

**Risk Assessment Response Strategies**

January, 2021

- Low Risk** Potential damage will be limited/not likely to occur
- Medium Risk** Potential damage will be moderate/could possibly occur
- High Risk** Potential damage will be high (either financially or reputation damage)/could happen at any time

Category	Element or Issue	Potential Risk/Threat	Risk Level	Probability	Strategy	Reference	Comments
Financial Management	District III Records	Uninsured deposits	H	L	Monitor bank balances		
	ABC, MRC, PHD	Inadequate separation of tasks	L	L	Financial tasks have been separated between FO & 1 Admin. Pro.	Internal Controls Document.	The delegation of responsibilities was changed in mid-2009 to accommodate a staffing shift.
		Insufficient back-up of documents	H	M	Server backed up weekly, financial records separately backed up		The District began using an off site back-up service in 2011.
	ABC Records	Unauthorized access to confidential information	H	M	Keep loan files in back area out of public view		Files are locked up, with restricted access. A set of fire proof cabinets was purchased in 2011.
		Non-compliance with EDA or USDA regulations	H	L	Audits & reviews by agencies on a regular basis for compliance		Grants could be jeopardized
		Lapse of UCC or other collateral filings	M	L	Tickler system in place		Lapse could jeopardize collateral of loan
		Insufficient Loan collateral position	M	M	Work with lending partners		Risk of loss due to insufficient collateral
	Conflict of Interest	Staff misuse of office resources	H	L	Disclose potential conflicts in advance	Disclosure Form Employee Handbook	This process will take place annually.
	Conflict of Interest	Committee or ABC Board misuse of office resources	L	L	Announce conflicts in advance	Disclosure Form Employee Handbook	This action will occur at all business meetings
	2CFR 200	Lack of Compliance/Sanctions	L	L	Adopt policies and monitor regs	2CFR 200 Guidelines	This topic will be monitored annually.
Grant Administration	CDBG Projects	Incomplete or missing file documents	M	M	Check document checklists on a monthly basis	CDBG Manual	Each project binder has a checklist of items that need to be included.
		Untrained or uninformed personnel	L	L	Ensure new staff receive training	CDBG Manual	The state may be offering training on a regular basis.
		Missed publication dates or other deadlines	M	M	Put dates on the office & project calendars	CDBG Manual	The support staff will help monitor specific deadlines if they know the dates. Planners are asked to monitor specific programs
		Miscommunication with project participants	M	M	Contact the local representatives on a regular basis.	CDBG Manual	Staff members should also attend major project meetings, such as pre-construction conferences.
	District III Grant Awards	Preparing performance reports on time	L	L	The financial officer provides deadlines to the Director.	Grant Agreements	The system has worked so far, but written reminders are needed.
	USDA Project Administration	Failing to meet all USDA Rural Development project administration requirements	M	M	Maintain regular contact with USDA personnel throughout the project cycle to ensure the proper management of all paperwork	USDA Administration documents	This activity was initiated by USDA and it has provided staff training, which should minimize problems.
		Loss of Federal Assistance from Noncompliance	M	M	2CFR200 Subrecipient Checklist	Federal Regulations	Subrecipients will be encouraged to adapt policies.
Professional Liability	SBDC and PTAC Operations	Breach of client confidentiality	H	M	Client conferences and calls are held in private		Clients pass through entire office for SBDC
		Incomplete client files	M	L	Audits by ASBDC/SBA/peers in place		
		Late reports	L	L	Communication with State Director		

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Professional Liability		Inadequate budget documentation	<b>H</b>	<b>L</b>	Follow established procedures		Could jeopardize program funding
	Planning Activities	Providing inappropriate advice to clients	<b>M</b>	<b>M</b>	Staff review planning processes with each other	Planning Guides	Staff are reminded of their limitations by the Director
		Not consulting with local officials about legal matters	<b>L</b>	<b>L</b>	Staff members are aware of legal boundaries	Staff Meeting	Zoning and other ordinance issues are referred to legal representatives
		Not following standard practices in preparing written documents	<b>M</b>	<b>L</b>	When in doubt, staff are told to seek attorney advice		District III has legal assistance readily available
	Capability Presentation Assistance to Private Businesses	Companies assigning responsibility in not obtaining contacts	<b>L</b>	<b>L</b>	Ensure that participating companies understand that the assistance is not a guarantee or promise of government contract	Assistance Program Guidelines	The companies should sign a service agreement that outlines the scope of the assistance.
GIS Services	GIS Services	Providing unsolicited assistance	<b>M</b>	<b>L</b>	Limit outside access to GIS information without a work order	Fee for Service Schedule	Communication with the Director should minimize any problems.
		Underperforming on technical assistance obligations	<b>L</b>	<b>L</b>	Prepare thorough contracts that spell out all outcomes and deadlines	Service agreements	The District should avoid subcontracting without very specific deadlines and work product standards.
	Application Preparation	Missing deadlines	<b>H</b>	<b>L</b>	Monitor program notices to anticipate submission deadlines	Agency & Funding Monitor Publications	Deadlines are shared immediately upon notification. Annual calendars are prepared in advance.
		Preparing incomplete proposals	<b>M</b>	<b>M</b>	Planning & support staff check submission checklists	Application Instructions	Applications are reviewed by more than one planner and/or the Director.
		Not following all application guidelines	<b>M</b>	<b>L</b>	Planners are instructed to read the guidelines in advance.	Application Instructions	More than one person reviews the applications.
		Raising unrealistic applicant expectations	<b>M</b>	<b>M</b>	Approaches to clients are reviewed on a regular basis	Staff Meetings	Experienced staff are expected to share their knowledge with other personnel
	Rural Learning Center Project - Federal Grant Compliance	Failure to adequately manage the USDA Rural Development Grant requirements	<b>H</b>	<b>M</b>	Provide safeguards in a fee for service contract and maintain regular contact with USDA and Rural Learning Center officials	Grant Documents and Project Financial records	This activity will have to be authorized by USDA. The ultimate responsibility for the grant will remain with the Rural Learning Center.
	Personnel Records	Individual Files	Unauthorized access	<b>L</b>	<b>L</b>	Keep records in a locked cabinet	Personnel Policies
Incomplete information			<b>L</b>	<b>M</b>	Follow standard record procedures	Personnel Policies	There are checklists for new employee records.
Reference Inquiries		Providing inappropriate information	<b>L</b>	<b>L</b>	Access to employee information is limited	Policy Guidebooks	Unless otherwise authorized, only employment dates and other allowed facts are provided
		Not obtaining employee authorization	<b>L</b>	<b>L</b>	Staff are instructed to obtain permission	Policy Guidebooks	Only factual data is provided.
Application Documents		Not protecting confidential information	<b>L</b>	<b>M</b>	Applications are kept in closed files	Personnel Manual	Only three staff have access to the information.
Office Equipment	Copy machine	Loss of service	<b>M</b>	<b>M</b>	A back-up is available at the City of Yankton	Service Agreement	Usually repairs occur within one day.
	Plotter	Loss of service	<b>M</b>	<b>M</b>	Yankton has similar equipment		District III shares IT personnel with Yankton
	Telephone System	Loss of service	<b>M</b>	<b>M</b>	Cell phones or internet service will fill in until service is restored		A new system was purchased in 2007

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Computer Systems	File Server - GIS Files and Office Data	Access by an unauthorized person	M	M	Maintain security programs and policies	Advice from the IT consultant	Passwords are changed on a regular basis	
		Loss of files	H	M	Maintain offsite back-up storage		Files are backed up on a weekly basis. An off site back-up service was added in 2011.	
		Inadequate storage capacity	M	M	Upgrade capacity on a scheduled basis		The server is upgraded every five years	
	Internet	Loss of service	M	M	Off site public locations could be used for a short time	IT consultant	Wireless access is possible in some locations	
		Virus attacks	M	H	Security programs are monitored on a regular basis	IT consultant	The IT consultant checks for virus traffic	
		Firewall failure	M	H	Firewall elements are reviewed by the IT consultant	IT consultant	The status of the protection is reviewed annually or as needed	
		Access of inappropriate sites/content	H	M	Staff are warned about inappropriate usage	Personnel Policy	User histories are accessible to document any inappropriate usage.	
	Hardware & Software	Incompatible software	L	L	Only software that is purchased by the office is installed	Personnel Policy	Staff are discouraged from brining in "unknown" software	
		Out-of-date programs	L	M	Software is updated as necessary	IT consultant	Operating system and other software programs are evaluated by the IT consultant and staff	
		Lack of hard drive storage capacity	L	H	File server capacity is increased on a regular basis	IT consultant	The status of the protection is reviewed annually or as needed	
		Loss of data/files	M	M	Use of three external hard drives to back up data in addition to online backup		The hard drives are swapped out weekly and stored off the premises.	
	Three External Hard Drive Backups to the Server Network	Loss of computer data and files	M	M	Offsite storage improves safety and increases security		The backups supplement "cloud" files and other personal computer files	
	Office Building & Property	Security	Vandalism	M	L	Office doors are locked and security lighting is maintained		Vehicle doors are locked and checked after use
			Unauthorized parking or use of the lot	M	M	Vehicles are monitored and unauthorized use is discouraged		There are other businesses, that use the lot
			Staff safety	L	L	Professionals are used for difficult tasks (electrical etc.)	Staff meetings	Staff are discouraged from taking unnecessary risks. Doors are locked when only one person is in the office
Accident Prevention		Inadequate lighting	L	M	Lights are maintained and replaced as necessary		Lights are changed each year	
		Lack of adequate ice or snow removal	M	M	A contractor is supposed to move snow after 2 inches		Staff clear the steps and ramp	
		Lack of steps for show house	M	L	The public is not allowed in the house without safe steps		A set of steps is being stored on site by the SDHDA	
Traffic Control		Parking in wrong location	L	H	Disabled parking areas are marked		Parking areas are watched for problems	
		Vehicles cutting across the lot	L	H	Only a problem if speed is a factor		The lot is used by others, but most traffic exits to the north.	
General Office Safety		Fires	H	L	Equipment and supplies are stored safely and heaters are turned off each day	Insurance Company Recommendation	Safety practices are verified by insurance carriers and USDA. 3 fireproof cabinets were purchased for ABC lender files during 2011.	
		Severe weather	H	M	Staff are instructed to take shelter in more secure areas	Radio, internet, city services	Weather alerts are shared within the office	
		Objects out of place	M	H	Visual inspections are conducted by the Director and other staff	Staff Meetings	People are encouraged to keep items off the floor	
		Fuilding Damage or Deterioration	L	M	Inspection checklist		Conditions will be reviewed annually to identify deficiencies.	
Installation of Smoke Detectors	Fire or smoke damage	M	L	Install detectors in all offices and large spaces		The detectors will be replaced on a regular basis		

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Office Building & Property	Cracks in the Foundation and Parking Lot	Damages from water invasion and material erosion	M	H	Seal visible cracks and take steps for major repairs as necessary		The parking lot is shared by a Yankton bank. The rehabilitation of the lot will require a joint effort.
Vehicle Operations	Distracted Driving	Accidents while using a cell phone or eating	H	M	Staff are encouraged to practice safe driving	Personnel Manual	Defensive driving classes are held on occasion
	Animal Collisions	Deer or livestock on highways	H	H	staff are told to slow down and drive defensively		Night driving times are more critical. People receive regular reminders
	Operator Fatigue	Falling asleep while driving late at night	H	H	Staff are reminded to take driving breaks or stay overnight if fatigued		Ridesharing is also encouraged when appropriate
		Losing focus during long trips	H	H	Staff are encouraged to schedule enough travel time to allow for breaks		Trips are discussed at staff meetings and stops are often requested
	Poor Car Maintenance	Under-inflated tires	M	M	Vehicles are maintained on a regular basis		Staff members are assigned maintenance responsibilities.
		Too many miles between oil check-ups	M	H	Vehicle logs are checked each month		Regular maintenance schedules are followed
		Lack of seasonal system check-ups	L	L	Vehicles receive routine system checks as part of oil changes.		Low mileage vehicles are used for longer trips
Service Continuity	Maintaining Staff Capabilities	Loss of special expertise	M	M	Staff communication and cross-training may mitigate problems.		Staff members receive as much training as funding and time allow
		Over-extending time commitments	M	H	Regular staff meeting discussions help to anticipate problems in scheduling		Tasks are shared when necessary
	Retention of Technical Tools & Documents	Destruction of critical resources	H	M	Equipment is kept in secure storage areas and documents are kept in more than one location		Records are retained for longer than legally required
	Chain of Authority	Director unable to manage operation	H	L	Annual performance reviews and staff interaction with the committee should head off management problems	Joint Cooperative Agreement	The Executive Board meets 10 times per year
	Physical Facilities	Office is destroyed or is unusable	H	L	Insurance will cover interim operations		Alternative sites are available for temporary use
	COVID-19 Disruptions	Service challenges and employee health	H	H	Minimize exposures and contact with COVID-19 positive individuals	CDC Guidelines	The response may include remote work situations and quarantine policies
Committee Involvement	Membership Awareness & Participation	Loss of financial support	H	H	Annual performance reports and regular communication should keep awareness and support high		Over 500 meetings per year are held with members. Communication is important
		Lack of projects	H	H	Program announcement and project surveys help to identify projects		If project revenue declines, staffing and adjustments will be made
		Competing services	M	M	Keeping staff performance high is the best strategy to address competition		Annual performance evaluations help to keep staff members progressing. Low cost services make it difficult for other entities to compete

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Personnally Identifiable Information	Loss or theft of information that could be used to trace a person's identiy (example: SSN)	Use of information by unauthorized person that results in financial loss and/or identity theft recovery expenses	<b>H</b>	<b>M</b>	Establishment of practices and policies to minimize the probablity of occurrence	Federal Guidelines and Circulars along with best practice examples	This category applies to other activities, but the specific threat has been identified as a national priority.
Limited English Proficiency	Providing services to persons that cannot understand English	Loss of federal agency support for failing to address the possibility of having a situation occur	<b>L</b>	<b>L</b>	Develop and adopt a LEP Plan	USDA Rural Development Guidance	The LEP Plan has been written and reviewed by the membership