

## Risk Assessment Review Guidelines for Risk Analyst(s) – PRA Checklist

The DES Director is authorized to grant purchasing authority to agencies for goods and services. RCW 39.26.090(5). This authority is delegated based on a procurement risk assessment process (PRA) created by DES.

Agencies that were determined to be in the Low Risk Category in the most recent PRA are not required to complete the PRA Tool. Instead those agencies are asked to complete the PRA Checklist, which is a streamlined risk assessment process. The following Procedure is used to analyze the agency's responses to the Checklist.

This analysis will assess whether a Low Risk agency's procurement risk management processes have remained effective. Reviewers will analyze all available data to draft their analysis. Using this procedure will give assurance that:

1. The Agency manages all priority procurement risks (including contract management risks) through the actions of experienced procurement staff.
2. The Agency has had no procurement- or contract-related audit findings for the past five years, or any such findings have been adequately addressed.
3. Agency procurement and contract staff have extensive training on, and experience managing, procurements.
4. The Agency has sufficient resources to maintain its procurement risk management practices.
5. The Agency complies with all procurement laws and DES procurement policies.
6. For micro Agencies (i.e. that have fewer than 50 FTE), Agencies with no procurement professionals rely upon consultation with, or have arrangements with, DES or another agency to successfully conduct their procurements and contract management.

### Here are the steps of the Process:

#### Agency Completes PRA Checklist

- Agency Director Receives Blank PRA Checklist
- Agency Staff Complete Checklist
- Agency Director Sends Signed, Completed Checklist to DES Director

#### PRA Analyst Procedures

- Initiate contact with agency
- Review all Checklist responses. Make list of points for clarification.
  1. Question 4 Has the change in the agency's procurement structure introduced risk that requires deeper review?
  2. Question 5 Are there agency staff conducting procurements that have not received appropriate training?

3. Question 6 Has Turnover resulted in vacancies or in gaps in an agency's proper management of procurement risks?
  4. Question 7 If new procurement risks have arisen, does the agency properly manage them?
  5. Question 8 What was the extent that the agency exceeded its delegated authority?
  6. Question 9 What was the impact (effect) of being out of compliance with procurement or contract management laws or policies?
  7. Question 13 What was the impact (effect) of the audit finding – have procurement practices improved as a result?
  8. Question 14 What was the impact (effect) of the management letters – have procurement practices improved as a result?
  9. Question 17 Was the explanation provided by the agency for the late sole source filing(s) adequate?
  10. Question 18 Was the explanation provided by the agency for the disapproved sole source filing(s) adequate?
  11. Question 19 Was the compliance plan adequate?
  12. Question 20 Does the response indicate that the agency continued to adequately manage this area of procurement risk?
  13. Question 21 Does the response indicate that the agency continued to adequately manage this area of procurement risk?
- Follow up with agency contact to ask clarifying questions.
- Note that if risks are surfaced through completing the Checklist, an Agency may need to provide additional information to better evaluate the Agency's procurement risk management practices regarding the specific risk identified. In certain circumstances, it may become necessary for an Agency to complete the Tool (or a relevant portion of it).
- Otherwise, complete a PRA Checklist Review Form for the agency.
- Draft remaining parts of Delegation of Authority Packet:
- Risk Assessment Analyst Cover Letter
  - Risk Assessment Summary, including recommendations for delegated authority amount and associated conditions

- Delegation of Authority Letter
- Conduct Peer Review
- Peer reviewer tasks:
- PRA Checklist Review Form – Is each reason a checklist finding was made clearly articulated? Is the overall analysis consistent and accurate?
  - Risk Assessment Summary – Are agency and FTE correctly stated? Is the delegation of authority entered correctly? If additional delegated authority is requested, does Summary correctly explain rationale for decision? Do the Summary’s risk assessment bullets clearly summarize analysis and align with Risk Review Form? Are spelling and punctuation correct?
  - Draft Delegation Letter – Is the delegation of authority correctly stated? Do the summary reasons for the level of risk match the Risk Review Form? Does the letter require DES follow-up? If not, should it? Is address, contact, spelling and punctuation correct? Does it schedule the next risk assessment for the agency (including any necessary interim meetings)?
- Update Packet and analysis as needed.
- Share updated Packet with agency contact, together with notification of date feedback is requested.
- Update Packet and analysis as needed, prepare Packet Management Review.

## Management Review

- Reviews recommendations in the Packet.
- Meets with analyst to discuss all questions and concerns.
- If analyst needs to conduct additional investigation, analysis and/or drafting, revise Packet and provide updates to Management.
- Reviews recommendations in the updated Packet. If approved, transmit to DES Director for review and signature.