



# Office of Management and Budget Update

- A Government of the Future
  - Execute the FY 16 Budget
  - Continue to grow the economy
  - Place Based and Community Solutions
  - Pass the President's FY 2017 Budget
  - Execute the President's Management Agenda



# Budget Priorities

- Management Agenda
  - People and Culture
  - Customer Service
  - Smart IT Delivery
  - Open Data
  - Lab to Market
  - Strategic Sourcing/Category Management
  - Shared Services
  - Benchmarking/Data Drive Results



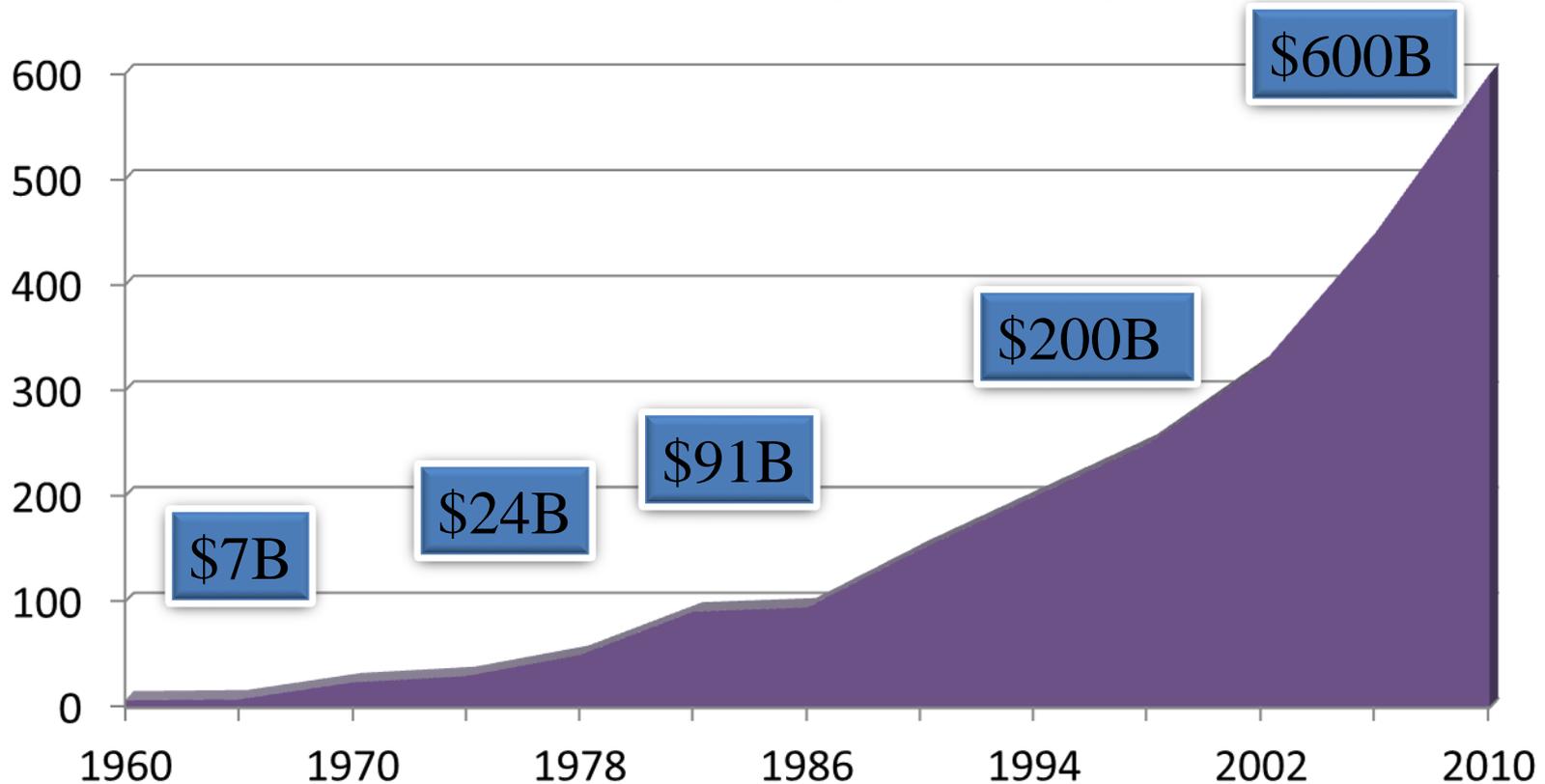
# Office of Federal Financial Management

- Transparency and Data Management
- Shared Services
- FedStat and Benchmarking
- Real Property
- Improper Payments
- Grants Management
- Internal Controls and Enterprise Risk Management
- Federal Financial Reporting
- Debt Collection
- Charge Cards
- Conferences and Travel



# Increase in Federal Grants Activity

The Catalog of Federal Domestic Assistance lists over 2,300 Federal grant programs





# Grants Reform Timeline

**December 26, 2103:**  
Uniform Guidance published

**December 2014: 28**  
Agencies Adopt the  
Guidance, Technical  
Corrections, Metrics

**UG IS EFFECTIVE**

**2015-2016:** Agency  
Final Rules,  
Collection of Second  
Set of Metrics

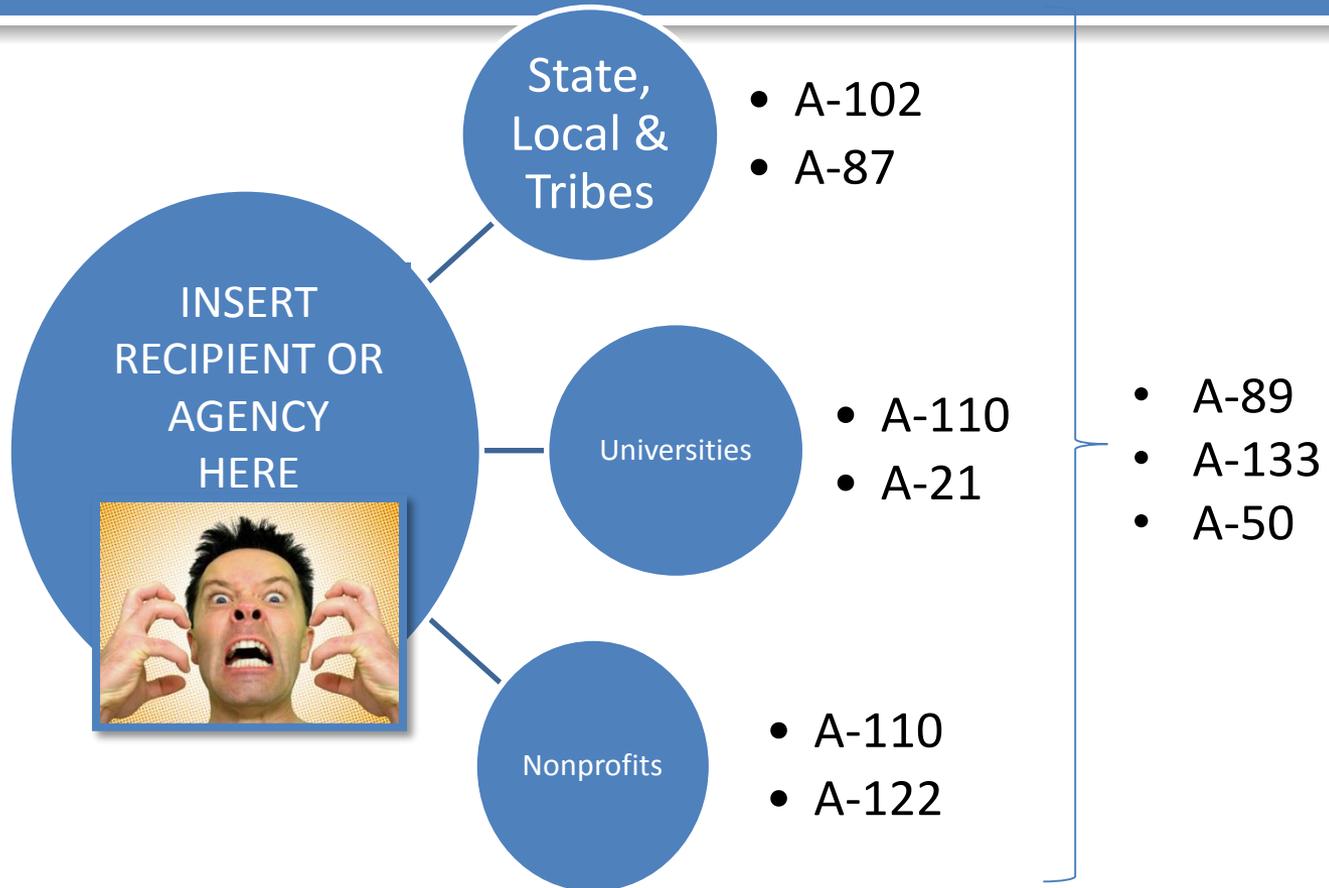
**Fall 2014:** Metrics,  
Additional FAQs  
and Webcasts

**2015:** Additional  
Technical Corrections,  
FAPIS, Outreach,  
Updated FAQs



# Eliminating Duplicative and Conflicting Guidance

**Then:**



**Now: All OMB guidance streamlined in 2 CFR 200.**

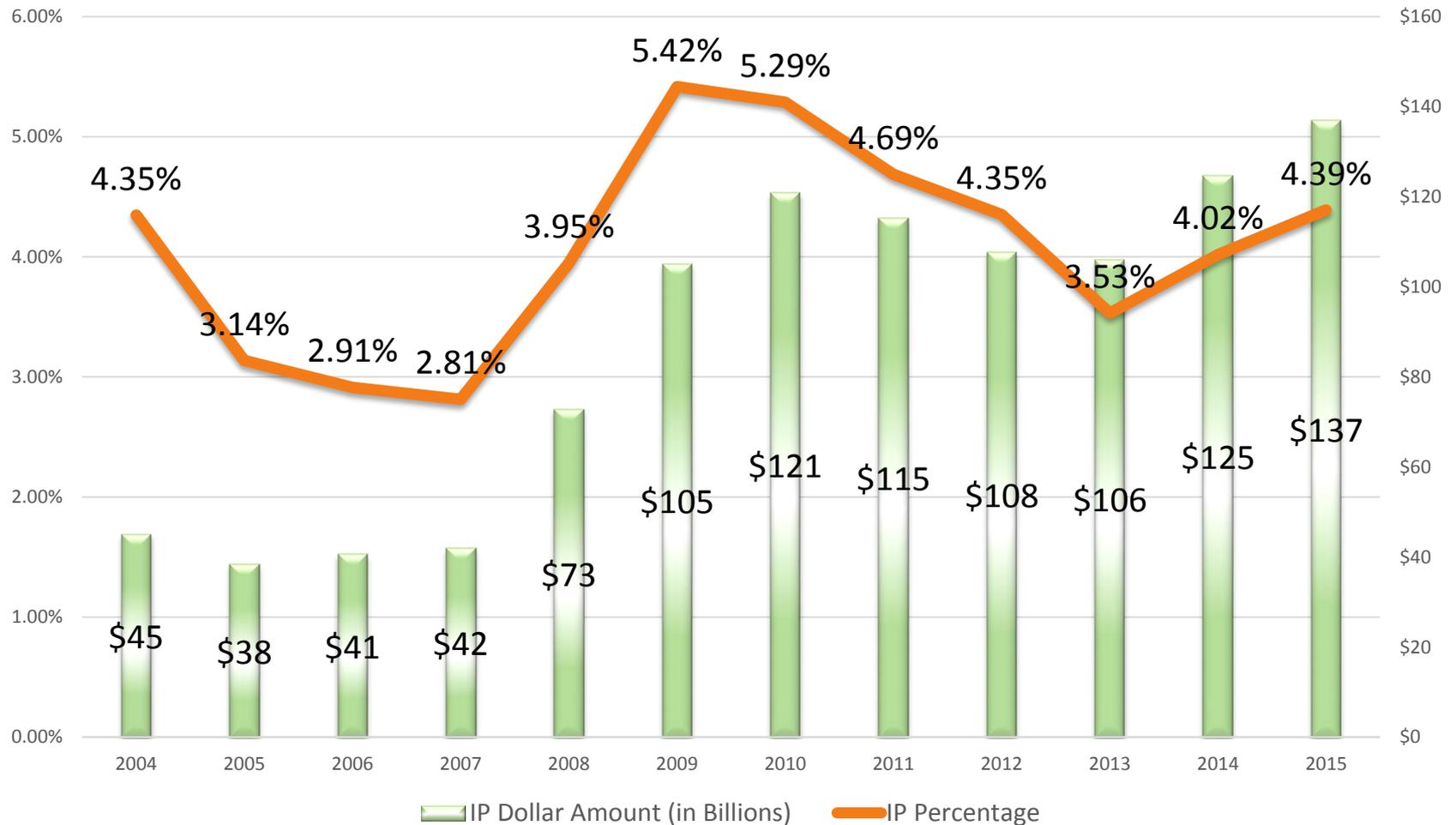


# Major Highlights

- **200.204** Federal awarding agency review of merit of proposals
- **200.205** Federal awarding agency review of risk posed by applicants
- **200.330 – 200.332** Subrecipient monitoring and management
- **200.303** Internal controls
- **200.414**- Indirect (F&A) rate
- **200, 5XX**– Audit Requirements



# IP Amount and Percentage Trend





# The Future of the Administrative Shared Services

## Key considerations ...

- “Good government”, specifically economies of scale, leveraging proven solutions and reducing duplicative investments
- Current and future consumer benefit and protection
- Provider entrepreneurship and innovation



1	<b>Acquisition</b>
2	<b>Financial management</b>
3	<b>Human resources</b>
4	Information technology
5	Travel
6	Property management (personal and real)
7	Grants
8	Relocation
9	Budget formulation
10	Printing and publishing
11	Guaranteed loans
12	Direct loans
13	Occupational health
14	Mail
15	Insurance



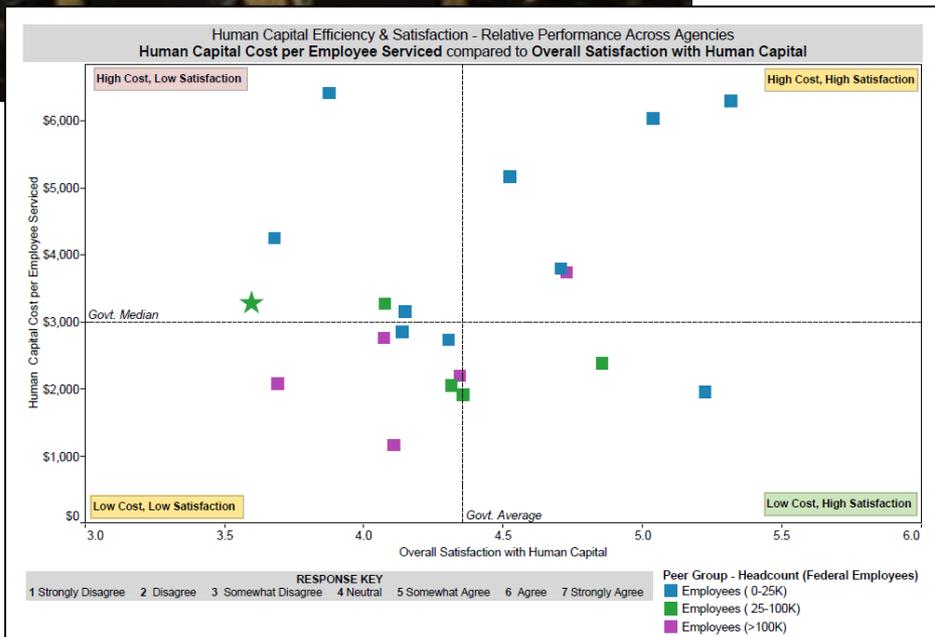
Area of initial focus



Other areas considered



# Benchmarking



- Collect administrative Data
- Analyze across agencies
- Review with each agency  
DepSec & CXOs
- Review across agencies and leverage the interagency councils
- Improve and monitor progress
- This year: Added quality metrics to cost metrics



# Fiscal Report of the United States





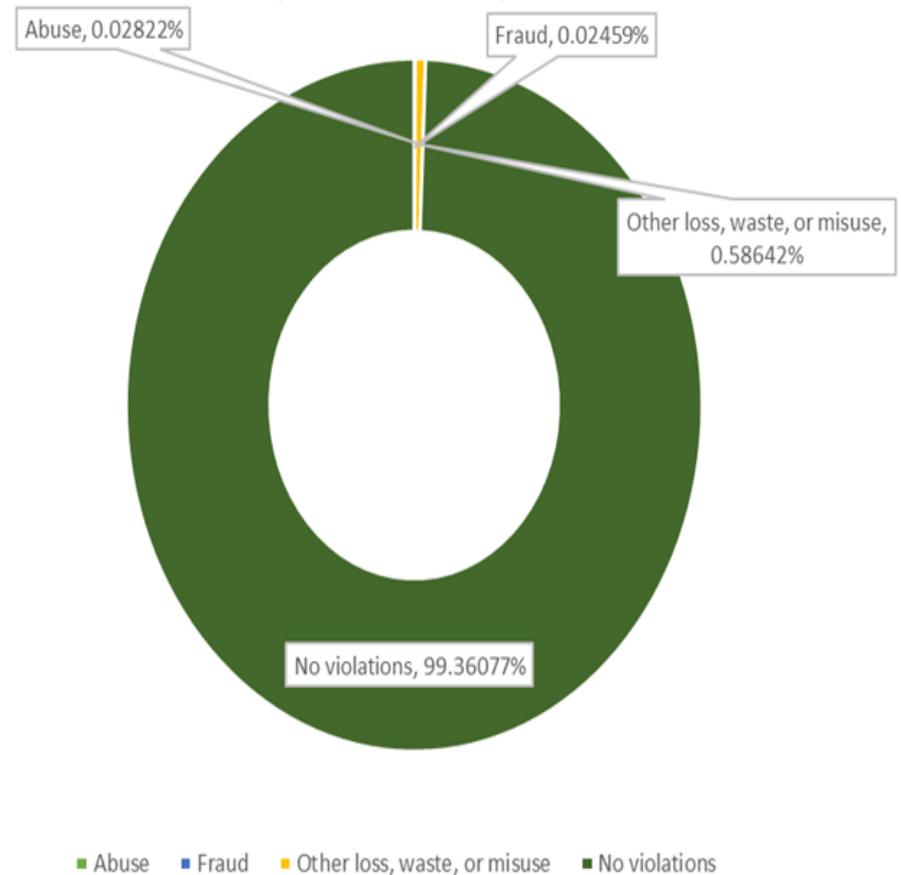
# Charge Card

## Framing the Issue and Progress to Date

### Program Overview

- In FY 2015, Federal agencies used government charge cards to spend \$28.4 B; cards are an important and efficient financial tool
- The Government Charge Card Abuse Prevention Act of 2012, reinforced Administration efforts to prevent waste, fraud, and abuse of Government-wide charge card programs
- OMB Memorandum-M-13-21 established guidance and reporting requirements for agencies and Inspectors General (IGs) to partner on efforts to improve card management and oversight
- Over two years, agencies have implemented 659 of 767 (86%) IG recommendations
- Currently, only 1% misuse across all purchase card holders— though any misuse is too high
- Over 1.2 million CHIP and PIN Cards issued as part of Buy Secure initiative

FIGURE 2: REPORTED % OF PURCHASE CARD ACCOUNTS WITH VIOLATIONS (FY 2013 - FY 2015)





# Real Property: Framing the Issue

**Over 1.1 million assets globally** – Including building, land, and structures – with these assets managed across 24 major departments, each with its unique asset management system

**Operating costs** - Exceeds \$33 billion annually, including over \$9 billion on costs related to leased property, and is growing

**Opportunities for potential consolidation** – Over 10,000 “excess” or “underutilized” assets worldwide (including a subset of 7,500 domestic, non-military assets) identified in 2013

**Field Offices** – About 19,000 field offices (outside DC) comprising 380 million sq ft of space; one example is the Farm Services Administration with about 2,000 offices nationally

**Example: Farm  
Services  
Administration  
Field Office  
Footprint**





# Moving From Compliance to Managing Risks



## Check the Box (A-123 Today)

- Compliance with New GAO Internal Control Standards
- Treating Risk as only Negative
- Heavy Emphasis on Financial Reporting
- Regarding Risk Management as Separate
- Check the Box on 3 Year A-123 Assessments

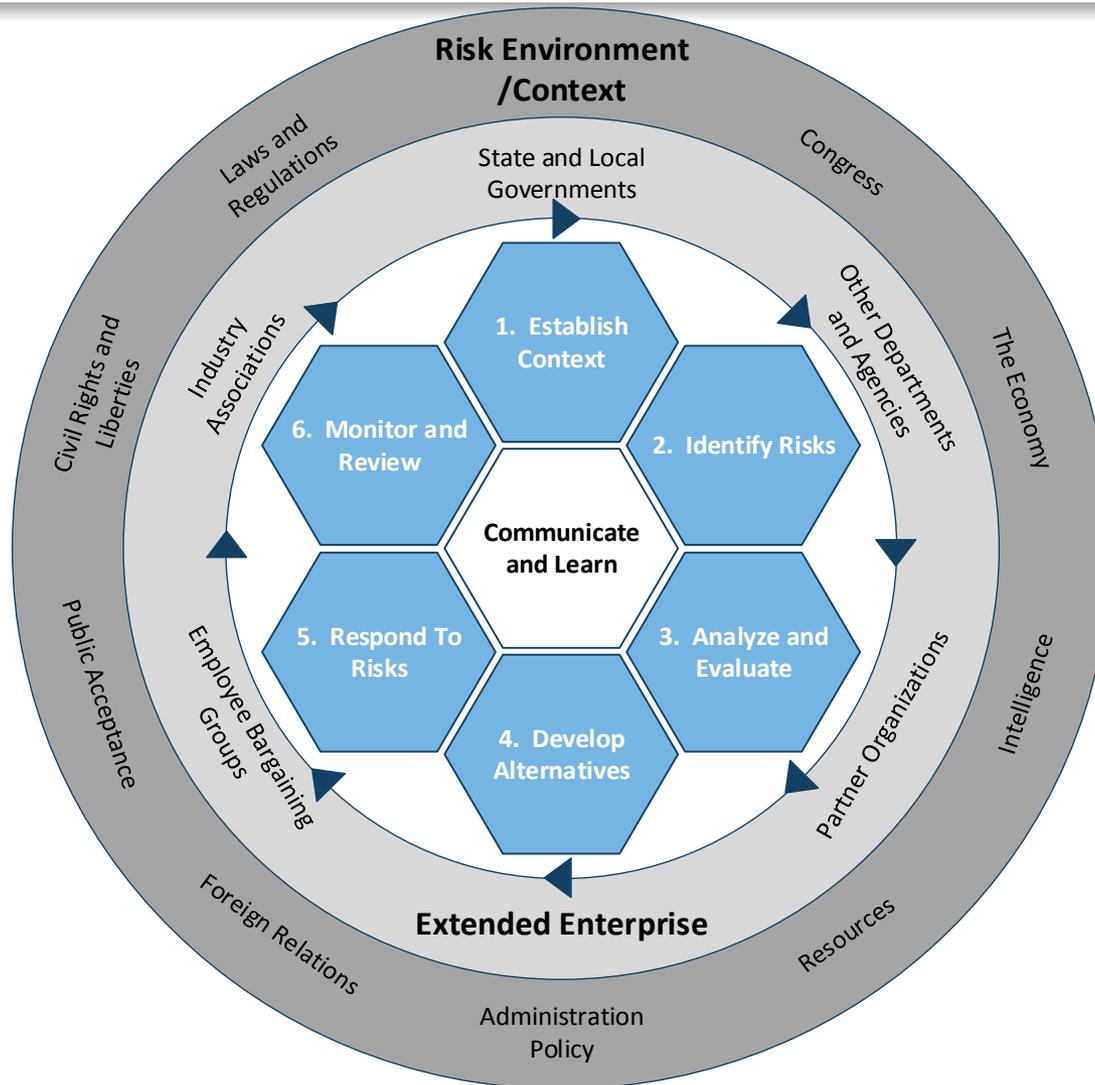


## Proactively Managing Risks (A-123 Tomorrow)

- Risk Based Approach with New Internal Control Standards
- Defining risk as both positive (e.g., taking on risk to improve government services) and negative
- Balanced Emphasis on Financial Reporting and Mission Support
- Integrating Risk Management and Internal Control
- Manage Risks Across Organizational Structures



# Enterprise Risk Management Model





# OMB A-123, Appendix A, Internal Control Over Reporting



Source: COSO



# Purpose & Discussion Topics

## Discussion Topics

DATA Act Overview

Section 5 Grants Pilot

Data Centric Vision

Opportunities for Involvement



# DATA Act Overview

In May 2014, Public Law 113-101 Digital Accountability and Transparency Act of 2014 (DATA Act) was signed into law with the purpose to establish government-wide financial data standards and increase the availability, accuracy, and usefulness of federal spending information.





## Section 5 Pilot Requirements

The goal of the Pilot is to implement Section 5 of the Digital Accountability and Transparency Act (DATA Act) of 2014, Pub. L. No. 113-101, which requires the Federal Government to, “ establish a pilot program with the participation of appropriate Federal agencies to facilitate the development of recommendations for –



(A) standardized reporting elements across the Federal government (§5(b)(1)(A));



(B) the elimination of unnecessary duplication in financial reporting (§5(b)(1)(B));



(C) the reduction of compliance costs for recipients of Federal awards (§5(b)(1)(C)).”

***The Office of Management and Budget (OMB) has engaged HHS to serve as the executing agent for the Section 5 Grants Pilot.***



## Section 5 Legislative Timeline

Activity	Deadline
<b>Section 5:</b> <b>Establish Pilot program that will generate recommendations to standardize reporting, eliminate duplication and unnecessary reports, and reduce compliance costs</b>	<ul style="list-style-type: none"><li>• Establish 1 year after enactment</li><li>• Complete within 2 years after pilot established</li><li>• May 2015 – May 2017</li></ul>
<b>Section 5:</b> <b>Report on results of pilot</b>	<ul style="list-style-type: none"><li>• 90 days after pilot completion</li><li>• August 2017</li></ul>
<b>Section 5:</b> <b>Guidance to agencies on how data standards can reduce burden and simplify reporting requirements/eliminate duplication</b>	<ul style="list-style-type: none"><li>• 1 year after Report</li><li>• August 2018</li></ul>



## One Pilot, Two Tracks

- While Federal awarding and reporting processes have similarities, there are unique burden areas that merit exploration for burden reduction. To accommodate those award-specific areas, two tracks are underway for Federal procurement and Federal grants.
- The Office of Management and Budget (OMB) has partnered with HHS to serve as the executing agent for the Section 5 Grants Pilot.

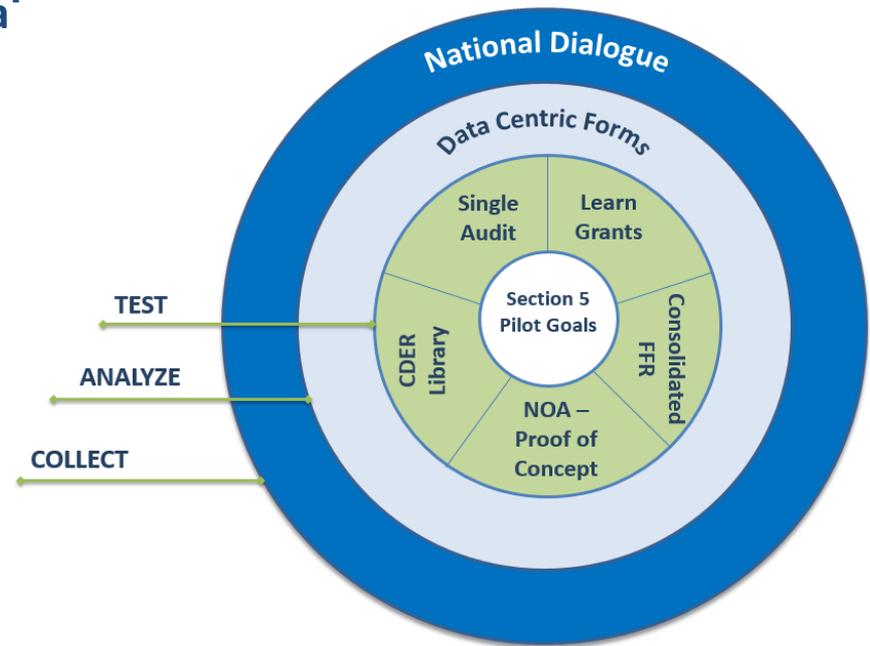


# Section 5 Grants Pilot – Approach & Framework

**Section 5 Grants Pilot Framework takes a holistic approach to meeting the Section 5 Pilot Goal by:**

- *Collecting* feedback through the National Dialogue (<https://cxo.dialogue2.cao.gov/>).
- *Analyzing* data centric forms.
- *Testing* models like the CDER Library, Consolidated FFR, Single Audit, NOA – POC, Learn Grants, and other models as appropriate.
- Each component of the Framework interacts with and informs the others.
- Time frames associated with each test model will align with legislative requirements to execute the Pilot by May 2017, and support OMB’s report due to Congress by August 2017.

## Section 5 Grants Pilot Framework



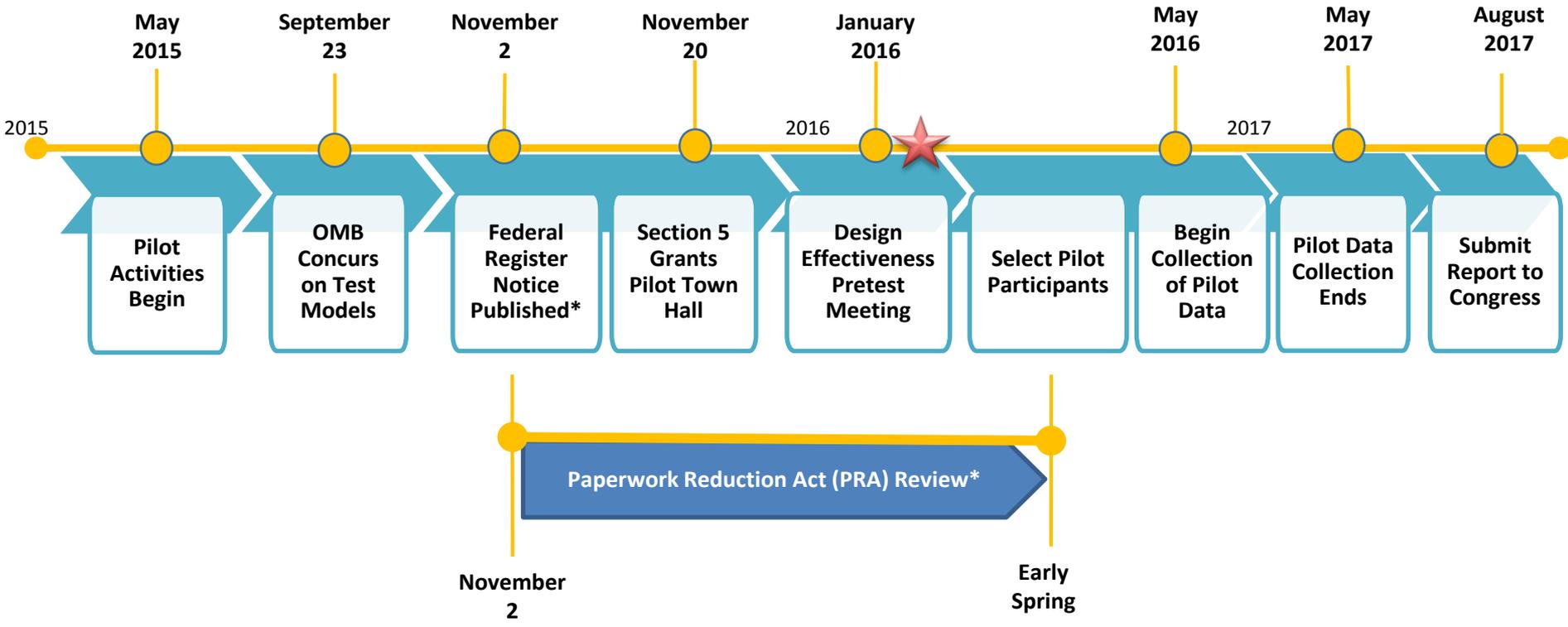
- Section 5 Pilot Goals**
- ✓ Standardize reporting elements.
  - ✓ Eliminate unnecessary duplication.
  - ✓ Reduce compliance costs for Federal award recipients.

# Section 5 Grants Pilot Timeline Update



HHS conducted a Town Hall, a series of Subject Matter Expert (SME) meetings, and a Pretest Meeting to inform the development of the Section 5 Grants Pilot test models.

Groups represented included: FDP, AGA, NGMA, DTC, ACT-IAC, NCURA



★ Present time

# Section 5 Grants Pilot Test Models



## Common Data Element Repository (CDER) Library

**Designed to be a federal-wide, online repository for grants-specific data standards, definitions, and context.**

**Test 1:** Provide grantees with data element definitions to identify potential changes in accuracy and speed of grant lifecycle form completion.

**Test 2:** Identify form duplication and update/reduce forms to reduce grantee burden.

## Consolidated Federal Financial Reporting (FFR)

**A test model that will allow grantees to submit the FFR form in one system, rather than in multiple entry systems.**

**Test:** Provide grantees with one consolidated process for submitting the FFR to identify potential changes in the time it takes to complete and submit two separate components of the FFR.

**Focus Group Discussion:** Walk participants through the changes to the FFR and allow for questions/feedback.

## Single Audit

**A financial statement audit of an organization's federal funds.**

**Test:** Provide grantees with draft 2016 expanded Single Audit form (SF-SAC only) and collect participant feedback on a more streamlined approach for SF-SAC/SEFA reporting.

**Focus Group Discussion:** Present draft expanded Single Audit form and allow participants to comment upon the SF-SAC changes in a live setting.

## Notice of Award – Proof of Concept (NOA – POC)

**A document containing information a grant recipient needs to perform routine accounting and finance operations.**

**Test:** Provide grantees with standardized NOA cover sheet for Federal awards to populate a data collection tool. Identify potential changes in speed of completing the data collection tool with and without the standardized NOA.

## Learn Grants

**An online web portal that provides information for grant recipients to access federal grant lifecycle information.**

**Test:** Determine users' level of understanding on the grants lifecycle after using Learn Grants.



# Opportunities for Involvement

There are several ways to participate in DATA Act Section 5 Pilot for Grants activities.



Send inquiries and feedback to  
[DATAActPMO@hhs.gov](mailto:DATAActPMO@hhs.gov).



Visit the HHS Website at  
[www.hhs.gov/dataactpmo](http://www.hhs.gov/dataactpmo).



Follow DAP on Twitter at  
[www.twitter.com/HHS\\_DAP](http://www.twitter.com/HHS_DAP).



Access Learn Grants at  
<http://www.grants.gov/web/grants/learn-grants.html>.



Visit the CDER Library at  
<https://repository.usaspending.gov/poc-tool/>.



Join the National Dialogue at  
<https://cxo.dialogue2.cao.gov>.



For more information on the DATA Act, visit  
<https://www.usaspending.gov/Pages/Data-Act.aspx>.



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