

Subrecipient Risk Assessment Automation Readiness Checklist

Before you buy a tool or hire someone to build one — use this to evaluate whether the system covers the regulatory requirements and the builder understands why they exist.

Based on 2 CFR 200.332(c) — Requirements for Pass-Through Entities

PART 1: REGULATORY COVERAGE

Does the system address each requirement of 200.332(c)?

- ☐ Does the system verify exclusion status in SAM.gov before every subaward, per §200.332(a)?
- ☐ Does it pull and flag Single Audit results from the Federal Audit Clearinghouse — including whether relevant programs were audited as major programs?
- ☐ Does it capture prior subaward experience — not just "have we worked with them" but scope, size, and regulatory similarity?
- ☐ Does it include structured prompts for personnel changes and system changes at the subrecipient — the factor most tools skip?
- ☐ Does it capture federal agency monitoring activity and results for subrecipients who also receive direct federal awards?
- ☐ Does the risk rating connect to a tiered monitoring plan with defined consequences (reporting frequency, site visits, specific conditions under §200.208)?

Notes:

PART 2: DOMAIN EXPERTISE OF THE BUILDER

Does the person designing this system understand the regulation — not just the data model?

- ☐ Can your vendor explain the difference between a subrecipient and a contractor under §200.331 — and why it matters for monitoring?
- ☐ Can they explain what happens when a subrecipient's Single Audit identifies a finding on a program similar to yours — and what your obligation is as pass-through entity?
- ☐ Do they understand that the \$1,000,000 Single Audit threshold (raised from \$750K in Oct 2024) means some subrecipients who previously required audits may no longer — and what that means for your monitoring approach?
- ☐ Can they articulate why a risk assessment shouldn't be a one-time event — and what changes at the subrecipient level should prompt a reassessment?
- ☐ Have they ever had to explain a subrecipient risk rating to stakeholders? To an OIG reviewer?

Notes:

How to Read Your Results

All 11 checked: You're probably in good hands.

Part 1 gaps: The system has regulatory blind spots. Fixable, but needs work.

Part 2 gaps:

The builder doesn't understand the domain. The system will automate the wrong things — or the right things the wrong way.

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