



Annual Pre-Award Risk Assessment Procedure

Effective Date 09/14/2023
Revised Date 09/14/2023

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Purpose To provide guidance to the San Bernardino County Department of Behavioral Health (DBH) Fiscal Provider Support Unit for evaluating a contractor’s or subcontractor’s current standing and usage of grant funds awarded on an annual basis. The assessment must be completed prior to the ongoing issuance of grant funds.

Procedure The Provider Support Unit for Substance Use Disorder and Recovery Services (SUDRS) must complete an Annual Pre-Award Risk Assessment tool on every contractor or subcontractor, hereinafter referred to as Provider, that receives Federal grant funds through DBH to provide SUDRS services.

- The assessment tool must be completed annually prior to the ongoing issuance of grant funds:
 - It is the responsibility of DBH Program staff to request at minimum two years of audited financial statements from the Provider on an annual basis, and
 - Program will forward the financials to the Fiscal Department to complete the assessment tool;
- The assigned DBH Fiscal Analyst or Accountant will use the financials submitted by the Provider to complete the assessment tool. The assessment tool calculates if the Provider is favourable or unfavourable;
 - Favourable represents low risk, and unfavourable represents high risk based on the following calculated ratios: Current ratio, Debt to Worth ratio, Quick ratio, Salaries to Total Cost ratio, Cost per Client/Participant ratio and prior DBH audit/monitoring findings;
- The assigned Analyst or Accountant will submit their completed assessment tool to the Administrative Supervisor for review and approval;
- Once the assessment tool is approved by the Administrative Supervisor, the assessment must be signed, dated, and tracked by DBH Fiscal staff;
- The Administrative Supervisor then sends the approved assessment tool to DBH Program staff;
- The assessment tool completed for each contractor or subcontractor must be stored by DBH Program staff as a PDF file in the following location: L:\SADS\Sys\Groups\SH_BUD\Annual Pre-Award Risk Assessments.

Continued on next page

Annual Pre-Award Risk Assessment Procedure, Continued

**Referenced
Forms,
Policies, and
Procedures**

[DBH Standard Practice Manual and Departmental Forms](#)

- Annual Pre-Award Risk Assessment Policy (SUDRS0246)
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Reference(s)

- [SABG Application, Enclosure 2, I, 3, C](#)
 - [45 CFR 72.205](#)
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