



THE COMMONWEALTH OF MASSACHUSETTS

CvRF Risk Management and Compliance Discussion

November 2020

RISK MANAGEMENT

Municipalities should consider broad risks in relation to the pandemic, as well as municipal-specific risks, and ensure mitigation strategies are in place

UNDERSTANDING RISK



The pandemic work environment combined with the new demands imposed by the virus response increase and pose new risks to government service delivery.

FEDERAL FUNDS MANAGEMENT RISK



In considering preparations for potential audits down the line, compliance risk and fraud risk can be defined into four categories to help prioritize focus area and effort

Highest Risk



Lowest Risk

Highest Risk:

Municipalities receiving funds for the first time

Medium Risk:

Municipalities using CvRF for complex uses (e.g., grant programs) and/or transferring large amount of funds to subrecipients

Lowest Risk:

Municipalities with experience in federal funds and/or using CvRF for clearly defined eligible uses (e.g., PPE, cleaning)

SAMPLE RISK CATEGORIES



The current environment provides a unique range of risks

Cybersecurity

- New cyber risks due to virtual workforce
- Unsecure access to networks from personal devices
- Compromised electronic communications

Virtual Service Delivery

- Compromised service to citizens in a virtual environment

Budgetary Constraints

- Pressure on employees to take shortcuts due to potential for staff reductions

Federal Funds Management

- Inexperience in managing federal funds
- CvRF eligibility and time constraints
- Failure of existing documentation structure due to virtual workforce

Are unique risks being identified and mitigated?