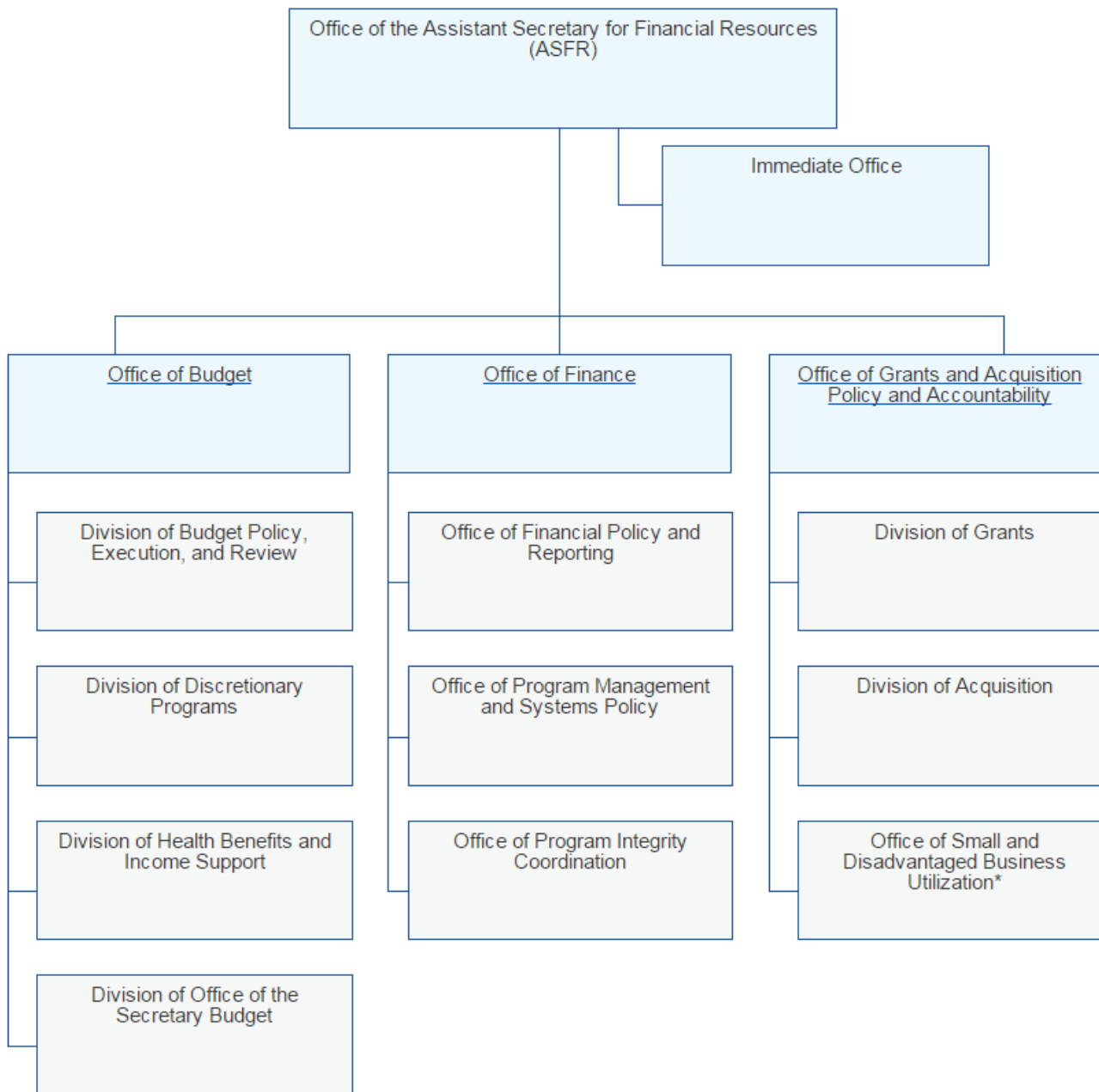


# **CHANGE AND FEDERAL ASSISTANCE**

1

**Jeffrey D. Johnson  
Associate Deputy Assistant  
Secretary for Grants  
Department of Health and  
Human Services  
9 June 2016**



# **DIVISION OF GRANTS**

3

**The Division of Grants provides Department-wide leadership through functional management directions in the areas of:**

- **Grants policy and training,**
- **Grants oversight and evaluation,**
- **Grants systems management and coordination, and**
- **Grants streamlining.**

**Represents the Department in communication with OMB, GSA, and other Federal agencies in the areas of mandatory and discretionary grants.**

# OFFICE OF GRANTS POLICY, OVERSIGHT AND EVALUATION

4

- **The Office of Grants Policy, Oversight and Evaluation (OGPOE) develops Department-wide grants policies and HHS's Uniform Administrative Regulations.**
- **OGPOE provides coordinated leadership in:**
  - **The preparation of HHS and federal-wide positions affecting the federal assistance community.**
  - **Representing the Department's interests regarding internal and external grants management activities.**
  - **The development of HHS's grants training and certification program.**
  - **Ensuring compliance with HHS's grants policies and correlating federal-wide regulations.**
  - **Assisting HHS's funding agencies with the implementation of HHS's grants policies and federal-wide grants regulations.**

# TRACKING ACCOUNTABILITY IN GOVERNMENT GRANTS SYSTEM (TAGGS)

5

- Since its inception in 1995, TAGGS has been the central repository for all of HHS grants data generated by HHS's Operating Divisions (OPDIVs) and the Office of the Secretary Staff Divisions (STAFFDIVs) representing over \$4 trillion in programs in HHS' grants portfolio.
- The TAGGS website provides HHS's financial assistance spending information for use by the public and internal HHS management. The website was refreshed this year and features such as faceted searches and mobile access for phones and tablets were added. <https://taggs.hhs.gov/>

# GRANTS.GOV

6

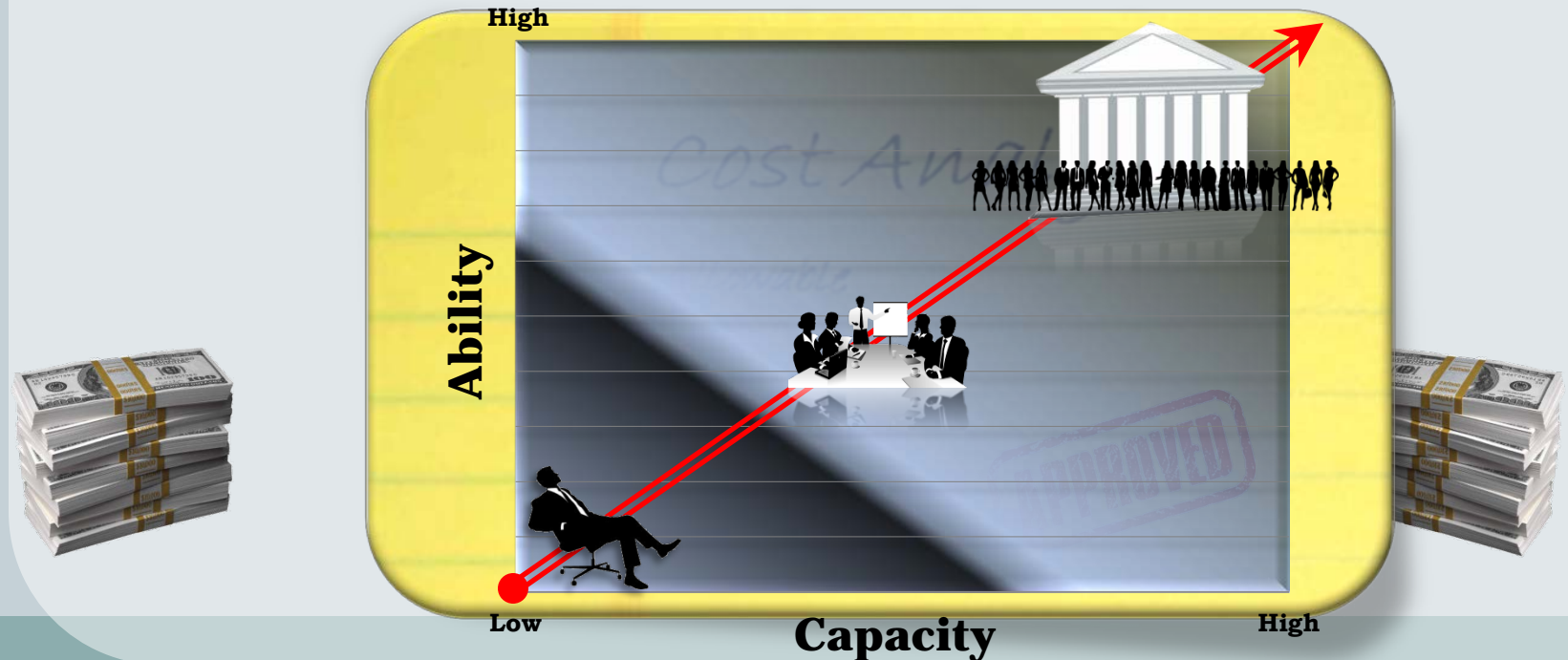
- **Grants.gov is the Federal government's central source for grants information:**
  - **Expects to have approximately 6.5 million visitors in 2016**
  - **Handles millions of searches per month**
  - **Expects 250,000 applicant submissions this year**
  - **Providing information on over 1,000 grant programs**
  - **Anticipates providing information on 4,700 federal grant opportunities worth approximately \$100 billion in 2015**
  - **Handles 10,000 phone calls a month through its call center**

# GAO AND OIG HAVE REPORTED SEVERAL CHALLENGES WITH MANAGING FEDERAL ASSISTANCE

7

Challenges related to effectively measuring grant performance:

- \* Uncoordinated grant program creation:
- \* Lack of agency or state capacity.
- \* Need for better collaboration:



# QUIZ

8

**Who is the world's largest manufacturer of Rubber Tires?**





# QUIZ

9

**What was the most popular hat worn by cowboys in the wild west?**

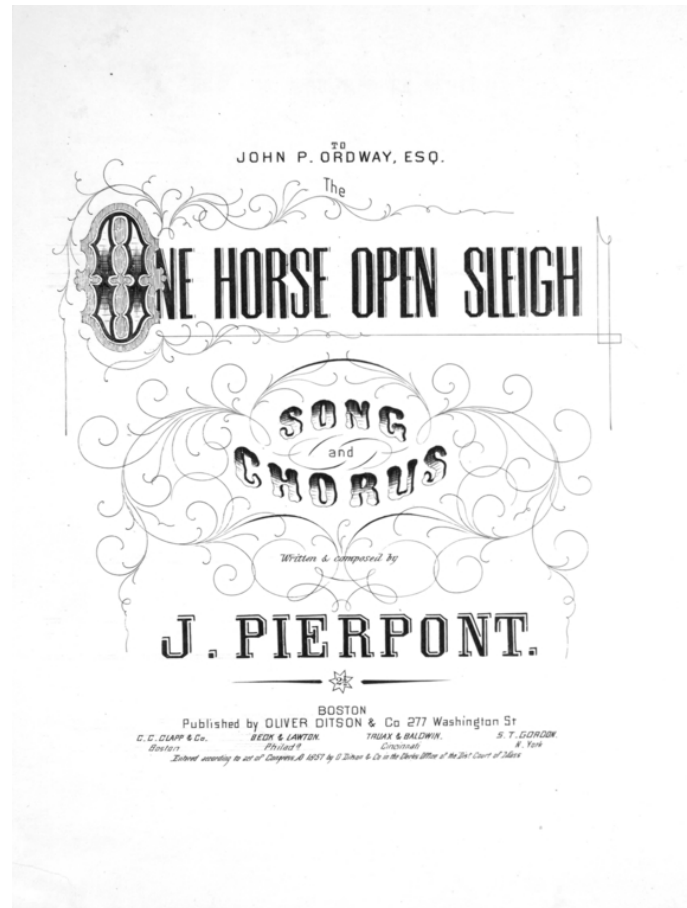


© Everett/REX Shutterstock

# QUIZ

10

**What holiday was jingle bells originally written for?**



**We can not solve problems by  
using the same kind of thinking we  
used when we created them.  
Albert Einstein**



## Agency Processes

## Stage

## Recipient Processes

### Announce Opportunity

- ☑ Provide administrative and technical support.

### Receive Applications

- ☑ Authenticate applicant, apply business rules, and ensure administrative compliance.

### Review & Decision

- ☑ Conduct reviews (administrative, budget, policy, merit, business, application, certifications, and assurances).

### Award Notification

- ☑ Notify the grantee and Congress and publicly announce the award.

### Disburse Payment

- ☑ Process payments to the recipient.

### Management & Oversight

- ☑ Conduct site visits and review recipient reports.

### Closeout

- ☑ Review and reconcile final audit and other reports.

## 13 1 Pre-Award Stage

## 2 Award Stage

## 3 Post-Award Stage

## 4 Closeout Stage

### Find Opportunity

- ☑ Identify potential opportunity.
- ☑ Develop proposal.

### Submit Application

- ☑ Submit application package for competitive award or other pre-award documents for a noncompetitive award.

### Status Review

- ☑ Check status of application.

### Receive Notification of Award

- ☑ Complete award acceptance documents (as required).

### Request & Receive Payments

- ☑ Request disbursement of award funds.

### Perform Award Requirements & Submit Reports

- ☑ Comply with award terms and conditions, including general administrative requirements and cost principles.
- ☑ Submit required financial, performance, and other reports.

### Closeout

- ☑ Submit final audit and other reports (as required).

## Agency Processes

## Stage

(( 14 ))

## Recipient Processes

### Closeout

- ✓ Review and reconcile final audit and other reports.

### Management & Oversight

- ✓ Conduct site visits and review recipient reports.

budget, policy, merit, business, application, certifications, and assurances).

4

### Closeout

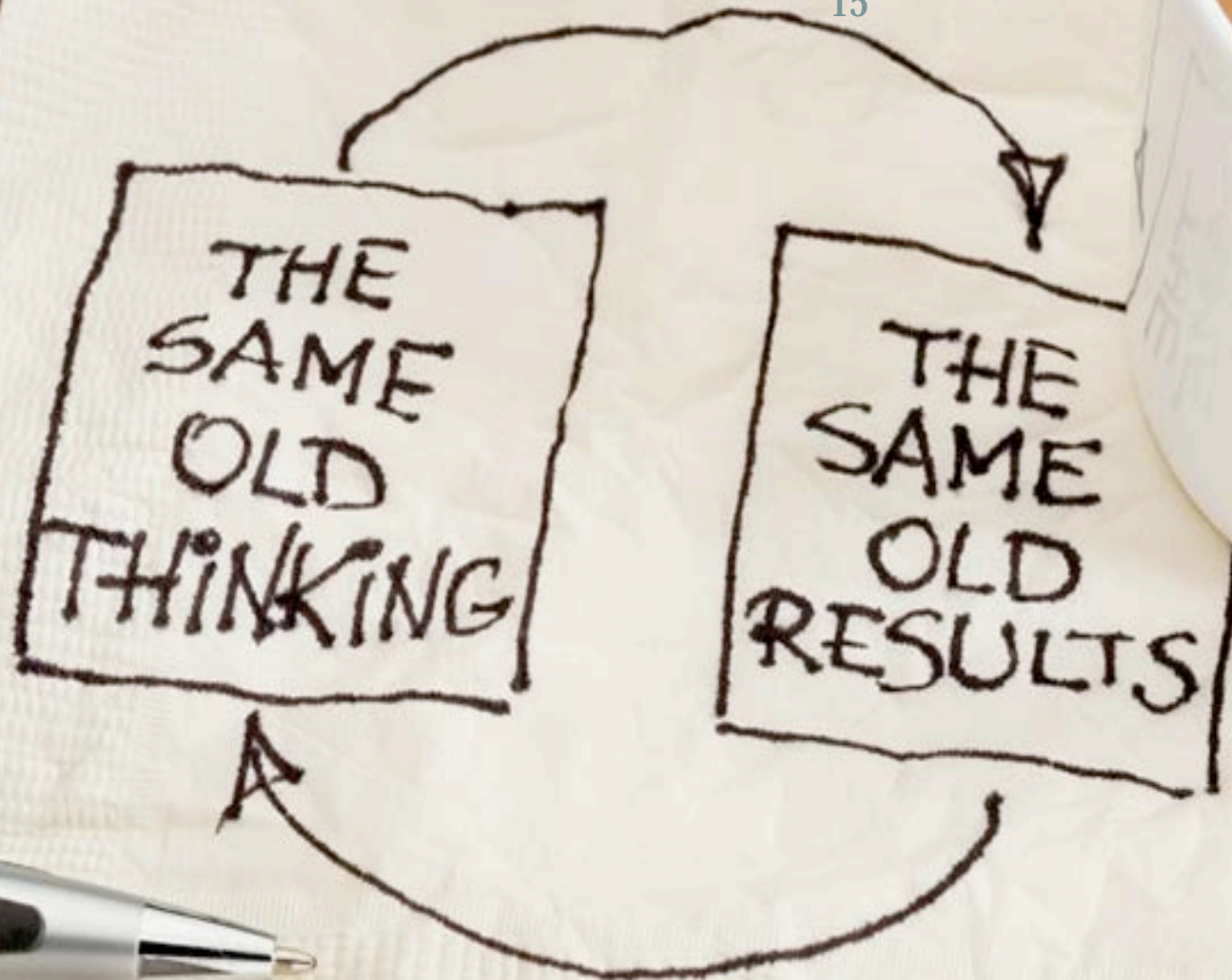
- ✓ Submit final audit and other reports (as required).

### & Submit Reports

- ✓ Comply with award terms and conditions, including general administrative requirements and cost principles.
- ✓ Submit required financial, performance, and other reports.







# **FRAMEWORK FOR IMPROVING FEDERAL ASSISTANCE PROGRAMS**

16

- **Consistency in policy & process**
- **Clarity in financial and program results**
- **Collaboration across stakeholders**

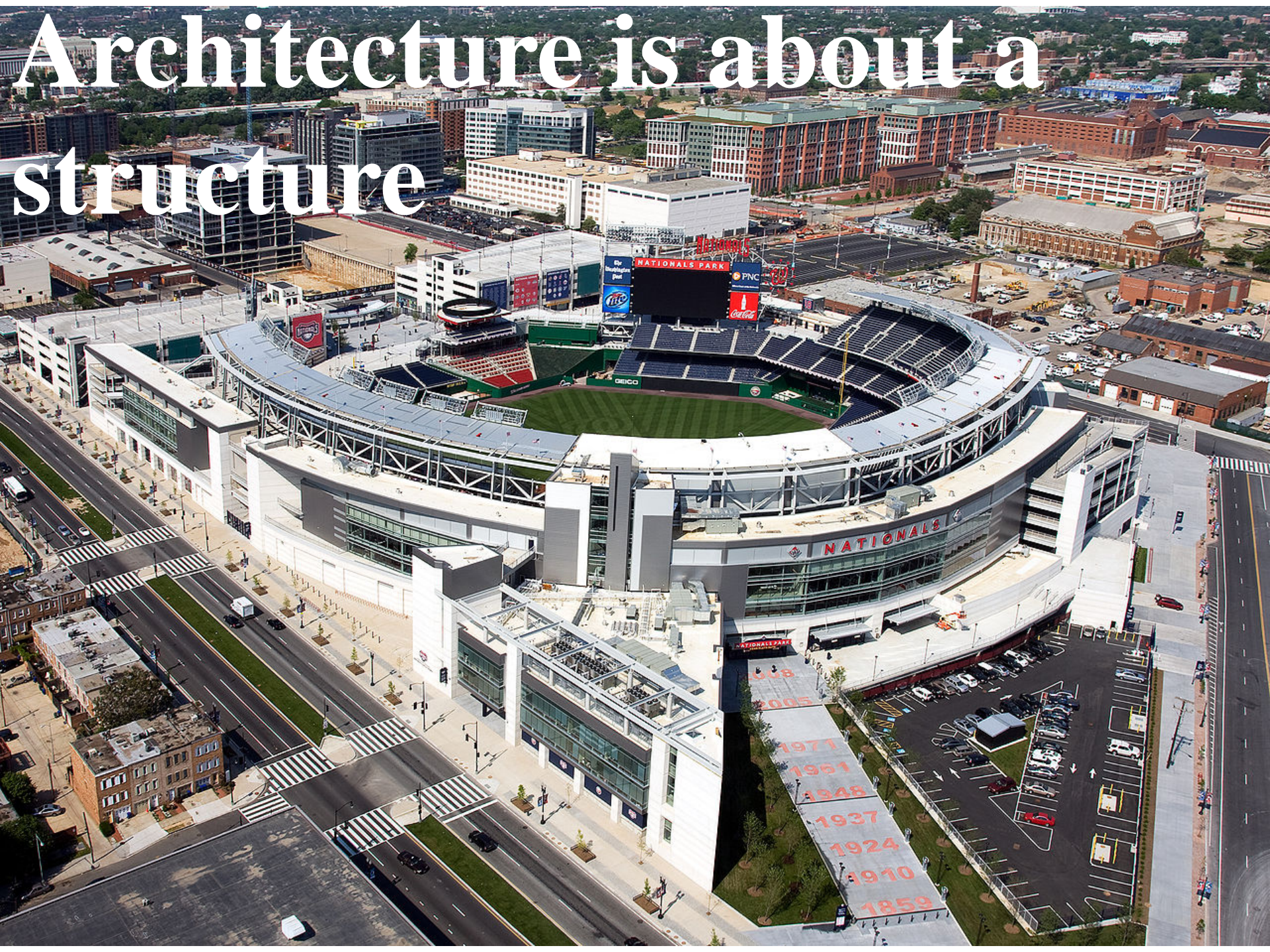


# **TWO POINTS OF VIEW ON ARCHITECTURE**

17



# Architecture is about a structure







Architecture is  
about a story



# NATIONALS PARK

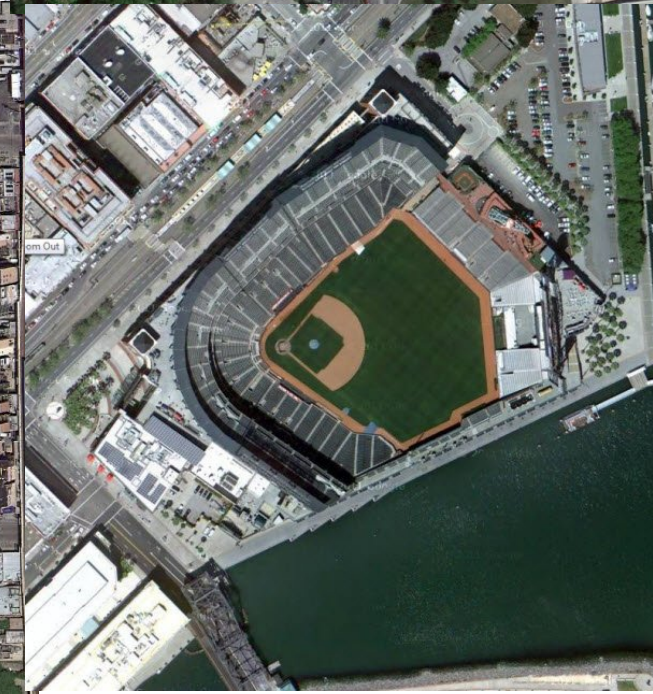
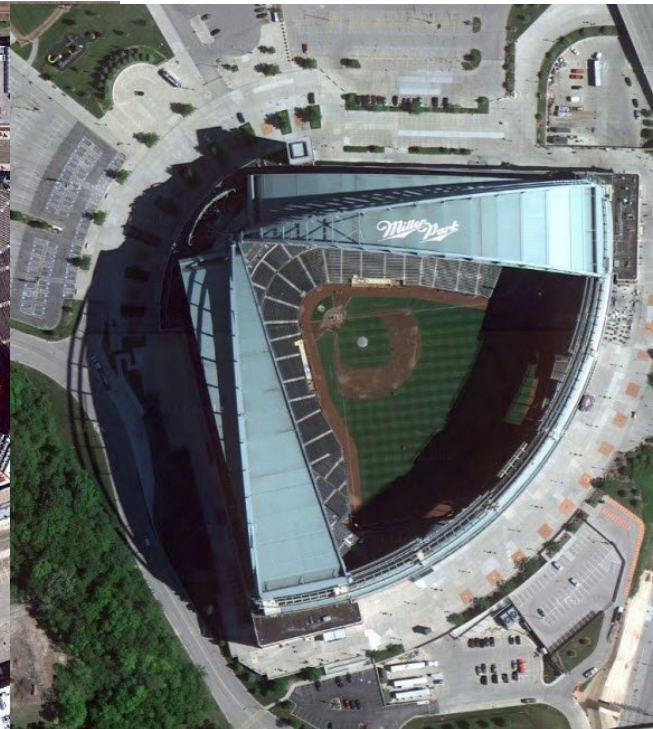
## HOME OF THE WASHINGTON NATIONALS

On its own it  
doesn't really  
tell us  
anything...



That's the  
problem with  
structure





To make sense  
of a structure  
we need the  
story...



# ARCHITECTURE

22

**A key task of architecture is to design for and maintain the balance between structure and story.**

- **Architecture is about structure.**
- **Architecture is also about story.**
- **We need both, to make it all happen.**

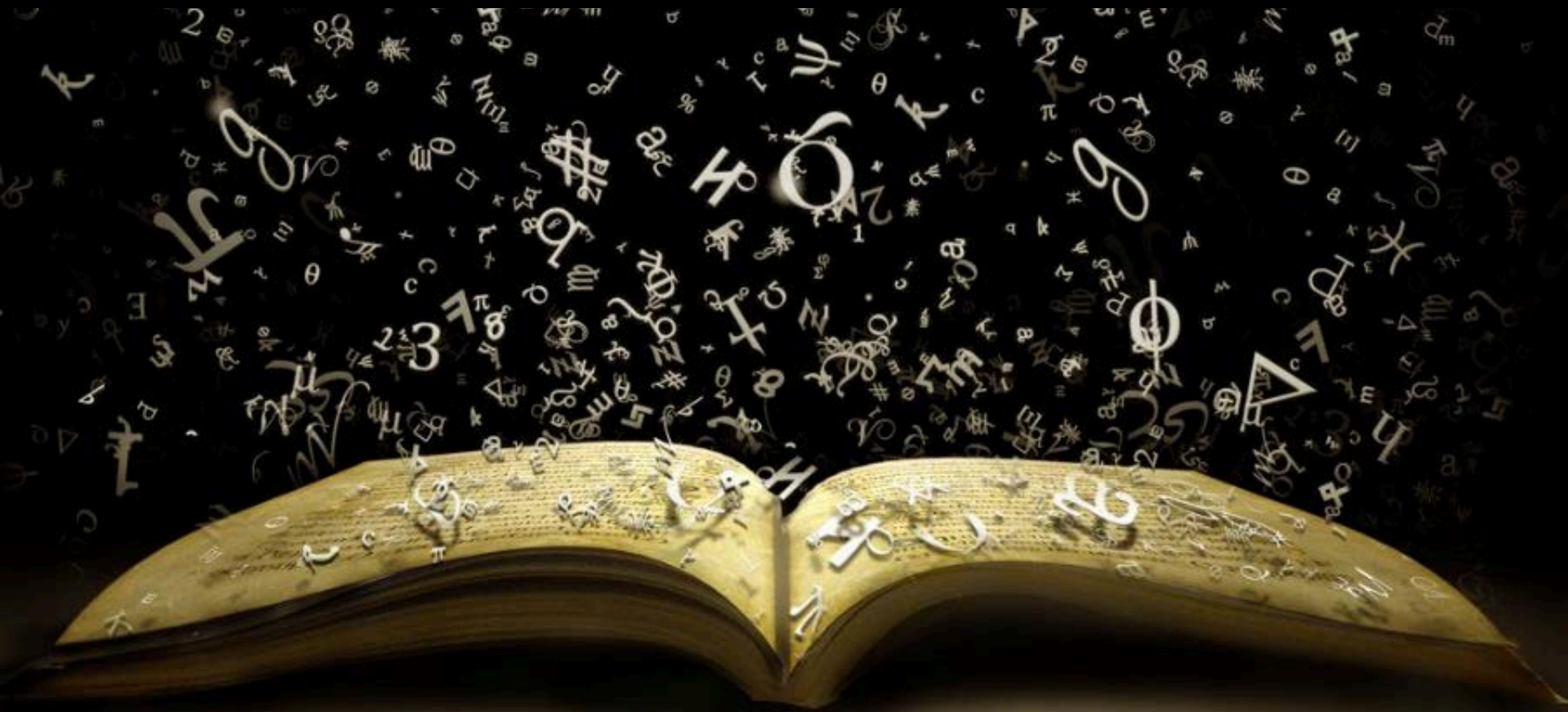
# **FEDERAL ASSISTANCE**

23

**A key task of federal assistance is to design for and maintain the balance between strong programs and stewardship of federal funds.**

- **Federal Assistance is about structure.**
- **Federal Assistance is also about story.**
- **We need both, to make it all happen.**

**We must remember...**



**...beneficiaries do not appear in our structure  
but we appear in their stories.**



# THE UNIFORM GUIDANCE PERSPECTIVE

25

**The goal of the reform was to deliver on the President's directives to:**

- 1. Streamline guidance for Federal awards to ease administrative burden; and**
- 2. Strengthen oversight over Federal funds to reduce risks of waste, fraud, and abuse.**

# THE UNIFORM GUIDANCE PERSPECTIVE

26

- 1. Eliminating Duplicative and Conflicting Guidance**
- 2. Focusing on Performance over Compliance for Accountability**
- 3. Encouraging Efficient Use of Information Technology and Shared Services**
- 4. Providing For Consistent and Transparent Treatment of Costs**
- 5. Limiting Allowable Costs to Make Best Use of Federal Resources**
- 6. Setting Standard Business Processes Using Data Definitions**
- 7. Encouraging Non-Federal Entities to Have Family-Friendly Policies**
- 8. Strengthening Oversight**
- 9. Targeting Audit Requirements on Risk of Waste, Fraud, and Abuse**

# **EFFECTIVE FEDERAL ASSISTANCE PROGRAMS**

27

- **Effective programs are not accidental**
  - **They are deliberate, well-conceived and well-executed**
- **Programs succeed when they:**
  - **Gather knowledge and identify needs before awarding**
  - **Are clear about the results they seek to achieve**
  - **Take appropriate risks and mitigate residual risk**
  - **Carefully direct resources to maximize impact and influence**
  - **Effective and engaged Recipients**

# STANDARD PROCESS FOR FEDERAL ASSISTANCE

28



## Preaward

### **Announce opportunity**

Provide administrative and technical support

### **Receive applications**

Authenticate applicants, apply business rules, and ensure administrative compliance

### **Review and decision**

Conduct reviews (administrative, budget, policy, merit, business, applications, certifications, and assurances)



## Award

### **Award notification**

Notify the grantee and publicly announce the award



## Implementation

### **Disburse payment**

Process payments to grantees

### **Management and oversight**

Review grantee reports and conduct any site visits deemed necessary

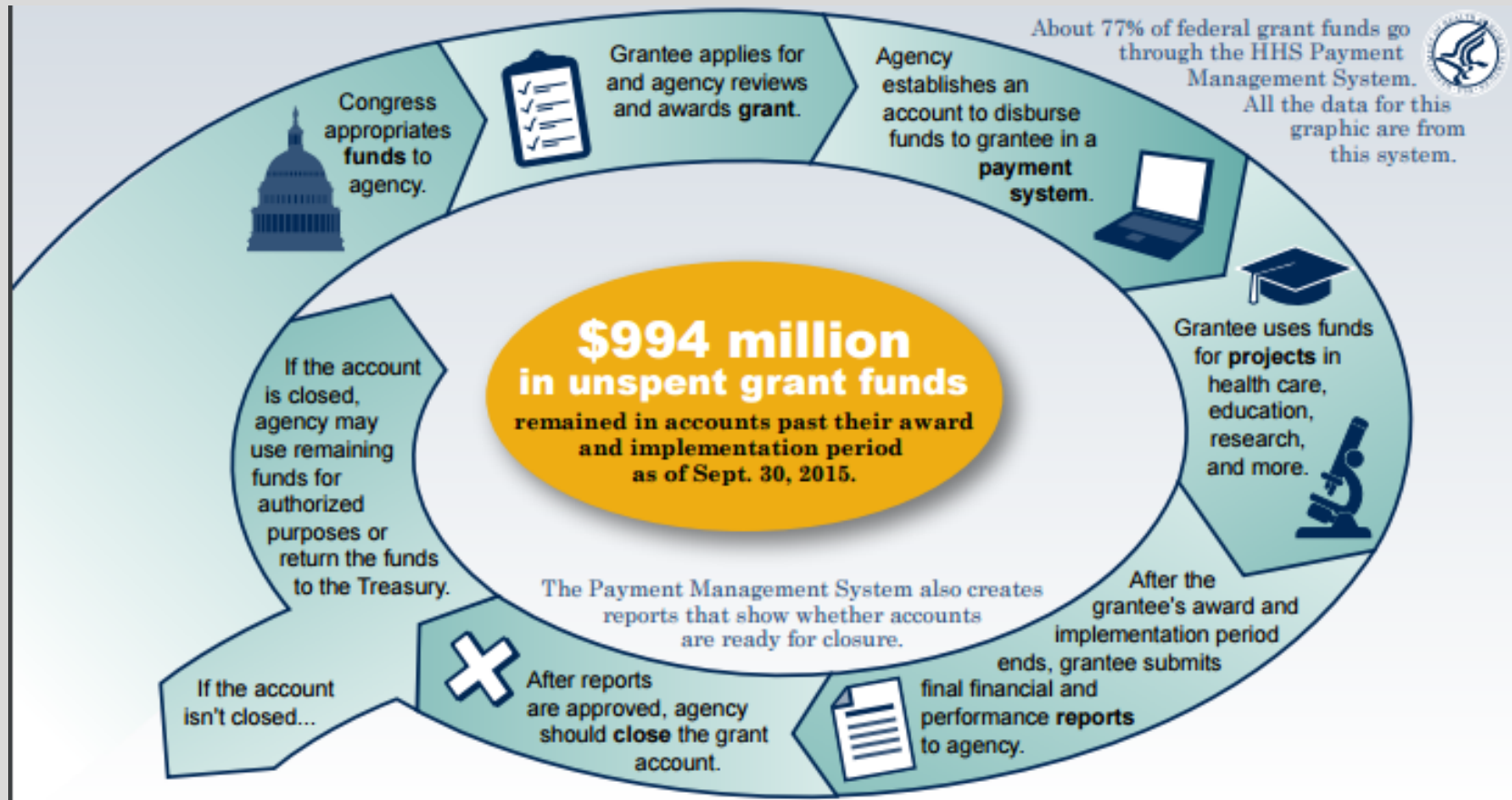


## Closeout

### **Closeout**

Review and reconcile the final audit and other reports

# How do funds flow through the grant life cycle?



# ACHIEVING OBJECTIVES THROUGH INTERNAL CONTROL

30

## What is internal control?

Internal control is a process that helps an entity achieve its objectives. It is the first line of defense in safeguarding public resources.



*Standards for Internal Control in the Federal Government*, known as the Green Book, is the document that sets internal control standards for federal entities.



# ACHIEVING OBJECTIVES THROUGH INTERNAL CONTROL

31

## How does internal control work?

Internal control helps an entity



**Run its  
operations  
efficiently and  
effectively**



**Report reliable  
information  
about its  
operations**

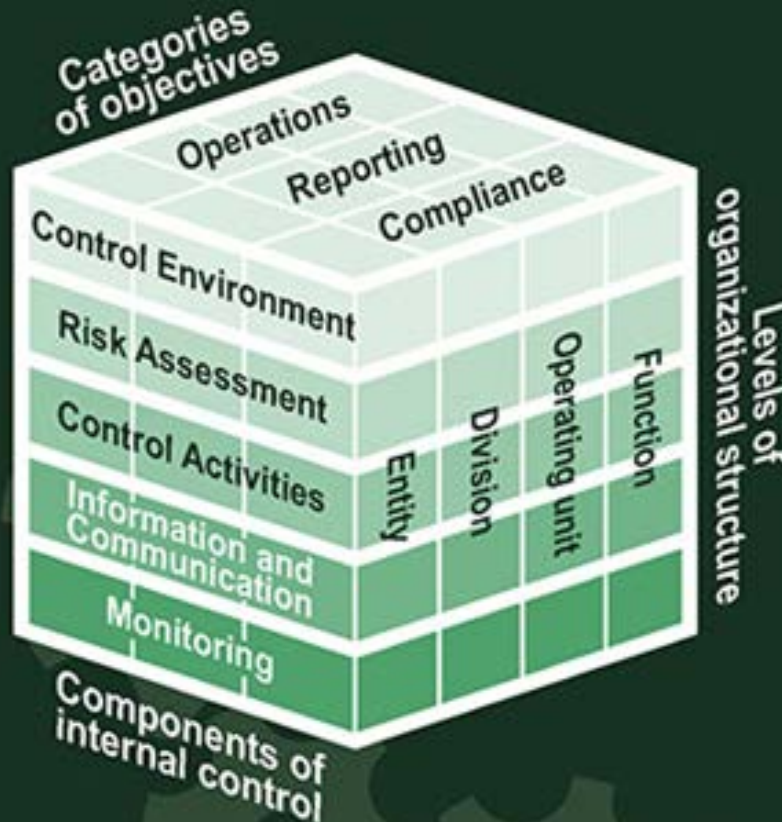


**Comply with  
applicable  
laws and  
regulations**

# ACHIEVING OBJECTIVES THROUGH INTERNAL CONTROL

32

## How is internal control organized?



*Standards for Internal Control in the Federal Government (the Green Book) is organized by the five components of internal control, and apply to staff at all organizational levels and to an entity's operations, reporting, and compliance objectives.*



# THE FIVE COMPONENTS AND 17 PRINCIPLES OF INTERNAL CONTROL

33

## Control Environment

1. The oversight body and management should demonstrate a commitment to integrity and ethical values.
2. The oversight body should oversee the entity's internal control system.
3. Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives.
4. Management should demonstrate a commitment to recruit, develop, and retain competent individuals.
5. Management should evaluate performance and hold individuals accountable for their internal control responsibilities.

## Risk Assessment

6. Management should define objectives clearly to enable the identification of risks and define risk tolerances.
7. Management should identify, analyze, and respond to risks related to achieving the defined objectives.
8. Management should consider the potential for fraud when identifying, analyzing, and responding to risks.
9. Management should identify, analyze, and respond to significant changes that could impact the internal control system.

## Control Activities

10. Management should design control activities to achieve objectives and respond to risks.
11. Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
12. Management should implement control activities through policies.

## Information and Communication

13. Management should use quality information to achieve the entity's objectives.
14. Management should internally communicate the necessary quality information to achieve the entity's objectives.
15. Management should externally communicate the necessary quality information to achieve the entity's objectives.

## Monitoring

16. Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.
17. Management should remediate identified internal control deficiencies on a timely basis.

# RISK MANAGEMENT

34

I

**Risk  
Identification**



II

**Risk  
Assessment**



III

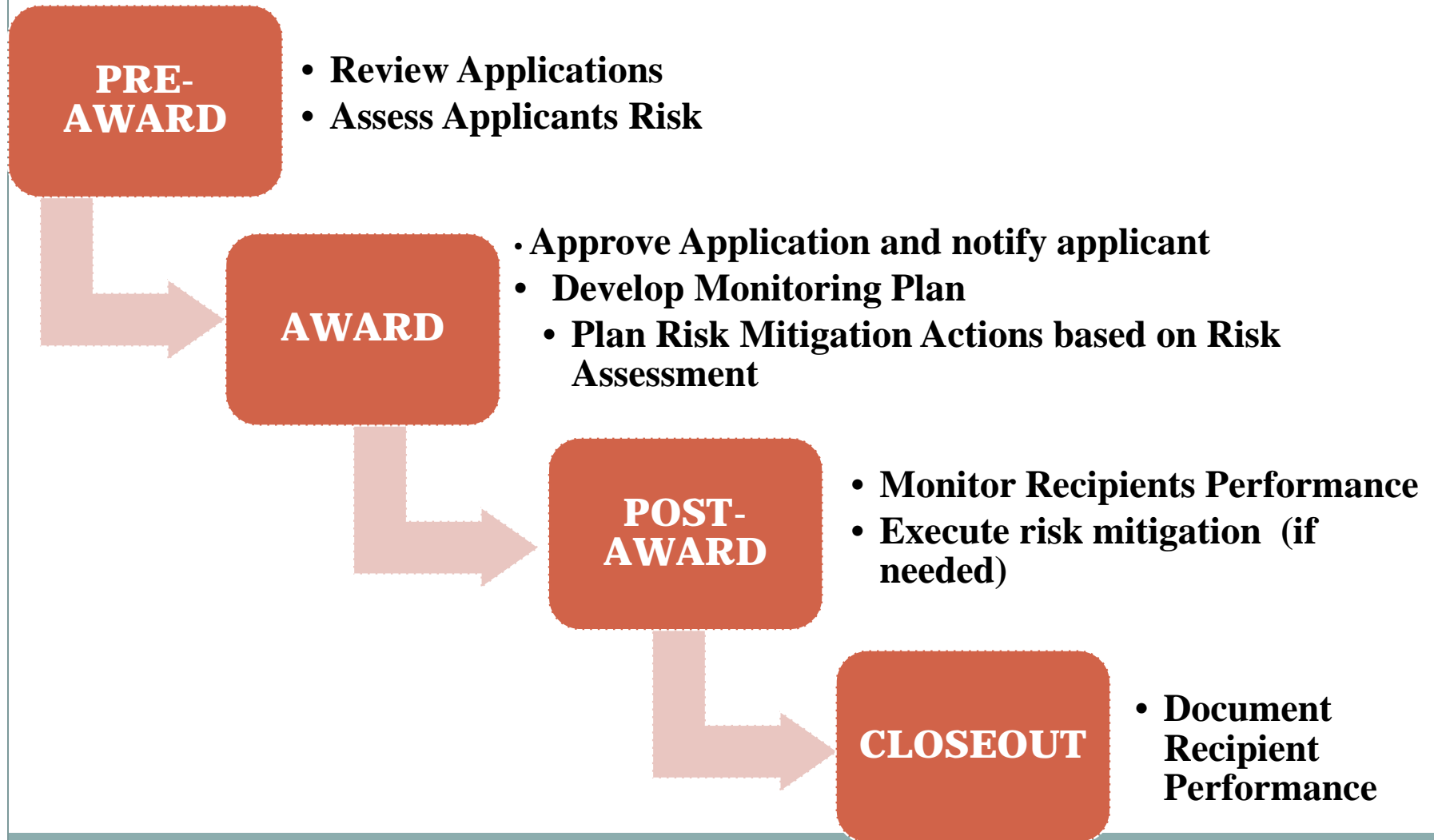
**Risk  
Response**

# TYPES OF RISK

35



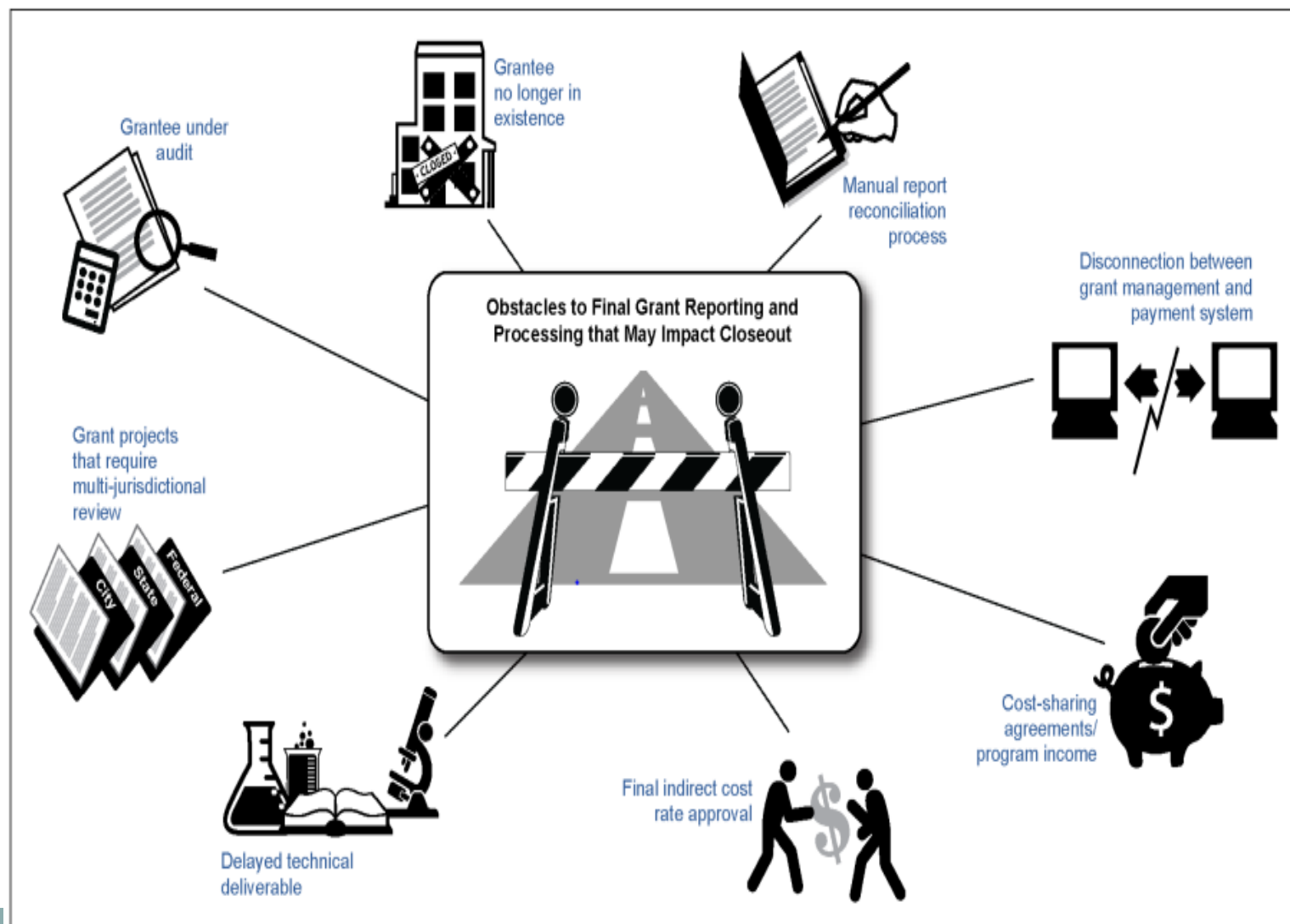
# RISK INFORMS MONITORING





*“Risk is like fire: If controlled it will help you; if uncontrolled it will rise up and destroy you.”*  
-Theodore Roosevelt

# MULTIPLE REASONS FOR DELAYED GRANT CLOSEOUT









tell  
YOUR  
STORY



# DO ALL THE WORK UPFRONT





**STOP**

DON'T

QUES  
TION  
ING











*Get your ducks in a row!*

