assessment of the RSA and ways to improve it
  - An RSA introduction letter will be sent to the agency's POCs
    - Letter will include additional details about the RSA and Portal
  - An Excel list of the RSA questions will be provided to allow those that may not have access to respond to the question and return to their finance mgr.

- Accessing the RSA portal requires an additional Microsoft license
  - This license opens the door for your agency to use new & powerful tools from the Microsoft Office 365 suite
- Understanding the time it can take to have a licenses added, we will supply the questions in advance
- The agency will also be granted access rights to the application, this may also take additional time
- You will receive an email notifying you have access to the RSA portal

Welcome Page

- Select your Agency to enter the RSA

Objective, Question, Response

Risk Objectives	Risk Question	Response

Budget - Authorized budgets, and any changes made to them, reflect anticipated revenues, expenditures, and appropriations, are properly entered into the agency's systems, and can be compared to actual revenues and expenditures.

3,001 Agency monitors fiscal activity to ensure adequate funding is available and takes prompt steps to request supplemental appropriations when needed.

Open ▼   Enter comments

Post RSA Response

- ## Risk Objective (Light Tan)
  - High level risk area to evaluate
- ## Risk Question (Light Blue)
  - Questions directed at evaluating the risk objective
- ## Agency Response (Light Green)
  - Consist of 1 multiple-choice question and a comments field

RSA Response Screen

- Ensure you have selected your agency before starting

RSA Response

- Choose your response that best describes your current process from the multiple-choice dropdown field.
  - Yes: The Agency follows the control, policy, procedure, law, or regulation.
  - No: Currently, the Agency does not or partially meet the control, policy, procedure, law, or regulation.
  - Not Sure: Agency is not sure if the question applies or cannot respond confidently
  - N/A: Some agencies use SBA to conduct payroll or other accounting transactions that pertain to the RSA question.

- Comments Field: If the Agency's response is No, Not Sure or N/A, provide a brief explanation

- Example: Risk Question - Up-to-date procedures are adequate to ensure that money received is properly safeguarded to prevent theft of funds.

  - Agency Response is "No" . Comments: The procedures are in the process of being updated. We estimate completion in November of 2022.

Budget - Authorized budgets, and any changes made to them, reflect anticipated revenues, expenditures, and appropriations, are properly entered into the agency's systems, and can be compared to actual revenues and expenditures.

3,001 | Agency monitors fiscal activity to ensure adequate funding is available and takes prompt steps to alert SBA if budget is at risk.

Yes

Post RSA Response

- After selecting the answer from the dropdown & entering comments

- Click the Post RSA Response, you must click this button after every response

- You have answered the you will see

Complete   Reset Question

- If you need to change the answer or update comments, select Reset Question to reopen the question

RSA Response (cont.)

| Risk Objectives | Risk Question | Response | **AAA Agency of Indiana** | Total Questions | 34 | Total Answered | 33 |

- Total Questions
- Total Answered count
  - Count will update after you select Post RSA Response

You have answered all 34 RSA questions. Press this button to send completion notice

| Risk Objectives | Risk Question | Response | **AAA Agency of Indiana** | Total Questions | 34 | Total Answered | 34 |

- When the Total Answered count hits 34
- The button "You have answered all 34 RSA questions. Press the button to send completion notice" will pop up
  - You will receive an email conformation
  - You will have 3 days to make any changes before RSA is posted

Resources

- Reference material from the Accounting Manual or FMCs has been provided
- Click on the Go to Reference Material
- Copy the URL and paste in address bar
- When finished click Back to Welcome Screen

Reference Material

Copy the link provided and paste the URL in the address bar to access the information

3001 — Agency monitors fiscal activity to ensure adequate funding is available and takes prompt steps to alert SBA if budget is at risk.

FMC 1.1 Fiscal Prudence Measures: https://www.in.gov/sba/files/FMC-1.1-Fiscal-Prudence-Measures-January-1,-2022.pdf1.2
FMC 1.2 Fiscal Spending Plans: https://www.in.gov/sba/files/FMC-1.2-Fiscal-Spending-Plans-January-1,-2022.pdf
FMC 4.1 Federal Grants Management Guidelines: https://www.in.gov/sba/files/FMC-4.1-Federal-Grants-Management-Guidelines-January-1,-2022.pdf

3002 — A system/process is in place to compare actual revenues and expenditures to projected, budgeted, and prior-year revenues and expenditures. This system/process requires explanations of significant variations to be submitted to upper management.

Budget Instructions: https://www.in.gov/sba/budget-information/budget-data/2023-2025-budget/
FMC 1.2 Fiscal Spending Plans: https://www.in.gov/sba/files/FMC-1.2-Fiscal-Spending-Plans-January-1,-2022.pdf

Resources (cont.)

Referance Material	Go to Reference Material		If you have a question, look in the FAQ Response List	FAQ Responses List
Back to Welcome Page				

FAQ Responses List

From the dropdown select the RSA question to view posted responses. If you do not see your question select the "Go to FAQ" and post your question.

[dropdown ▼]

- Staff size and competence is sufficient to adequately assess, collect, and process all receipts and revenues.
- Subsidiary ledgers are reconciled with purchase and cash disbursement transactions, and differences resolved.
- Agency monitors fiscal activity to ensure adequate funding is available and takes prompt steps to alert SBA if budget is at risk.
- Invoices are posted timely.

- If you have a question for SBA or SBoA click on the FAQ Responses List
- Select the RSA Question – Question Responses are gold
- Don't see the RSA question – click Go to FAQ to post a question

Invoices are posted timely.

Invoices are posted timely.	RSA Question
What does that mean?	Agency Question
Before the due due and avoids late charges	Response to question

Go to FAQ

Resources (cont.)

- Post a new FAQ question
- From the dropdown, select the RSA Question
- Enter your question in the Agency Question field
- Click Submit Question
- Click Back to Welcome Page

Risk Ranking

Risk Level	Risk Opportunity
7	56
6	48
5	60
4	24

Severity/Frequency	0 - 49%	50% - 59%	60% - 69%	70% - 79 %	80% - 89 %	90% - 100 %
Very High						
High						
Medium						
Impactful						

- Each question has a risk level 4-7
- The sum of the response provides the risk opportunity
- Based on the agency's responses a Risk Ranking is calculated
- Agencies will receive a final Risk level report out

Next Steps

- Finalize user log in
- Introduction letter, links, & RSA questions send to RSA Users (7/15/22)
- RSA application open (7/15/22)
- RSA Due (9/1/22)
- Final report out to agencies (9/23/22)

Financial Management Circulars

- IC 4-12-1-13 allows SBA to adopt and enforce financial guidelines for agencies to follow. SBA publishes Financial Management Circulars to inform agencies of the guidelines.

- Financial Management Circulars: https://www.in.gov/sba/budget-information/financial-management-circulars/

- Three internal control FMCs:
  - FMC 6.1 Internal Control Standards
  - FMC 6.2 Agency Risk Assessment
  - FMC 6.3 Internal Audit

Accounting Manual Training

Debbie Gibson

Where to find the SBOA Accounting Manual

- SBOA's website
  - Political Subdivisions, State Agencies, Manuals, State and Quasi Agencies – Uniform Compliance Guidelines Manual
  - https://www.in.gov/sboa/political-subdivisions/state-agencies/

- PeopleSoft Financials Documents SharePoint library
  - Uniform Compliance Guidelines Manual for State and Quasi Agencies & SBOA Training
  - Uniform Compliance Guidelines Manual for State and Quasi Agencies & SBOA Training

Contact

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Introduction to 2021 Single Audit Status Portal

Manny Mendez

2021 Single Audit Portal

- OMB has developed a 2021 Single Audit status portal. Agencies with findings or management letters during the 2021 audit will enter the status of the resolution.

- OMB is required to provide Federal agencies with statuses of findings. The current process consists of emails and multiple follow-ups. The new portal will centralize communication and documents.

- The action plan owner will be the primary contact for the portal

- Updates are requested every 90 days

Landing Page

Select agency from dropdown

Finding # or Management Letter #

OMB Audit Response Portal

Select Agency AA Agency of Indiana

AA Agency of Indiana	Agency Head Manny Mendez	Action Plan POC Manuel Mendez	Finding # 2020-0001

Subject Unemployment Insurance - Special Test and Provision - UI Reemployment Programs: Worker Profiling and Reemployment Services (WPRS) and Reemployment Services and Eligibility Assessments (RESEA)

AA Agency of Indiana	Agency Head Manny Mendez	Action Plan POC Manuel Mendez	Finding # 2020-0002

Subject Title I Grants to Local Educational Agencies and Supporting Effective Instruction State Grants - Special Test and Provision - Access to Federal Funds for New and Significantly Expanded Charter Schools

AA Agency of Indiana	Agency Head Manny Mendez	Action Plan POC Manuel Mendez	Finding # 2020-ML001

Subject Management Letter-Areas of Non-Compliance or Control Deficiencies: Reporting Subrecipient Reporting Period of Performance Special Tests and Provisions SEFA Matching Effort Earmarking

Audit Subject

Action Plan POC

- Easy to navigate to audit items

Portal Finding Details

Improvement Status

Overall Improvement(s) Status takes into consideration all improvements
- Not Started = None of the improvements have started
- In Development = Some or all are in development
- In Process = Some are in process
- All Improvements Complete = No improvements are active

OMB Audit Response Portal

Finding Details | **Improvement Status** | **Attachments**

Overall Improvement Status: In Process

Action Plan POC: Manuel Mendez

Action Plan Email: MaMendez@GOV.in.gov

List of Improvements & Status

Format | B | I | U | ⧉ ⧉ | ✂ | ▤ ☰ | ...

1. Cash Management - Complete - 12/15/2021
2. Period of performance - Not Started - 2/2/2022
3. SOP updated - In process - 2/2/2022

...ent Status: Not Started, In Development, In process and Complete

List of Improvements
- Number the improvements
- Name of finding (in the Subject and audit documents)
- Status of the improvement = Not Started, In Development and Complete
- Date of the status or completed date

Improvement Status (Cont.)

Improvement Update
In the area provided enter your updates on the improvements
Your update will be appended to the record when select Submit Updates
A record of all comments will be saved.

Improvements Update

| Format | ▾ | **B** | / | | | ✍ | ≡ | ≔ | ⋯ |

1-SBA-PowerApps Service Account 2/4/2022 1:47 PM

Test 3 comments

1-SBA-PowerApps Service Account 2/3/2022 1:01 PM

Second update test

1-SBA-PowerApps Service Account 2/3/2022 10:02 AM

Updates are appended in the portal

Attachments

Select the attachments uploaded

Use browser to find and attach files

OMB Audit Response Portal

Finding Details   Improvement Status   **Attachments**

List of Attachments

☐ Action Plan   ☐ Status Update   ☐ Response Letter

☐ Validation Documents   ☐ Summary Schedule of Prior Audit Findings

Attachments

There is nothing attached.

📎 Attach file

Next Steps

- Finalize the development of the portal
- 2021 Single audit completed
- OMB Load findings and management letters
- Kick-off meeting with agencies