

**Council on Financial Assistance Reform (COFAR) Principals Meeting  
Summary of Meeting  
November 13, 2012**

**COFAR Goals and Priorities through 2015:**

The COFAR agreed on the priorities through 2015 as set forth by the senior staff and described in the supporting power point in order to focus the grants community on improving management of Federal grant dollars.

Five goals the COFAR agreed to focus on with equal priority and importance are:

1. Guidance that Targets Risk and Minimizes Burden: Revised OMB Guidance in OMB Circulars Implemented
2. Universally Standard Business Processes: Data Collections Streamlined
3. Validated Public Financial Data: Public Spending Data Aligned to Core Financial Data
4. Highly Qualified Personnel: Grants Professionals are Trained and Certified
5. Strong Program Oversight: Reduce Unclean Audit Opinions by 15% Over 5 Years

Members emphasized the following:

1. Need to ensure alignment, partnership and linkage with other government-wide groups and communities for 21st Century Government---CFOC, CIGIE, GATB, CAOC, PIC.
2. In each priority area, there should be a focus on “better outcomes for grants” with accurate, reliable evidence and data leading to improved management and decision-making throughout the grants management lifecycle.

In addition to the agreed priorities, members discussed concerns with the hiring process for qualified, talented staff:

1. HHS program integrity process reviews identified concerns with talent management as risk to grant program oversight.
2. Issues include: timeliness of onboarding new staff, concerns with “shadow HR” offices at agencies, implementation of human resource policies and processes, reduction in intern-like programs/increase in burden, lost opportunities with expansive pool of candidates, inconsistencies with direct hiring authority, frequent reuse of existing middle-management staff.
3. OMB agreed to follow up with OPM to discuss the issue further.

**1. Guidance that Targets Risk and Minimizes Burden: Revised OMB Guidance in OMB Circulars Implemented:**

- This priority refers to the forthcoming proposed grant guidance (Circular Reform) emphasis on targeting risk, and reduced administrative burden.
- The proposed guidance is currently in OMB clearance; target publication should be within the next several weeks.
- Some agencies continue to recommend that the proposal include flexibility for agencies on deviations from negotiated ICRs in lieu of requiring OMB-approval.
- This final policy issue will be resolved in the coming weeks.

**2. Universally Standard Business Processes: Data Collections Streamlined:**

- This priority would provide a rational approach to standardize, integrate, and streamline business processes across the Federal grants community to result in efficiencies to both Federal agencies and recipients.
- The immediate next step would be to validate current agency systems against data dictionary established by the Award Notice Cover Sheet Data Dictionary Working Group.

- Agencies noted the need for consideration of time required for full implementation in where changes are required to agency systems.

### **3. Validated Public Financial Data: Public Spending Data Aligned to Core Financial Data:**

- The priority provides a high-value path forward on spending transparency that would emphasize accuracy of financial data, align with the GATB, and demonstrate progress to the public and Congress.
- Three implicit objectives in taking on this work are:
  - a) Quality assurance for public information ---the current accountability framework focuses more on audited financial statements than spending information. At a high level, we need to leverage the oversight controls we already have in place and extend that level of accountability and accuracy to spending data.
  - b) Operationalize --- in order to deliver on quality assurance, we need to establish a link between spending data and core accounting financial data to validate or reconcile the two streams of information.
  - c) Standardize ---to create the link described above, we need to look at what key pieces of information need to be standardized to deliver this high quality information, as well as areas where agencies need more flexibility. One initial area for consideration is the way we identify unique awards.
- OMB noted that there is interest from nongovernmental entities such as OMB Watch on our progress on this front.
- Agencies noted that part of this effort should be to look at the usability of systems and consider improvements to USAspending.gov.
- OMB is conducting a high level review of the System for Award Management with GSA and will continue to provide updates and solicit feedback from the COFAR as the review continues.
- Specific deliverables on this priority may evolve to continue to align with GATB overall strategy.
  - Short term: OMB wants COFAR to identify existing/ongoing technical issues that are hindering agency/recipient reporting to USAspending/FSRS.
  - Short term: COFAR should identify guidance issues/gaps that affect consistency in USAspending/FSRS reporting among agencies and recipients.

### **4. Highly Qualified Personnel: Grants Professionals are Trained and Certified:**

- This priority will ensure grants professionals across the Federal government have consistent knowledge, skills, and abilities for grants management.
- The deliverables described will leverage work and resources from Federal grants community and external groups.
- There may be a need for continued consideration of ways to overcome hiring challenges raised by agencies.

### **5. Strong Program Oversight: Reduce Unclean Audit Opinions by 15% Over 5 Years:**

- This priority builds on Improper Payments Elimination and Recovery Act work on improving compliance and accountability with taxpayers' dollars
- The first set of programs selected would be COFAR agency high-risk programs determined using Federal Audit Clearinghouse data.
- HHS noted they have recently reported on new efforts making use of A-133 for oversight, which they will share with the group
- The group agreed to establish a baseline with first subset of programs for targeted audit follow-up, and may modify the goal for % reduction based on that review.

**Updates on SAM/FMLOB**

- Short term: COFAR will continue to be invited to upcoming IAE/ACE meetings on SAM
- Long term: GSA is working with OMB to establish new governance structure for SAM that will more explicitly include the grants community.