

# Improving Management of Federal Grant Dollars: Council On Financial Assistance Reform (COFAR) Priorities for FY13-15

January 28, 2013

*The Council on Financial Assistance Reform was established in 2011 as a governance body to provide policy level leadership for the Federal grants community.*

# Strong Controls Yield Better Outcomes

How do we ensure that Federal grant dollars are being used efficiently to achieve our goals?



# Guidance Targets Risk & Minimizes Burden: Revised Guidance in OMB Circulars Implemented

## Challenge

- Overlapping complex guidance
- Inefficient use of oversight resources

## Proposed Deliverable

- By January 2013 Propose Guidance
- By December 2013 Finalize Guidance

## Return on Investment

- Leverage first year of COFAR's work
- Reduce burden for Federal staff and recipients through clear guidance
- Re-allocated audit resources better target risk for stronger financial integrity
- Provides grants community with robust set of comprehensive guidance similar to FAR for procurement

# Universally Standardized Grants Business Processes: Data Collections Streamlined

## Challenge

- Over 700 distinct grant related forms approved in OMB database
- Inefficient use of recipient and Federal resources to comply with guidance

## Proposed Deliverable

- By June 2013 issue standardized award notice, closeout data, and certifications
- By December 2013 issue revised standardized post-award data: PPR, RPPR, other as needed (incorporate data needed to support decisions based on evidence)
- By June 2014 issue revised standardized pre-award data (incorporating Do Not Pay)
- By December 2015 allow any non-standard form approvals to expire

## Return on Investment

- Deliver on historic mandate from PL 106-107, and demonstrates continued progress to Congress
- Reduce reporting costs for recipients and Federal agencies (minus possible one-time system change costs)
- Reduce significant IT costs for recipients of multiple grants (minus possible one-time system change costs)
- Supports efforts to validate public financial data and GATB strategy (see next slide)

# Validated Public Financial Data: Public Spending Data Aligned to Core Financial Data

## Challenge

- Lack of control totals to verify accuracy of spending data and financial data and accountability to stakeholders
- Lack of high quality information on which to base program management decisions
- Inability to adequately satisfy requests for information

## Proposed Deliverable

- By February 2013 publish guidance on leveraging financial data oversight and internal controls for spending data (implemented by January 2014)
- By October 2014 publish payment information repository (Treasury)

## Return on Investment

- Builds on grants-focused business process standardization to deliver governmentwide spending transparency dividends.
- Ensure accuracy of financial and spending data
- High quality information on which to base program management decisions
- Streamlined ability to report required information
- Aligns information across spending spectrum including both assistance and procurement per GATB strategy

# Highly Qualified Personnel: Grants Professionals Are Trained and Certified

## Challenge

- Lack of consistent standards for qualifying people to perform the grants management function
- No governmentwide core training required of people performing the grants management function

## Proposed Deliverable

- By September 2013 establish core competencies for grants managers
- By September 2013 develop baseline body of knowledge as a shared resource
- By September 2013 establish governmentwide resource repository for federal grants professionals
- By September 2014 provide training for core competencies
- By September 2015 establish certification standards

## Return on Investment

- Reduce financial risk of grants through staff competency
- Consistency across government allows for a deep and growing pool of talent and career opportunities
- Leverages work done by Leading EDGE group
- To ensure consistent knowledge base and professionalization (using the procurement community paradigm as an parallel example), provides grants community with standard set of competencies and core training for grants managers

# Strong Program Oversight: Reduce Unclean Audit Opinions

## Challenge

- Many major Federal programs receive repeated “unclean” audit opinions from the same grantees
- Lack of prompt follow-up actions lead to unresolved audit findings
- Unresolved audit findings increase the risks to program integrity

## Proposed Deliverable

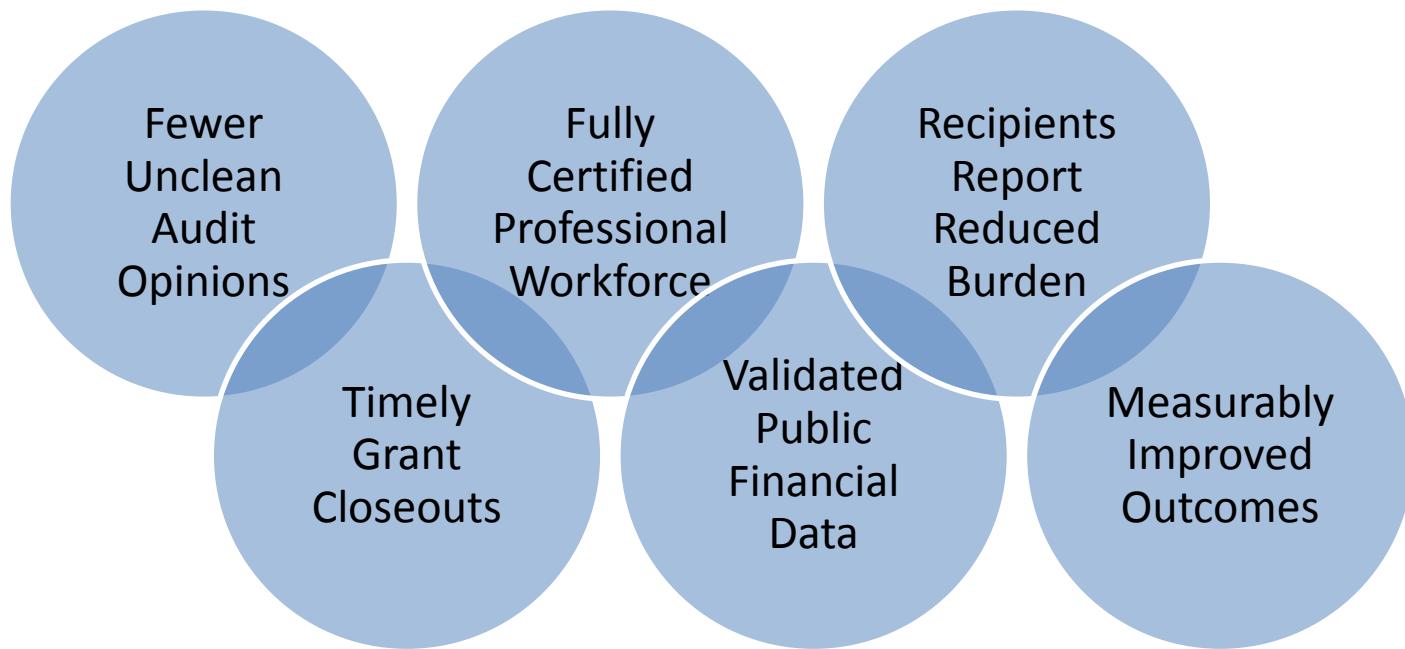
- By January 2013, identify high risk programs for COFAR agencies and establish a baseline for the first subset of programs for “unclean” audit opinions and outstanding audit findings. COFAR will select the first subset of programs.
- By March 2013, each agency identifies the findings causing material non-compliance.
- By June 2013, each agency follows up and develops corrective action plans for outstanding audit findings.
- By December 2013, issue guidance developed by COFAR on program monitoring for Single Audits. COFAR will identify the second set of high risk programs.
- By June 2014, measure the reduction in “unclean” audit opinions on the first subset of programs. COFAR will review the results.

## Return on Investment

- Stronger oversight and reduced risks on major programs
- Reduce potential for improper payments

# Indicators of Successful Management of Grant Dollars

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# Next Steps

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## By February 2013

- Publish circular reform proposal
- Publish guidance on USA Spending data quality
- Identify high risk programs for audit oversight

## By December 2013

- Issue final circular reform
- Issue guidance on program monitoring for Single Audits. Identify the second set of high risk programs
- Finalize business process and data standards for post award
- Develop competencies, body of knowledge, and resource repository for grants professionals



## By June 2013

- Develop corrective action plans for outstanding audit findings for selected programs
- Finalize business process and data standards for award notice, closeout, and certifications