



STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

MEMORANDUM

TO: Mr. Vamshi Rudrapati, Director
Mr. John Li, Chief of Finance and Operations
Ms. Jeanie Glover, Chief of Federal Programs

FROM: Ms. Hershula D. Davis
Director, Office of Auditing Services

DATE: May 30, 2024

RE: Charter Institute at Erskine's Fiscal Year 2022-23 Subrecipient Risk Assessment

2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, emphasizes the requirements for the South Carolina Department of Education (SCDE) as the pass-through entity for specific federal programs to judiciously award, administer, and monitor each subaward. To comply with §§ 200.332(b), the SCDE conducted the annual risk assessment of, and assigned a risk score to each of its subrecipients based upon overall financial and programmatic performance as demonstrated through the following 10 criteria:

- Required Reporting
- Turnover of Key Personnel
- Programmatic Compliance
- Fiscal Compliance
- Performance
- Frequency and Need of Technical Assistance
- Financial Stability
- Quality of Management Systems
- Timeliness of Annual Financial Audit Submission
- Other Material Factors (accreditation, confirmed cheating/test security violations, state program violations, other SCDE audits)

The scores for each criterion are totaled for an overall risk score that indicates low, medium, or high-risk categories. Overall risk scores 18 or below indicate low risk, risk scores between 19 and 28 indicate medium risk, and risk scores 29 and above indicate high risk.

Charter Institute at Erskine's overall risk score is "14" which is considered **low risk**.

Please share your risk score with your independent auditor. In addition to the SCDE's risk assessment, any school district that is the sponsor for a charter school is responsible for oversight, which includes assessing the charter school's risk of noncompliance with established statutes, regulations, and the terms and conditions of grant awards.

The SCDE subrecipient risk assessment procedures are located on the agency's website at <https://www.ed.sc.gov/finance/auditing/information-memos-and-forms/subrecipient-risk-assessments/>. If you have any questions about the risk assessment process or your school district's risk score, you may contact me at 803-734-6022 or hdavis@ed.sc.gov.

cc: Dr. Steven Adamson, Chair, Board of Trustees