



Guide to Opportunities for Improving Grant Accountability

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What is the Domestic Working Group?

- Chaired by Comptroller General
- 19 Federal, State and Local Auditors
- Addresses areas of mutual interest:
 - Transportation Security
 - Education
 - Food Safety
 - Water Utility Vulnerability Assessments



DWG Grants Accountability Project Participants

Federal Agencies

- EPA
- AID
- Agriculture
- Commerce
- Education
- Energy
- HHS
- DHS
- HUD
- Interior
- Justice
- Labor
- State
- Transportation
- Archives
- NEH
- NASA
- NSF
- GAO
- OMB



DWG Grants Accountability Project Participants

State Agencies

- Arizona Auditor General
- New York State
- Kansas Legislative Division of Post Audit
- Texas State Auditor

Local Agencies

- City of Orlando
- Metro Government of Nashville and Davidson County

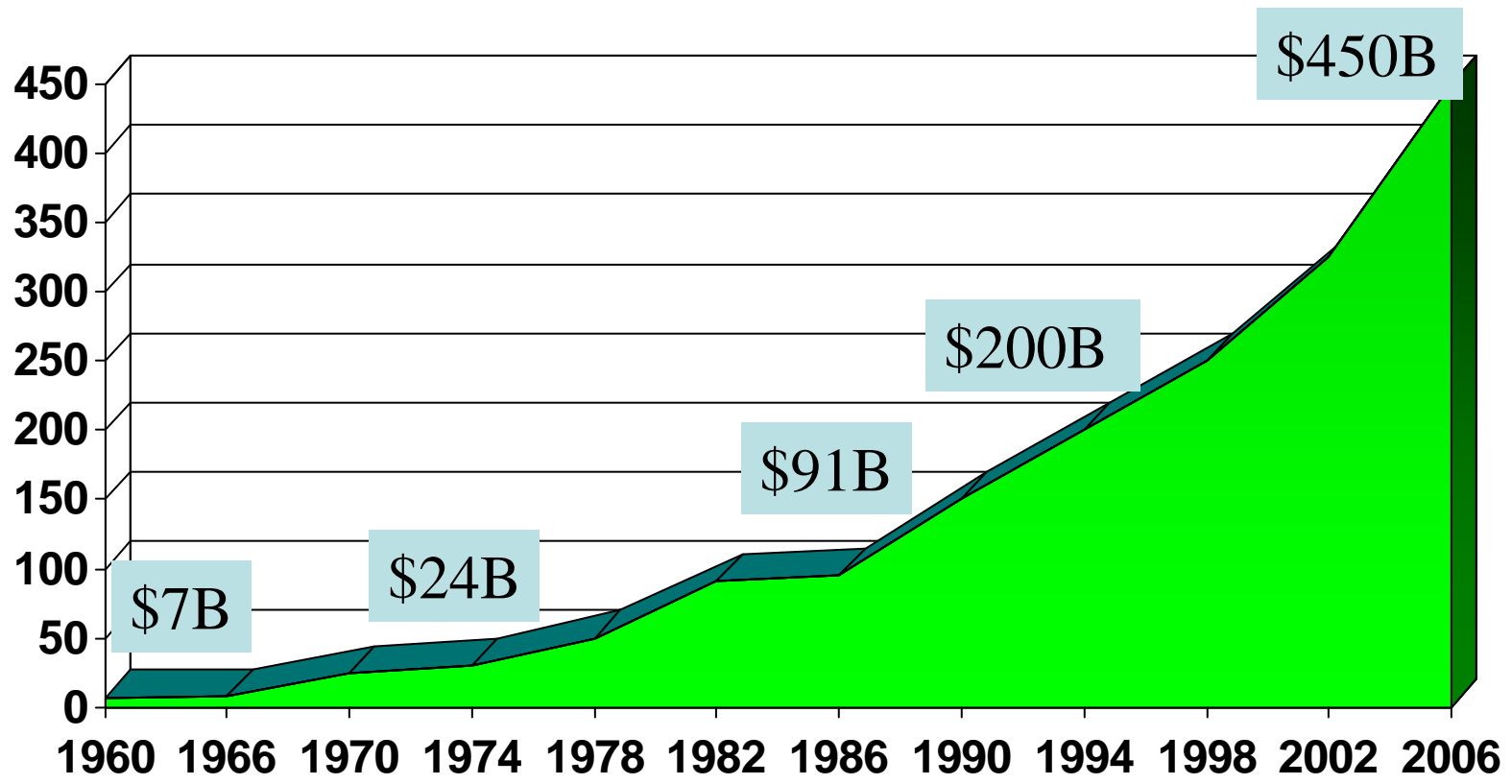


Reasons for This Project

- Significant portion of federal budget
- Audits have identified problems with accountability for use of funds and results
- Senior managers need to understand the importance of grant accountability
- Help resolve top management challenge



Growth of Grants



From 7% to 17% of the Federal Budget



Grants Outlays by Agency

Agency Name	Estimated 2006 Grant Outlay
Department of Health and Human Services	\$ 256.6
Department of Transportation	46.8
Department of Education	40.1
Department of Housing and Urban Development	34.8
Department of Agriculture	25.7
Department of Homeland Security	9.1
Department of Labor	7.1
Department of the Interior	4.1
Department of Justice	3.8
Environmental Protection Agency	3.8
Department of Commerce	0.6
Department of the Treasury	0.4
Department of Energy	0.3
Department of Veterans Affairs	0.3
Other Agencies	2.2
Total	\$ 435.7



PART Reviews of Grant Programs

Programs with “Results Not Demonstrated”

All Federal programs	29%
Grant Programs	45%



Project Methodology

- Identified issues affecting grant accountability
- Identified promising practices in agencies own agencies
- Solicited input from other organizations
 - AGA
 - NASACT
 - Public Law 106-107 workgroup
 - Intergovernmental Audit Forums
- Target audience is Federal, state and local government executives

Overall Message



Area 1: Internal Control Systems

- Preparing policies and procedures before issuing grants.
- Consolidating information systems to assist in managing grant activities.
- Providing grants management training to staff and grantees.
- Coordinating programs with similar goals and purposes.



Area 1: Internal Control Systems

Preparing Policies and Procedures Before Issuing Grants

- Prepare department-wide policies and make available on Internet.
- Develop Statewide manual for managing Federal grants.
- Prepare policies for developing new grant programs.
- Prepare policies for reviewing and selecting grants.
- Prepare policies for competing grants based on merit.



Area 1: Internal Control Systems

Consolidating Information Systems to Assist in Managing Grants

- Develop centralized information system for multiple programs.
- Use information system to track grant status.
- Have grantees submit reports electronically.



Area 1: Internal Control Systems

Providing Grants Management Training to Staff and Grantees

- Develop a long-term, strategic approach to training.
- Use a team approach to training.
- Provide training through Statewide workgroups.
- Provide specific training courses to grantees.



Area 1: Internal Control Systems

Coordinating Programs with Similar Goals and Purposes

- Develop procedures to avoid duplication.
- Create one-stop centers to coordinate and centralize programs.
- Require applicants to disclose similar grants applied for or received.



Area 2: Performance Measures

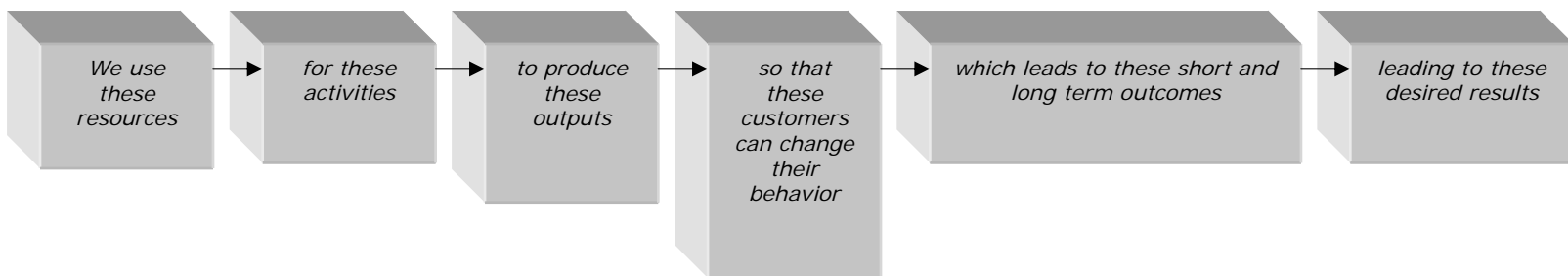
- Linking activities with program goals.
- Working with grantees to develop performance measures.



Area 2: Performance Measures

Linking Activities With Program Goals

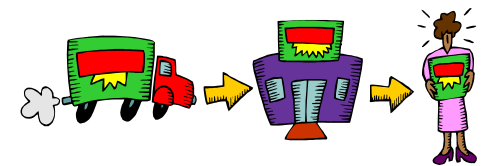
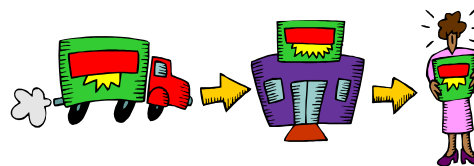
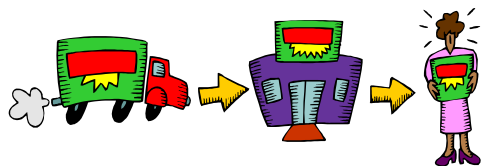
- Use logic models to link agency measures to performance.



Area 2: Performance Measures

Linking Activities With Program Goals

- Use logic models to link agency measures to performance.
- Use both outcome and output measures to evaluate performance.
- Link measures to Agency goals.





Area 2: Performance Measures

Working With Grantees to Develop Performance Measures

- Jointly develop goals and objectives.
- Coordinate performance plans across government and service levels.
- Align State plans with Federal goals.



Area 3: Pre-Award Process

- Assessing applicant capability to account for funds.
- Competing grants to facilitate accountability.
- Preparing work plans to provide framework for grant accountability.
- Including clear terms and conditions in grant award documents.



Area 3: Pre-Award Process

Assessing Applicant Capability to Account for Funds

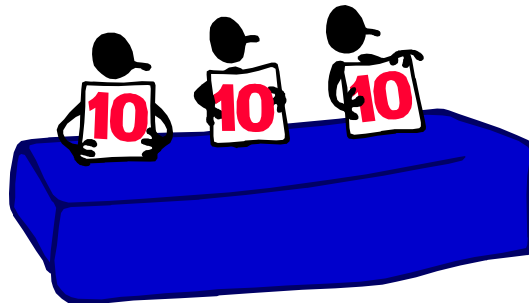


- Require a uniform pre-award evaluation of applicant capabilities.
- Collect information on applicant capability as needed.
- Conducting pre-award audits.
- Use scoring system to evaluate technical capability.

Area 3: Pre-Award Process

Competing Grants to Facilitate Accountability

- Develop specific criteria for evaluating all competitive grants.
- Require funding announcements to include ranking criteria.
- Assemble merit review panels to select grantees.



Area 3: Pre-Award Process

Preparing Work Plans to Provide Framework for Grant Accountability

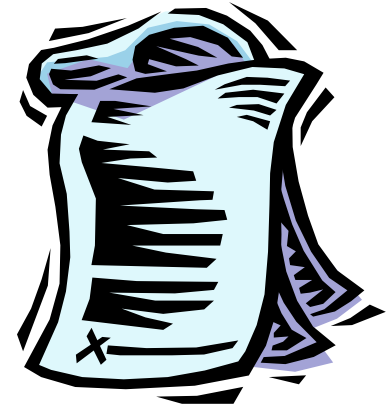
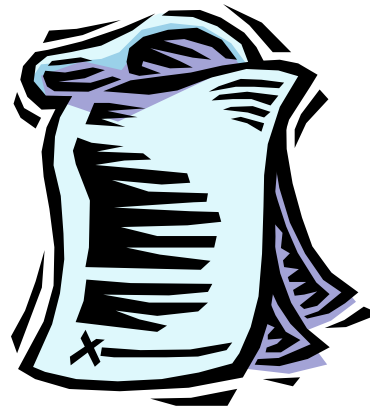
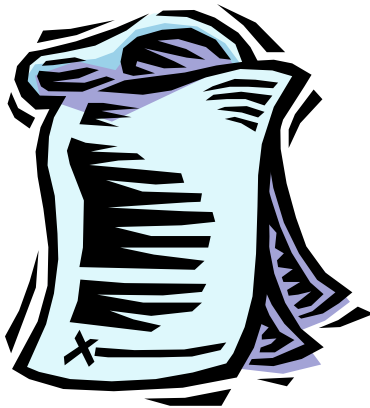
- Look for viable and efficient applicant work plans.
- Require applicants to submit a detailed narrative as evidence of proper work planning.
- Require grant applications to include project objectives and impacts.



Area 3: Pre-Award Process

Including Clear Terms and Conditions In Grant Award Documents

- Emphasize need to comply with grant award requirements.
- Standardize desired grant terms and conditions.



Area 4: Managing Performance

- Monitoring the financial status of grants.
- Ensuring results through performance monitoring.
- Using audits to provide valuable information about grantees.
- Monitoring subrecipients as a critical element of grant success.



Area 4: Managing Performance

Monitoring the Financial Status of Grants

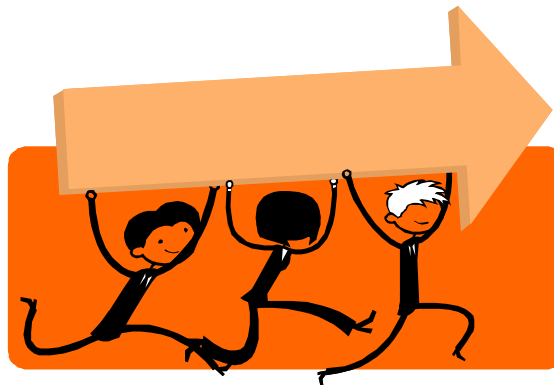
- Use an electronic system to monitor grant funds.
- Perform on-site reviews of financial systems.



Area 4: Managing Performance

Ensuring Results Through Performance Monitoring

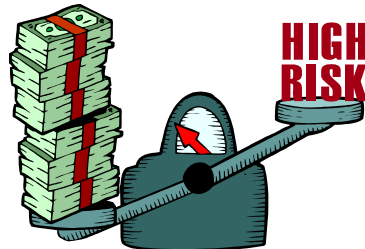
- Use electronic systems to track deliverables.
- Monitor achievement of outputs and outcomes.
- Use multi-disciplinary teams to assess performance.



Area 4: Managing Performance

Using Audits to Provide Valuable Information About Grantees

- Use audits to identify at-risk grantees.
- Use audit resolution process to address outstanding grant issues.
- Summarize audit results for management.



Area 4: Managing Performance

Monitoring Subrecipients as a Critical Element of Grant Success

- Develop guidance to assist subrecipients.
- Publish materials detailing subrecipient responsibilities.
- Coordinate agency efforts to monitor performance.



Area 5: Assessing and Using Results

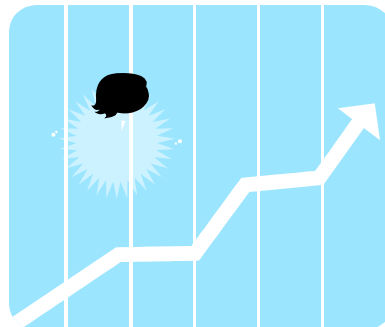
- Providing evidence of program success.
- Identifying ways to improve program performance.



Area 5: Assessing and Using Results

Providing Evidence of Program Success

- Use surveys to determine program results.
- Inspect projects after completion.
- Train grantees to self-monitor and encourage accurate reporting.



Area 5: Assessing and Using Results

Identifying Ways to Improve Program Performance

- Engage outside experts to assess program performance.
- Conduct evaluations to identify factors affecting results.





Final Report Issued October 2005

Report available at:

www.epa.gov/oig/dwg/reports/