



SANTA ROSA COUNTY

GRANTS AND SPECIAL PROJECTS

SHEILA FITZGERALD
Grants and Special Projects Director
sheilaf@santarosa.fl.gov

6495 Caroline Street, Suite H | Milton, Florida 32570

MEMORANDUM

TO: Tony Gomillion
FROM: Sheila Fitzgerald, Grants and Special Projects Director
DATE: May 5, 2016
SUBJECT: RESTORE Risk Assessment

RECOMMENDATION:

Recommend approval to proceed with RFQ for consulting services to perform Enterprise Wide Risk Assessment as a requirement for receipt and management of federal funding.

BACKGROUND

In July 2015, US Treasury Department, Office of the Inspector General (OIG) conducted a pre-award review of Santa Rosa County's readiness to receive and properly manage federal funding under the new requirements for federal awards, 2CFR200. The firm Williams, Adley & Company in coordination with the Treasury Department, conducted the pre-award review and observed that Santa Rosa County had never conducted an entity-wide organizational risk assessment in accordance with GAO's Standards for Internal Control in the Federal Government ("Green Book"). A Risk Assessment serves to identify risks that the entity faces from both external and internal sources, and is a necessary step to continue to receive all types of federal funding, including RESTORE. Consideration was initially given to conducting the risk-assessment internally under the Clerk of Courts supervision; however, due to timing issues with the annual audit and other senior management transitions, this option is not feasible at this time.

Based on this recommendation from the Treasury Department's audit firm, staff recommends contracting with an external entity to conduct this risk assessment. This risk assessment would document the potential risks to the different areas of County government as well as the methods and processes used by the County to manage and mitigate risks. The tasks assigned to this firm would include but not be limited to:

- Identifying potential risks including hazard risk, financial risk, operational risk and strategic risk
- Assessing these risks in terms of likelihood and magnitude
- Determining current steps and processes in place to mitigate these risks
- Recommend policies and strategies not in place to reduce these risks
- Assist in determining a response strategy should the relevant risk occur

The specific deliverable from this firm would be a comprehensive, written report that includes all elements of the tasks assigned. The current estimated cost for this report is \$24,000 but could vary as needed to fit the needs of the Green Book compliance.

FUTURE ACTION

If authorized to proceed with advertising for an external entity to conduct the risk assessment, the Grants Department will solicit additional input to finalize the RFQ, coordinate with the procurement department and bring the results of the RFQ to the Board for review.

REQUEST FOR QUALIFICATIONS

CONSULTING SERVICES

Summary

Santa Rosa County is requesting proposals for a professional consultant to perform an enterprise wide risk assessment. The County is seeking this assessment based on advice from the U.S. Treasury Department to be in compliance for awards under the RESTORE Act. Any report delivered must be compliant with Green Book standards issued by the GAO.

The enterprise will include all functions and programs conducted by the Santa Rosa County Board of County Commissioners (BCC) as well as those functions performed by the Clerk of the Circuit Court in the capacity of comptroller to the BCC. A list of functions to be included are highlighted in the attached. Other constitutional offices and court services should only be included to the extent there is a risk to BCC or Clerk/Comptroller functions.

Pricing proposals should show billable hours by classification (i.e. partner, manager, etc) and dollar amount.

Criteria for selection will include:

- Pricing
- Local presence
- Experience with performing ERA's
- References
- Overall proposal
- Knowledge of RESTORE Act compliance efforts

Questions concerning this project should be directed, in writing, to Sheila Fitzgerald at sheilaf@santarosa.fl.gov prior to (insert date) at 4:30 P.M.

Conduct Enterprise Wide Risk Assessment

In July 2015, US Treasury Department, Office of the Inspector General (OIG) conducted a pre-award review of Santa Rosa County's readiness to receive and properly manage federal funding under the new requirements for federal awards, 2CFR200. The firm Williams, Adley & Company in coordination with the Treasury Department, conducted the pre-award review and observed at that Santa Rosa County had never conducted an entity-wide organizational risk assessment in accordance with GAO's Standards for Internal Control in the Federal Government ("Green Book").

The firm recommended that the County perform an enterprise wide risk assessment in order to be compliant with the Internal Control (Green Book) issued by the Governmental Accountability Office (GAO). Their concern is that "without a comprehensive enterprise risk assessment, Direct Component grant funds disbursed under the RESTORE Act may be used for ineligible or unallowable costs. Further, the grant funds are more susceptible to fraud, waste and abuse." This risk assessment would document the potential risks to the different areas of County government as well as the methods and

REQUEST FOR QUALIFICATIONS

CONSULTING SERVICES

processes used by the County to manage and mitigate risks. The tasks assigned to this firm would include but not be limited to:

- Identifying potential risks ranging including forms of hazard risk, financial risk, operational risk and strategic risk
- Assessing these risks in terms of likelihood and magnitude
- Determining current steps and processes in place to mitigate these risks
- Recommend policies and strategies not in place to reduce these risks
- Assist in determining a response strategy should the relevant risk occur

Scope of Work and Deliverables

The specific deliverable from this firm will be a comprehensive, written report that includes all elements of the tasks assigned. The current estimate cost for this report is about \$24,000 but could vary as needed to fit the needs of the Green Book compliance.