

G A O
Accountability · Integrity · Reliability

Highlights

Highlights of [GAO-06-1046](#), a report to the Chairman, Subcommittee on Government Management, Finance and Accountability, Committee on Government Reform, House of Representatives

Why GAO Did This Study

Maximizing the extent to which grants achieve their long-term performance goals is critical to successfully addressing the challenges of the 21st century. While performance accountability mechanisms are fairly new to federal grants, they have been used in contracts for some time and lessons learned have begun to inform federal grant design. Given this, GAO was asked to examine (1) challenges to performance accountability in federal grants, (2) mechanisms being used to improve grant performance, and (3) strategies the federal government can use to encourage the use of these mechanisms. GAO performed a content analysis of relevant literature and interviewed experts. To illustrate the mechanisms and strategies found in the literature, GAO used examples from the literature and selected additional case illustrations—two federal grant programs (vocational education and child support enforcement) and two nonfederal contracts—for further study.

What GAO Recommends

GAO recommends that the Director of OMB work with agencies and Congress to encourage the use of performance accountability mechanisms in grant design and implementation by promoting the practices in this report and encouraging knowledge transfer among agencies and grantees. OMB generally agreed with our findings and recommendation.

www.gao.gov/cgi-bin/getrpt?GAO-06-1046.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Bernice Steinhardt at (202) 512-6543 or steinhardt@ga.gov.

GRANTS MANAGEMENT

Enhancing Performance Accountability Provisions Could Lead to Better Results

What GAO Found

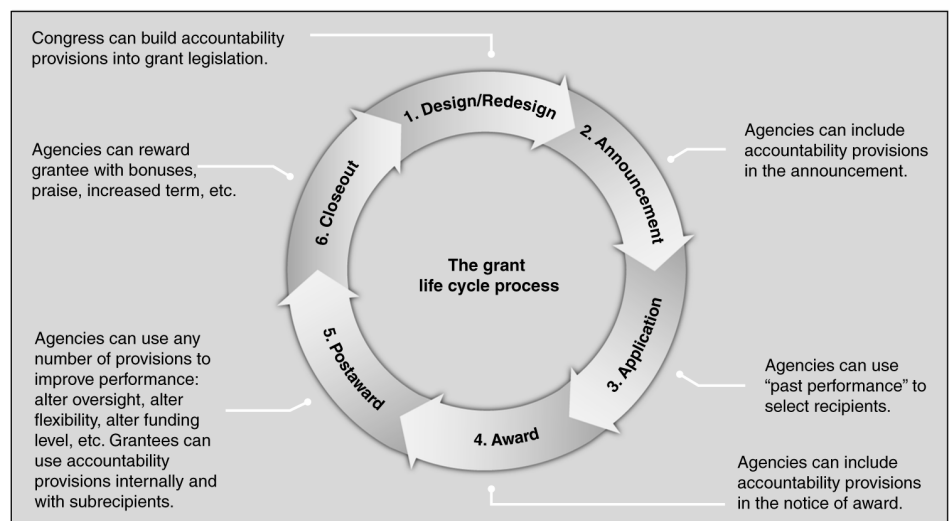
Accountability provisions in federal grants can vary widely. They can be financial (e.g., bonus payments) or nonfinancial (e.g., altered oversight or flexibility), and can be employed by various actors at different stages in the grant life cycle (see figure below). Mechanisms need to be tailored to specific situations since there is no “one-size-fits-all” solution. Collectively, five key strategies appear to facilitate the effective design and implementation of performance accountability mechanisms. They are as follows:

1. ensure mechanisms are of sufficient value to motivate desired behaviors,
2. periodically renegotiate and revise mechanisms and measures,
3. ensure appropriate measurement selection,
4. ensure grantor and grantee technical capacity, and
5. allow for phased implementation.

In addition to these strategies, collaboration, oversight, and feedback also appear critical to the success of performance accountability mechanisms.

Opportunities exist to improve the design and implementation of federal grants. A results-focused design can enable and facilitate the use of accountability provisions. National program evaluation studies and demonstration grants can provide valuable information to support oversight of and knowledge about accountability mechanisms. Finally, the Office of Management and Budget (OMB), agencies, and grantees can benefit from sharing good practices and lessons learned regarding performance accountability provisions. OMB recognized the value in sharing information on performance accountability mechanisms, but has not yet focused on this issue.

Accountability Provisions Can Be Used by Various Actors throughout the Grant Life Cycle



Source: GAO.