



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



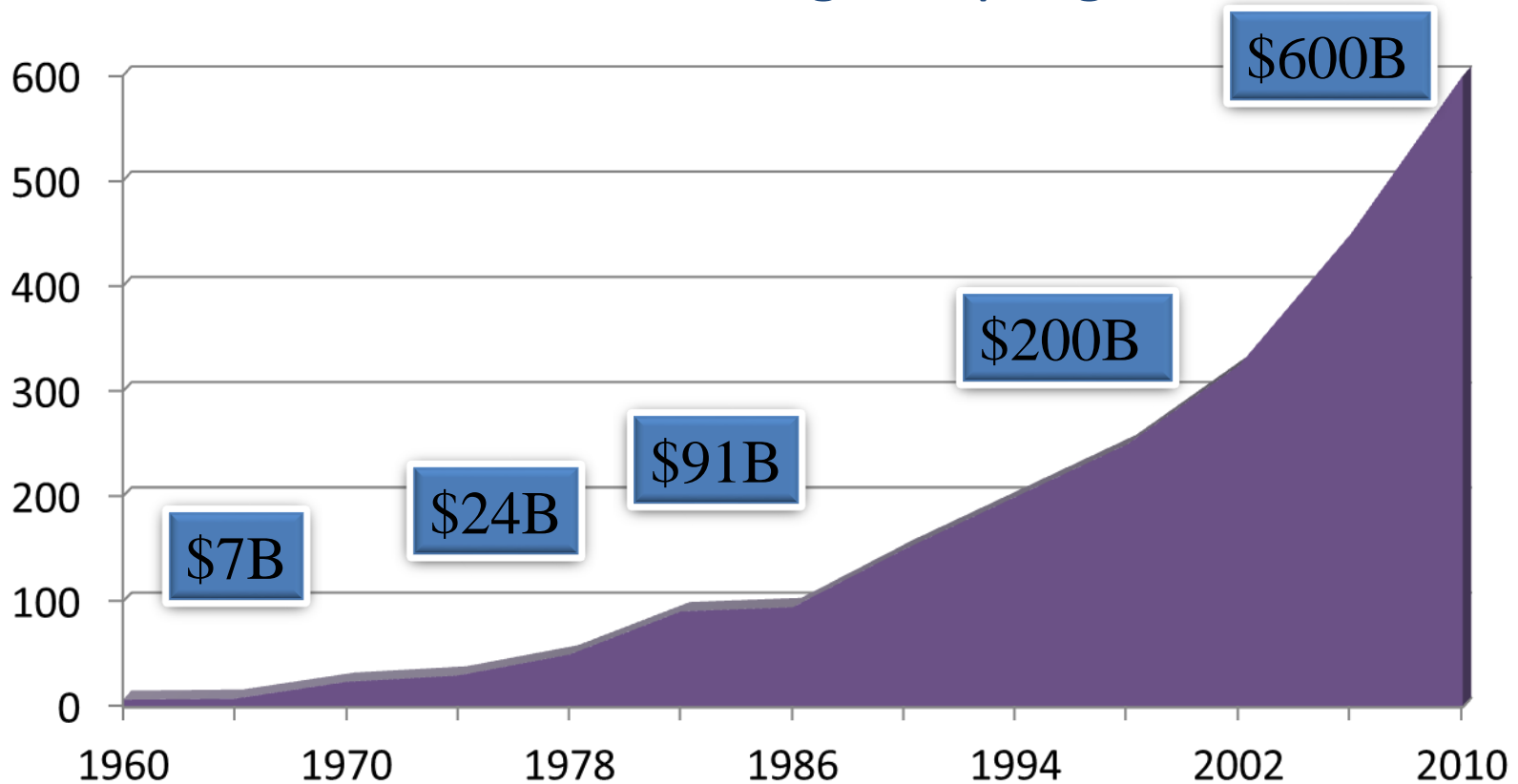
Office of Federal Financial Management

- 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

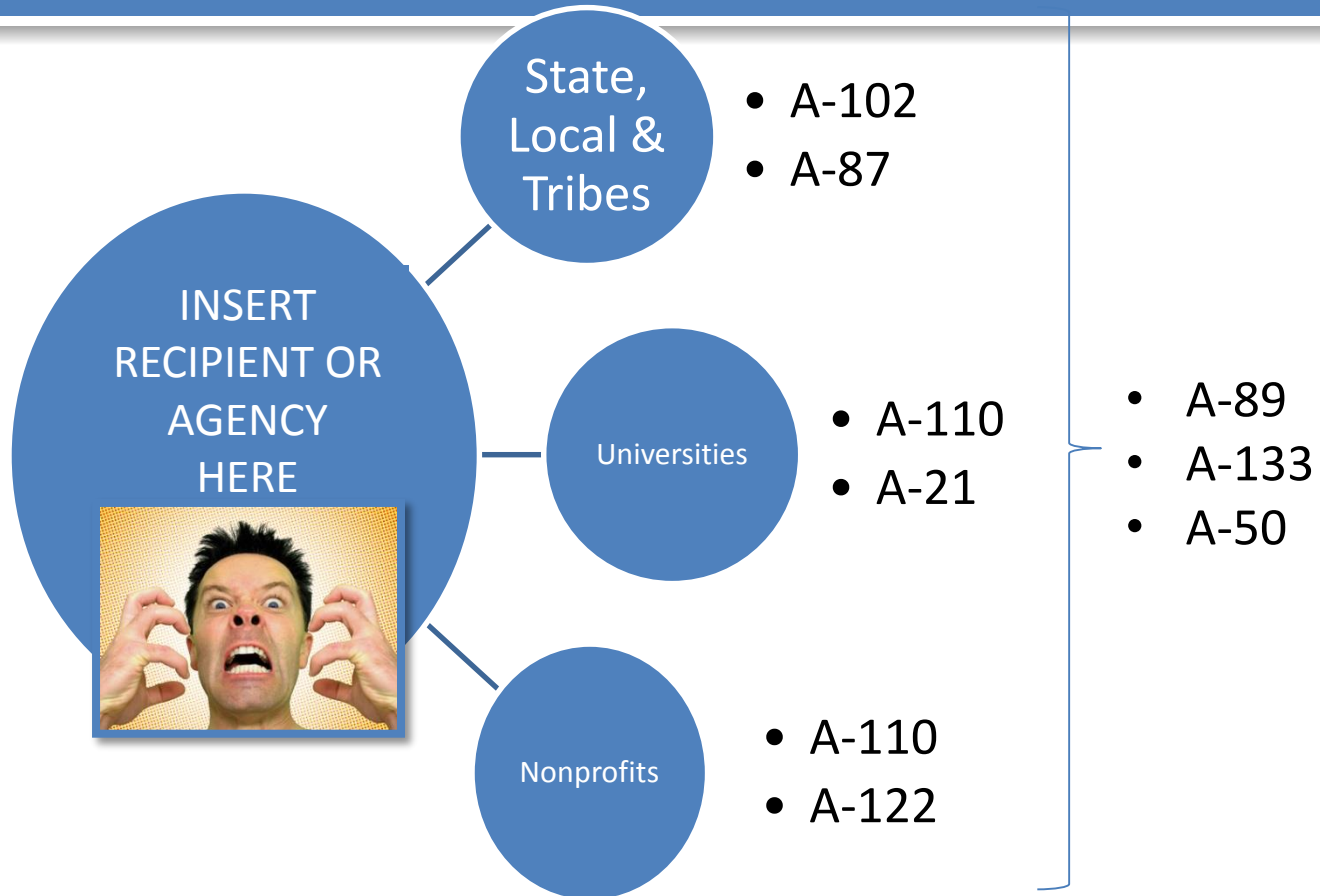
Fall 2014: Metrics,
Additional FAQs
and Webcasts

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



Eliminating Duplicative and Conflicting Guidance

Then:



Now: All OMB guidance streamlined in 2 CFR 200.

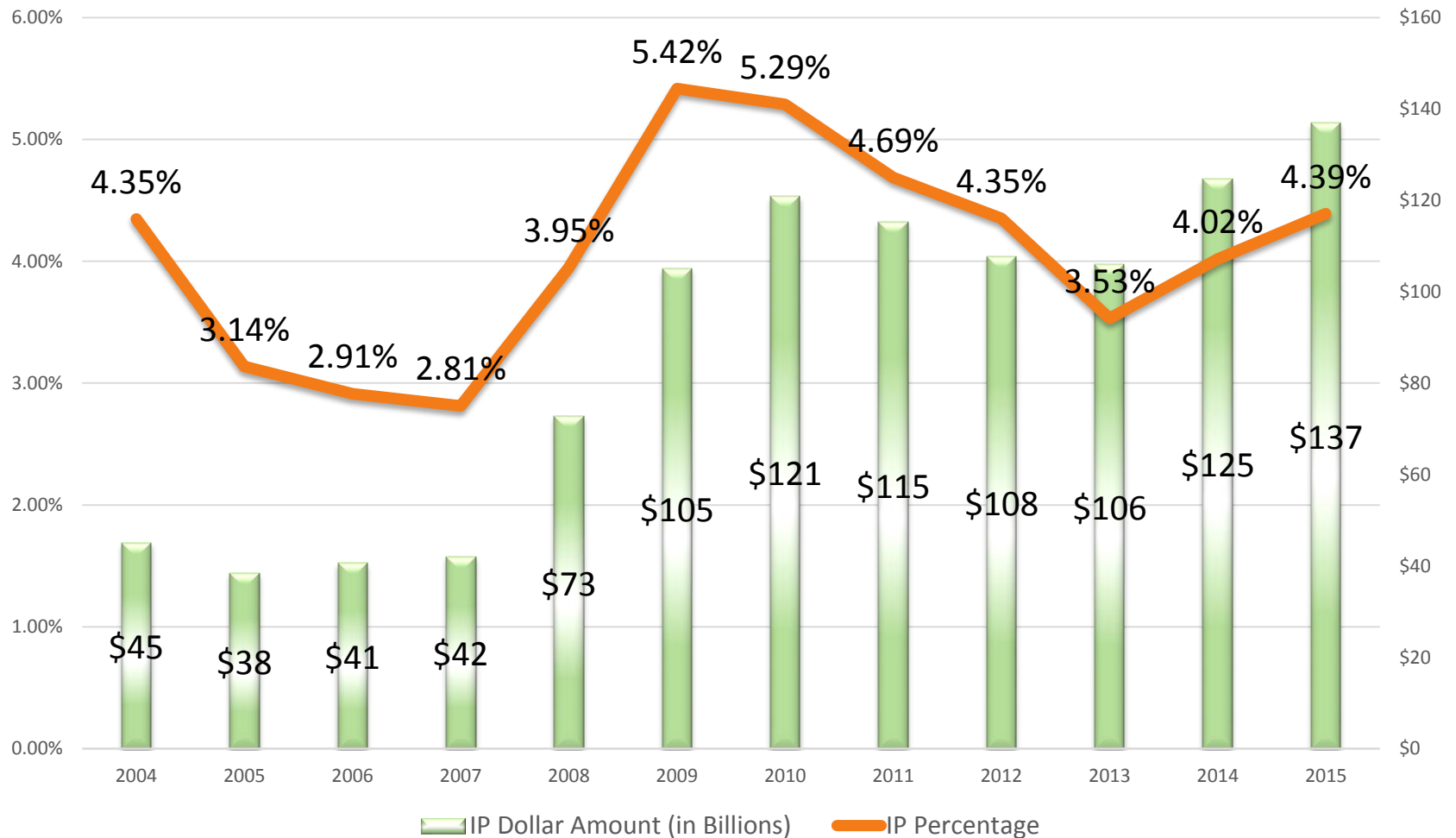


Major Highlights

- **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	Acquisition
2	Financial management
3	Human resources
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



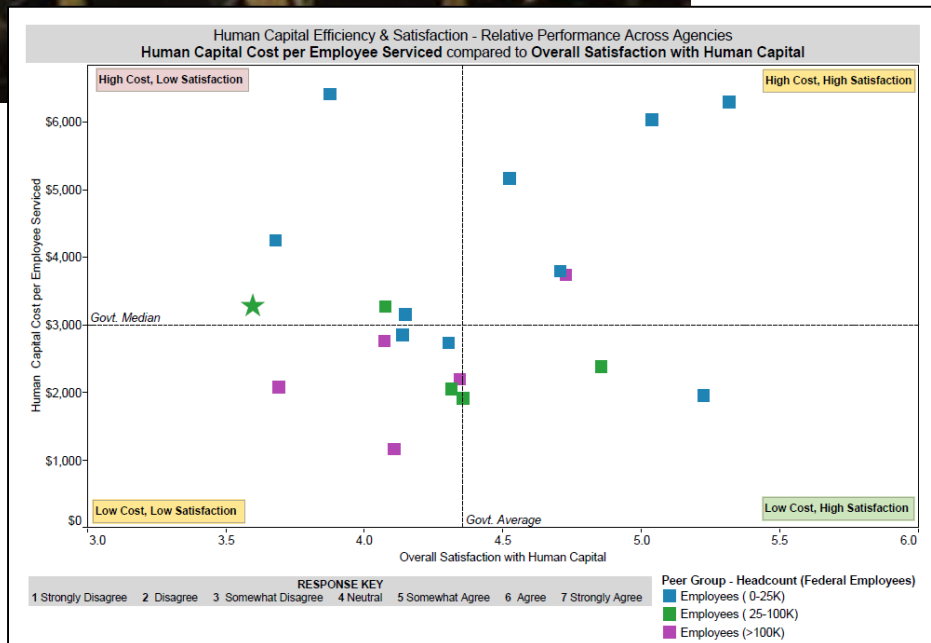
Area of initial focus



Other areas considered



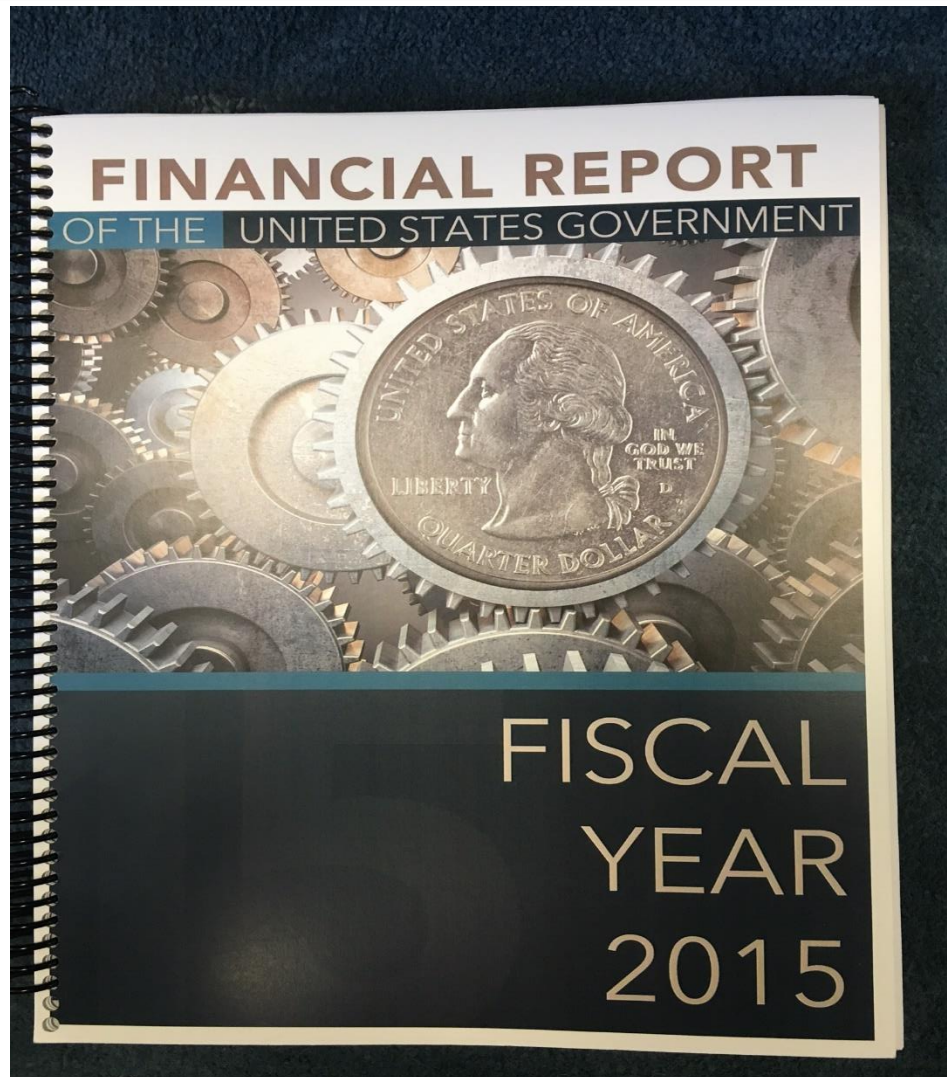
Benchmarking



- 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





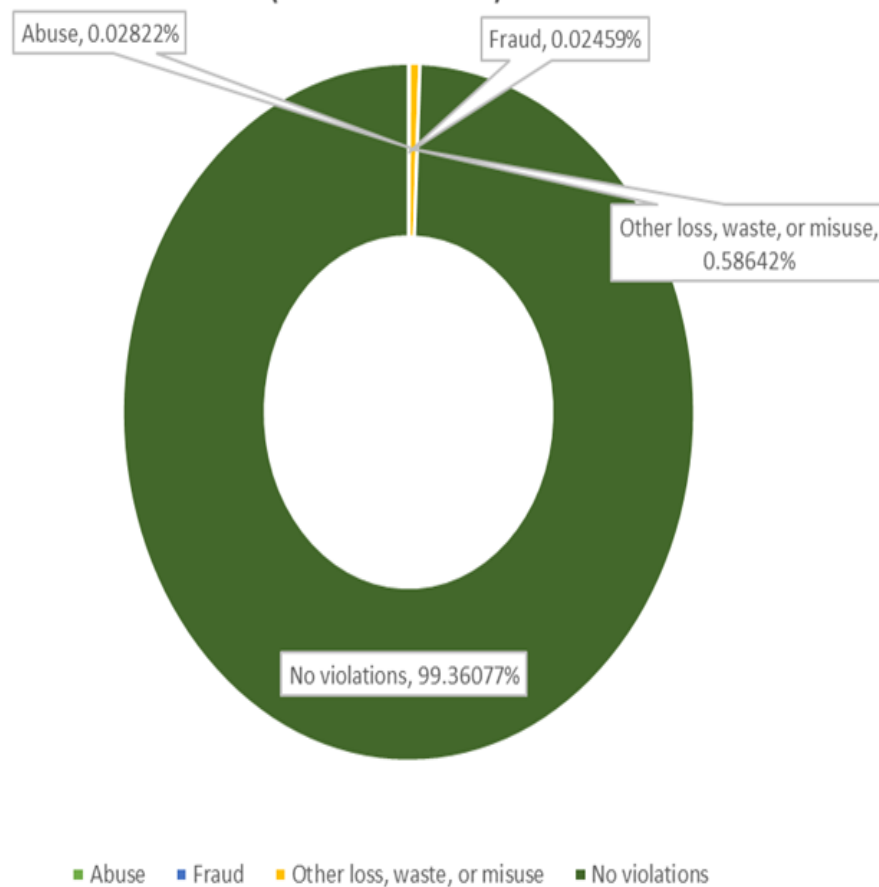
Charge Card

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

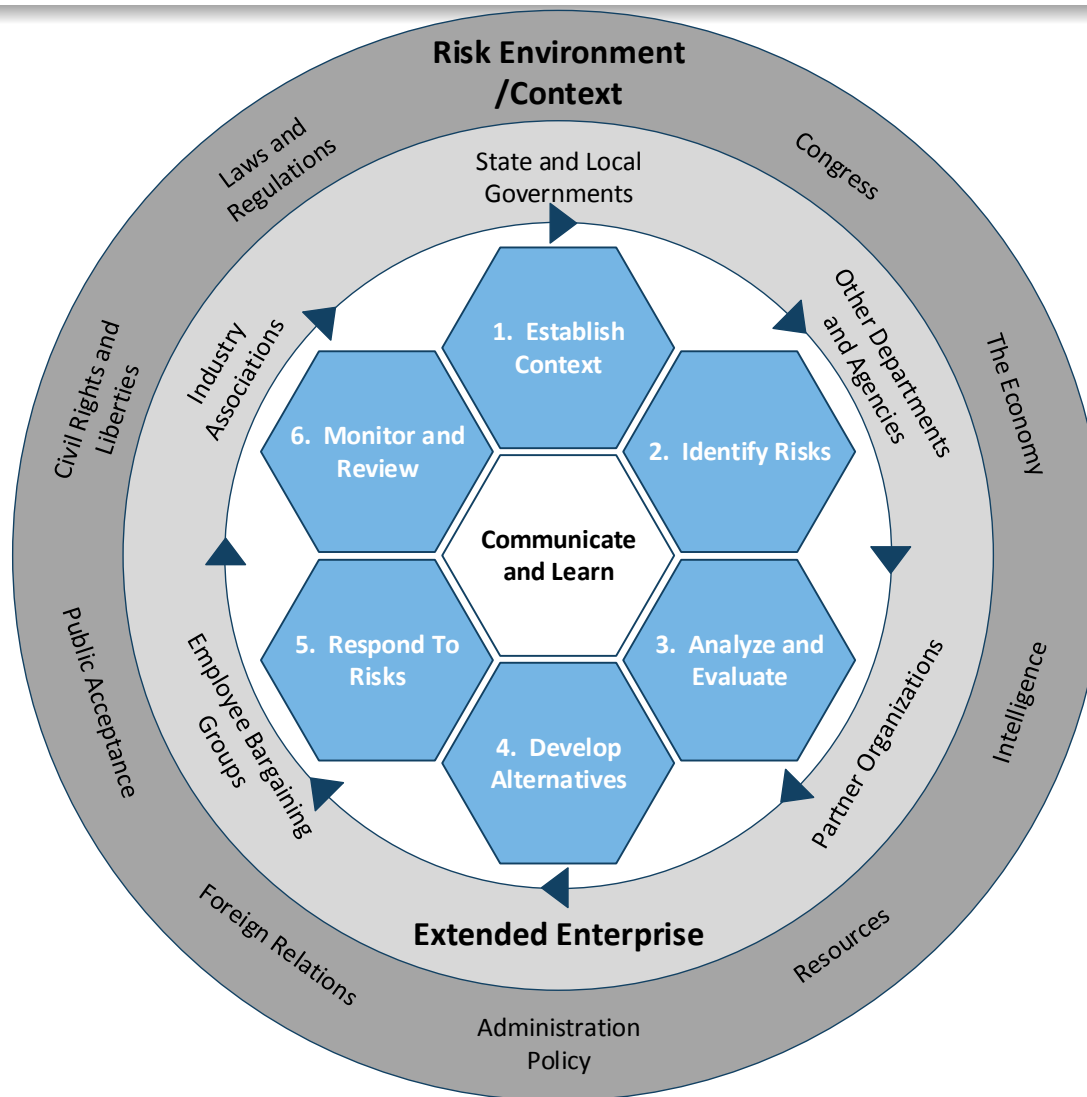


Proactively Managing Risks (A-123 Tomorrow)

- 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.



Establish Government-Wide Data Standards



Simplify Reporting



Improve Quality of Data



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



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.

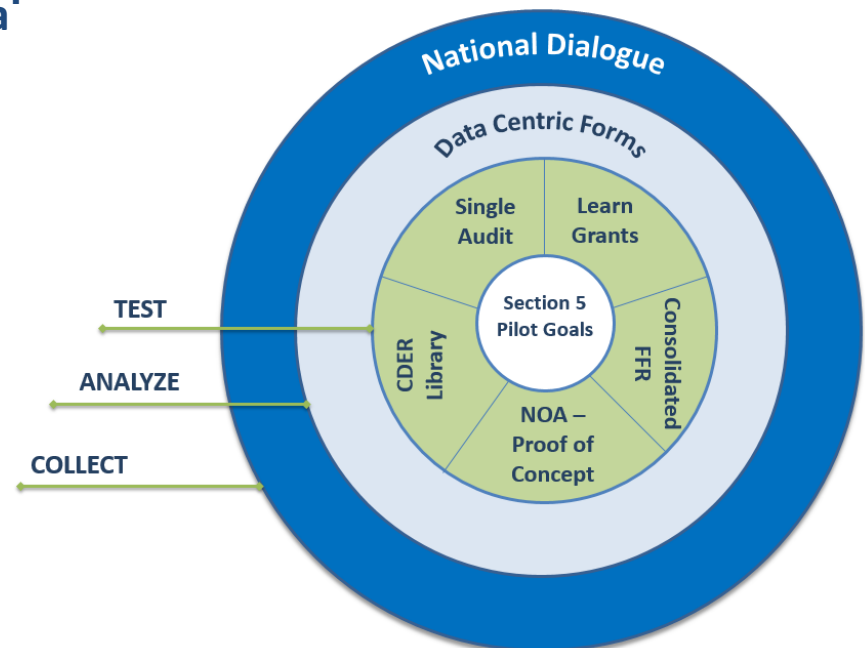


Section 5 Grants Pilot – Approach & Framework

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

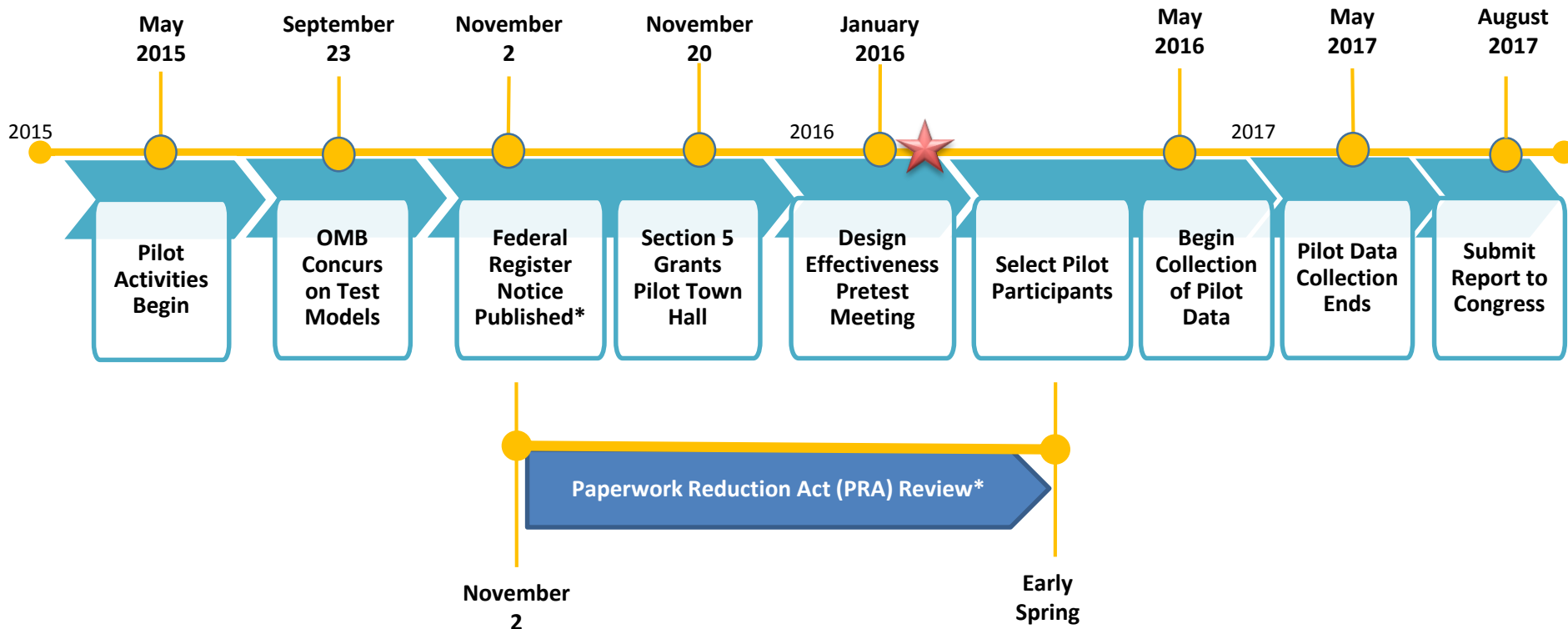
- ✓ Standardize reporting elements.
- ✓ Eliminate unnecessary duplication.
- ✓ Reduce compliance costs for Federal award recipients.

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.



Visit the HHS Website at
www.hhs.gov/dataactpmo.



Follow DAP on Twitter at
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>.



Contact Information

- David Mader, Controller of the United States
- Mark Reger, Deputy Controller
- Karen Lee, Branch Chief
- Regina Kearney, Acting Branch Chief
- 202 395 3993