

Government Accountability and Transparency Board

A meeting of the Government Accountability and Transparency Board (GAT Board) was held at the Recovery Accountability and Transparency Board (Recovery Board) Office in Washington, D.C. on Wednesday, June 26, 2013, at 10:00 a.m. and continued until 11:40 a.m.

ATTENDEES:

Board Members:

Richard Ginman, Chairman and Director, Defense Procurement and Acquisition Policy, U.S. Department of Defense

David C. Williams, Vice Chair and Inspector General, U.S. Postal Service

Norman Dong, Acting Controller, Office of Management and Budget

Allison Lerner, Inspector General, National Science Foundation

Ellen Murray, Assistant Secretary for Financial Resources and Chief Financial Officer, U.S. Department of Health and Human Services

Calvin Scovel III, Inspector General U.S. Department of Transportation

Kathleen S. Tighe, Inspector General, U.S. Department of Education

Agency Staff:

Brett Baker, Assistant Inspector General for Audit, National Science Foundation

Ross Bezark, Executive Director, GAT Board, and Chief of Staff, Recovery Board

Sheila Conley, Chief Financial Officer, U.S. Department of Health and Human Services

Kay Daly, Assistant Inspector General for Audit, U.S. Department of Health and Human Services

Nancy Gunderson, Deputy Assistant Secretary for Grants and Acquisition Policy, U.S. Department of Health and Human Services

John Hartman, Deputy Inspector General, U.S. Department of Energy

Amy Haseltine, Associate Deputy Assistant Secretary for Grant Policy, U.S. Department of Health and Human Services

Carrie Hug, Director of Accountability, Recovery Board

Karen Lee, Chief of Management Controls and Assistance Branch, Office of Management and Budget

Atticus Reaser, General Counsel, Recovery Board

Dorrice Roth, Deputy Chief Financial Officer, Department of the Treasury

Scott Stewart, Director of Applications, U.S. Postal Service, Office of Inspector General

Sandy Swab, Senior Advisor, Recovery Board

Cynthia Williams, Board Secretary, Recovery Board

Michael Wood, Executive Director, Recovery Board

Margie Yanchuk, Associate Deputy Assistant Secretary of Finance, U.S. Department of Health and Human Services

DISCUSSION:

Mr. Ginman called the meeting to order at 10:00 a.m. By unanimous vote of the members present, the minutes of the May 23, 2013, meeting were approved, as revised. Mr. Ginman informed the members of a June 11, 2013 meeting with Mr. Steve VanRoekel, Federal Chief Information Officer and Acting Deputy Director for Management at the Office of Management and Budget (OMB). He commented that Mr. Williams and Ms. Tighe joined him for the June 11 discussion with Mr. VanRoekel on the status of the GAT Board's efforts. Mr. Ginman provided the members with a copy

of the overview document shared on June 11 with Mr. VanRoekel. Mr. Ginman informed the members that Mr. VanRoekel expressed interest in the work of the GAT Board.

Mr. Ginman also informed the members that an exit interview with members of the Government Accountability Office (GAO) was scheduled for Thursday, June 27, regarding GAO's review of the GAT Board's efforts to date. Other members indicated GAO also had held (or slated) exit interviews with their organizations.

The featured working group presentation—on Grants Data Integrity and Standardization—began with Ms. Murray introducing personnel from the Department of Health and Human Services (HHS), who are also members of the Grants Data Integrity and Standardization working group (working group). She commented that Ms. Gunderson, Ms. Haseltine, and Ms. Conley were working to achieve the goal of providing accurate and useful grant information across the federal government. Ms. Murray also remarked on the challenges of ensuring accurate and useful grant and contract data on USASpending.gov and linking that data to agency financial systems. She added that establishing standardized data elements across the government was the foundation of the data accuracy effort, but was a task not easily accomplished.

There was a brief discussion of the June 12, 2013, OMB memorandum on improving data quality for USASpending.gov. The members discussed the memo's impact on standardizing data elements for grants. Ms. Murray commented that members of the OMB and the working group were collaborating closely to address the grants data standards issue. Ms. Haseltine informed the members that a portion of the working group's briefing will include an overview of the research performed on data standards and other activities underway to address grant data standardization.¹

Ms. Haseltine began the briefing with a general depiction of grants, as well as the major differences between grant and contract funding. She noted that, unlike contracts, the principal beneficiary of grant assistance is the public, not the funding agency. The members briefly discussed the working group's framework and the categories of financial assistance included in their efforts. Ms. Haseltine and Ms. Murray clarified that the working group has focused its efforts on grants and did not include loans or entitlements.

There was a brief discussion of performance measures for grants. Ms. Murray described the difficulties with performance evaluations for many grants. Mr. Ginman remarked that performance measures are often difficult to establish in the procurement arena as well. Ms. Lerner commented that challenges typically exist across the federal government, especially in regard to research types of grants and contract programs.

Ms. Haseltine provided the members with a comparison of grants and contract governance. She informed the members that there are eight OMB circulars governing the grants management process lifecycle. She remarked upon the challenges to agency processes resulting from the unusually high number of grant governance documents. Ms. Haseltine also informed the members that with the support of Ms. Murray and Mr. Dong, an effort is underway to integrate the administrative policies and procedures contained in the eight documents into a single governance document.

¹ Upon approval, the Grants Data Integrity and Standardization working group briefing is expected to be made available on FederalTransparency.gov.

Ms. Haseltine then outlined the grant management process and the various stages involved in the grants lifecycle. She discussed the information gathering and risk identification and management requirements in the pre-award, award, and post-award phases. Ms. Haseltine provided the members with a detailed account of information exchanges across the HHS grants lifecycle, noting that the same exchanges also apply across the federal government. She briefed the members on the various grants management systems within HHS and discussed the types of data collected, received, and shared through these primary systems. She remarked that the level of routine data shared between the systems supports the existence of common data elements. She added that one challenge to data standardization occurs because data needs are requested or described in disparate, non-standard ways. She explained that different stakeholders involved in the grants management process often require information in slightly different formats, which hinders the opportunity for standard data collection, and can increase administrative burden. Mr. Ginman asked if the working group could identify the location of all the grants management systems, since having an inventory is important to measuring and tracking. The members engaged in a brief discussion of how to accurately acquire an inventory of grants management systems to determine current and future needs for each system.

A brief discussion of the HHS Grants.gov system ensued. Ms. Haseltine explained that Grants.gov serves as the public-facing website for information on grant programs. She commented that although the system was envisioned to be the primary source for the public to find and apply for grants, due to capacity issues at the onset of implementation, Grants.gov did not develop into the central system for grant applications. Mr. Dong confirmed that OMB had not mandated the use of the system for grant applications, but agreed that the idea could be resurfaced, if the issues that hindered the system's efficiency are now resolved.

The members then engaged in a detailed discussion of the data standardization research performed by the working group. Ms. Haseltine reviewed the working group's activities to facilitate transparency and standard grant data definitions. These included the examination of over 1,100 data elements and their associated definitions using a set of 17 individual sources, interviews with key grant community leaders involved in the efforts of the Grants Policy Council (GPC) and Grants Executive Board, a review of GPC documentation related to the development of government-wide information collections, and detailed analyses of grants and financial data elements to assess commonalities and conflicts among data element definitions. Ms. Haseltine provided the members with the overarching qualitative findings, the challenges to tracking grant and financial data elements across the grant management lifecycle, and the recommendations presented by the working group to members of the Council on Financial Assistance Reform (COFAR) and OMB. Mr. Ginman commented on the key finding that various communities define "program" differently, asking whether OMB might issue guidance. Mr. Dong said OMB has been assessing the issue.

The members discussed the next steps and timelines for the working group efforts. Mr. Ginman asked how the working group could transfer its recommendations to actions. Mr. Dong and Ms. Murray agreed to discuss the next steps with the COFAR and report back to the GAT Board with specific actions (including milestones) and timelines (including dates) during their scheduled November update.

Following the conclusion of the featured working group presentation, the members engaged in a discussion of how best to integrate the efforts of the four GAT Board working groups. Mr. Ginman commented that members of the Procurement and Grants Data Integrity and Standardization working groups are collaborating on the data quality issue. Mr. Wood suggested that an effort to identify common data elements among all groups should be undertaken. Mr. Ginman stated the timing of a

common data elements meeting is important; ideally grants would first define its core data set (as DoD has done for contracting). Ms. Gunderson suggested that a senior level meeting be scheduled with members of the working groups to assure that efforts are aligned among the groups.² Ms. Lerner commented that the Data Analytics working group had reviewed USASpending.gov, Recovery.gov, and various payment systems, identifying key data elements that should be integrated into the data analytics efforts. The members agreed that the efforts of the Data Analytics working group should be included in the alignment efforts.

The group also discussed whether performance should be included in the core data set, without reaching consensus on the issue. On the one hand, the effort of tracking the funding alone requires considerable effort. On the other, augmenting spending information with outcome information would provide an enhanced vision. Ms. Murphy mentioned the grants community has Performance.gov. Mr. Ginman wondered whether a presentation on this resource might be useful.³ He also noted that performance is covered by the Government Performance and Results Act (GPRA), which is a separate initiative.

Mr. Ginman complimented the Grants Data Integrity and Standardization working group on its progress to date and stated he looks forward to its specific plan of action and milestones at the next meeting featuring grants. Mr. Ginman commented that he expects the Procurement Data Integrity working group to similarly define specific actions and timelines during its next scheduled update. Mr. Williams mentioned that the Data Analytics working group issued its draft document on June 16 and asked whether it would fit into a larger report. Mr. Ginman stated the Board's Way Forward document is the overarching artifact; instead of a report, each of the working groups has been tasked to come before the Board with a plan and milestones.

The next GAT Board meeting is scheduled for July 31, 2013.

Cynthia Williams
Secretary

² A Federal Spending Transparency Data Quality Guidance meeting occurred on July 11, 2013, from 4:30-5:30, at the Eisenhower Executive Office Building, with participants from OMB, DoD, HHS, and Treasury.

³The members will be provided with GAO-13-517, *Managing for Results: Leading Practices Should Guide the Continued Development of Performance.gov* (June 2013), <http://www.gao.gov/assets/660/655059.pdf>

OVERVIEW OF GRANTS DATA STANDARDIZATION

HHS' PRESENTATION TO THE GOVERNMENT
ACCOUNTABILITY AND TRANSPARENCY BOARD

June 26, 2013

Assistance vs. Acquisition

▶ Assistance:

- The transfer of money, property, services, or anything of value to a non-federal recipient to accomplish a public purpose of support or stimulation authorized by federal statute
- Includes: grants, cooperative agreements, loans, loan guarantees, scholarships, mortgage loans, insurance and other types of financial assistance

▶ Acquisition:

- Legal instrument between the U.S. Government and another entity to acquire property, supplies, or services for the Government's direct benefit

▶ Difference:

- Assistance supports a public purpose, *the principle beneficiary is the public*
- Acquisition is used to fulfill the requirement of the government for supplies or services *for its direct benefit or use*

HHS Grants Management Process

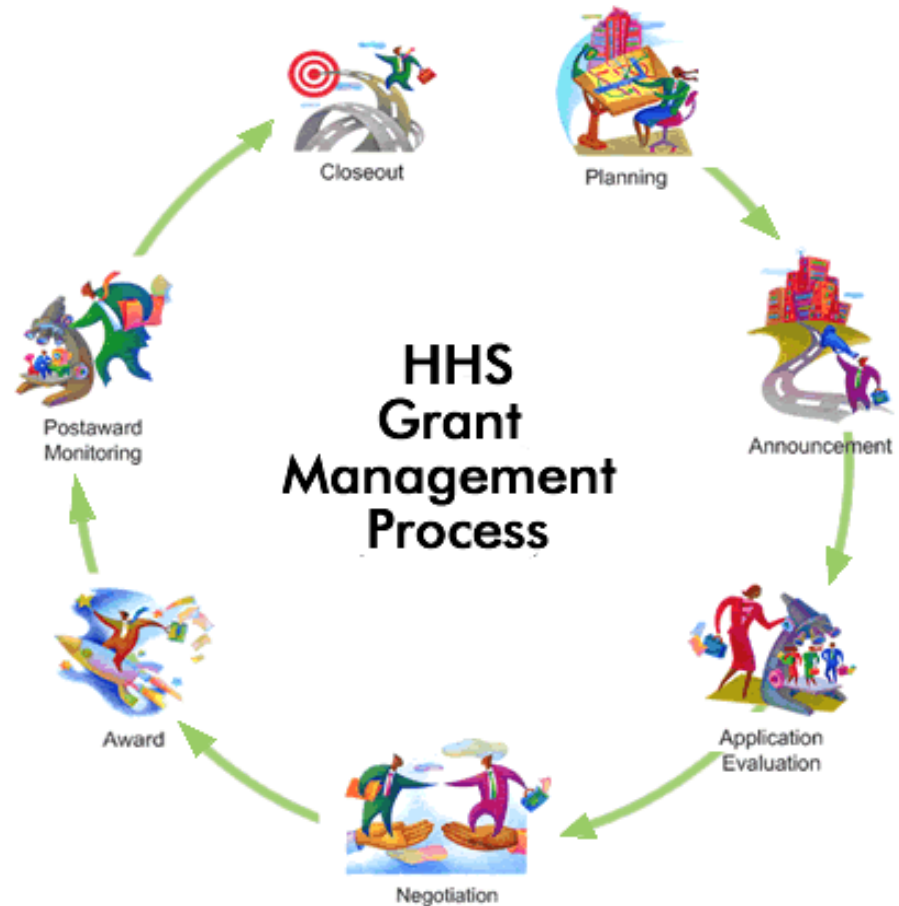
1. Pre-Award

- Planning
- Announcement
- Application Evaluation
 - Recipient Screening
 - Independent / Objective Review
 - Business Management Evaluation
 - Cost Analysis
- Negotiation

2. Award

3. Post-Award

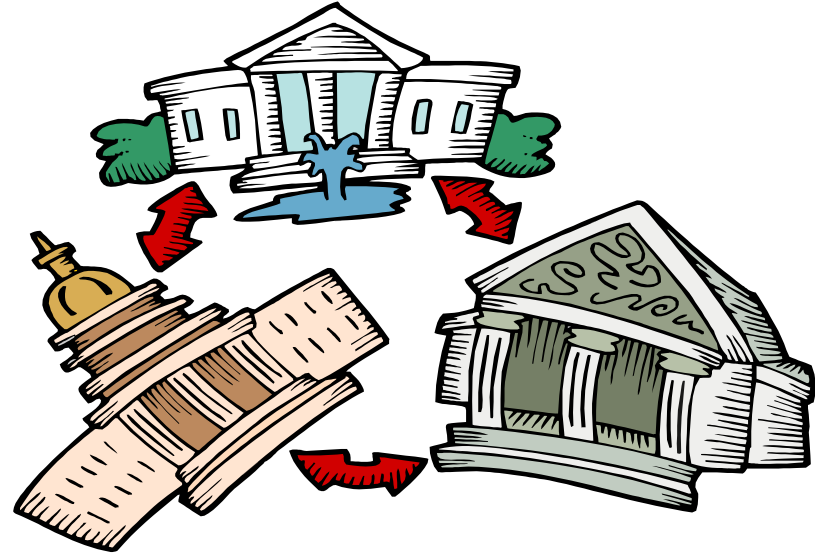
- Formal Actions
- Audit Resolution
- Conflict Resolution
- Closeout



Risk must be understood and addressed throughout the grants lifecycle.

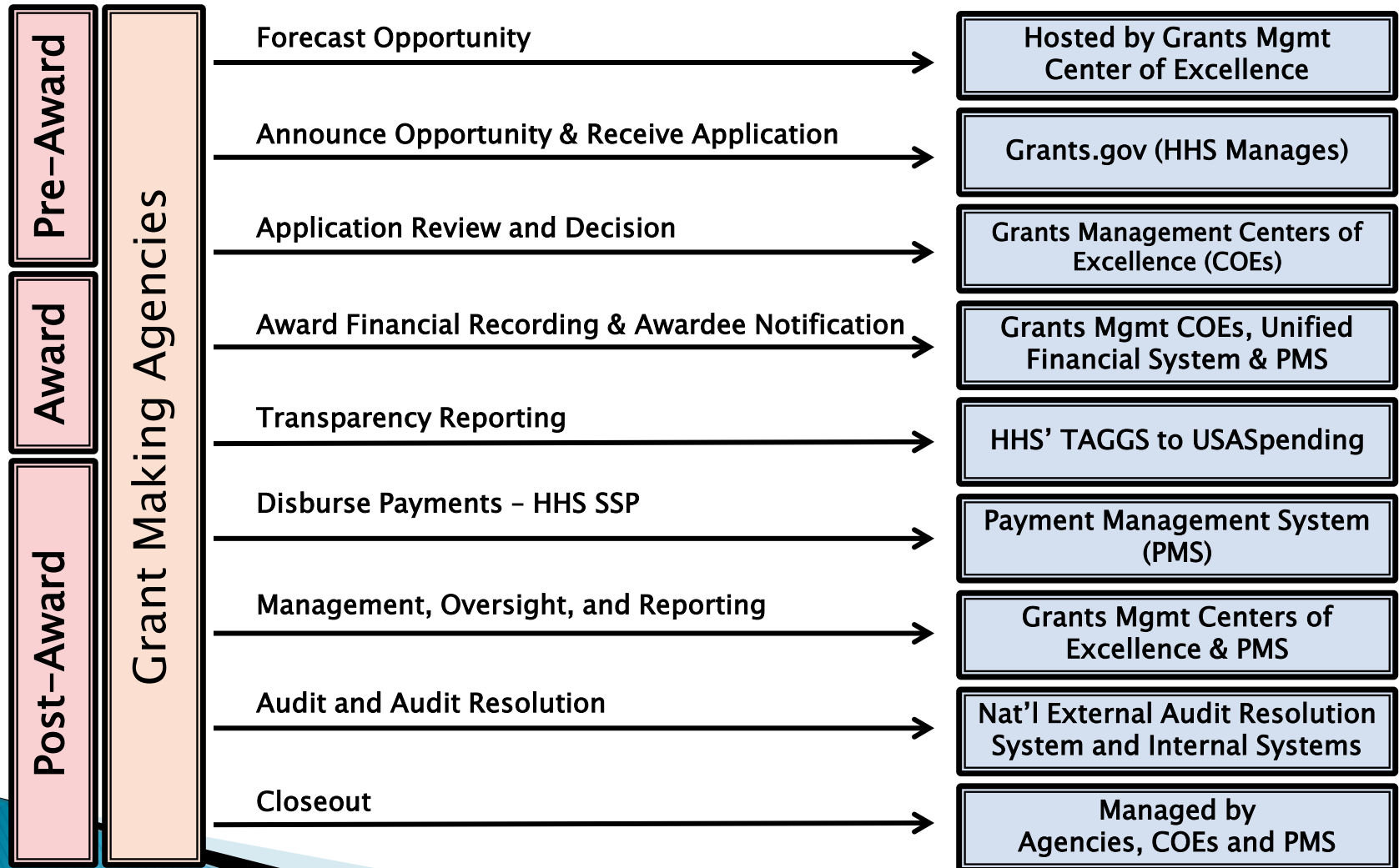
Information Facilitates the Mission and Management of Financial Assistance

- Authorizing & appropriations legislation identifies the programs and parameters to measure outcomes
- Agencies solicit applications from relevant/eligible entities
- Policy guidance facilitates management, administration & financial stewardship
- Agencies provide technical assistance & outreach to grantees
- Grantees submit financial and programmatic reports to gauge progress
- OMB & Congress request reports from Agencies to determine overall policy achievements



Frequently – each stakeholder asks for information in slightly different ways – reducing opportunity for standard data collection and increasing administrative burden.

Information Exchanges Across the Grants Lifecycle at HHS



HHS Activities to Facilitate Transparency & Standard Grant Data Definitions

- ▶ OMB asked HHS to lead a research project on the standardization of data elements and data element definitions for the federal grants lifecycle
- ▶ Examined over 1100 individual data elements and their associated definitions, using a set of 17 data individual sources
- ▶ Interviewed key grants community leaders who had worked on the development of information collections through the framework of the Grants Policy Council (GPC) and Grants Executive Board (GEB)
- ▶ Reviewed GPC documentation related to the development of government-wide information collections
- ▶ Conducted a line-by-line analysis of the data elements to identify overarching findings, as well as the line-by-line comparisons of two larger data sets to provide more in-depth findings
- ▶ Initiated line-by-line analysis of over 500 grants/financial data elements to assess commonalities and conflicts among data element definitions

Overarching Qualitative Findings

- ▶ Previous working groups (WGs) historically considered the notion of data elements in the context of information collection activities:
 - What information did the government need from recipients, vs. what was the single element of data needed and what was the appropriate question or instruction to solicit that information
- ▶ Data elements identified by the WGs and captured in the information collection requests included single data element names, questions, and instructions
- ▶ Data elements fall into several key categories: organizational, geographical, budgetary/financial, programmatic, personnel, and other
 - Only the geographical data elements appear to have an existing government-wide data element standard reference
 - “Organizational” data elements have several government-wide references
- ▶ Varying types of “authoritative sources” exist with some based in statute, regulation, government-wide industry standards, or other government forms
- ▶ **Key Issue for Reporting Award Information:** Different communities define “program” in different ways
- ▶ **Preliminary Assessment:** While both the grants and financial communities both track funding information, there is a linguistic conflict in the terminology and associated meaning, which impacts how dollars are captured, tracked and reported



Challenges Tracking Grant/Financial Data Elements Across the Lifecycle

- ▶ Lack of standard data definitions and grant award IDs across government (and within HHS)
- ▶ Core financial systems and grants management systems were designed to serve different business needs with distinct information requirements based in statutory and regulatory frameworks
- ▶ Resulting Implications:
 - Links between USASpending and financial systems are not readily identifiable/may not exist
 - Many financial systems were designed to interface (not integrate) with grants management systems thus manual cross-walks needed to accommodate different ways of capturing similar financial data elements
 - Financial systems often include summary level data only, not the details to reconcile at the award ID level
 - Intrinsic reporting differences, such as:
 - Timing of reporting, accruals, costs included in the financial system but not USASpending (e.g., pay, benefits, awards <\$25K)



Recommendations Presented to the COFAR and OMB re: Grants Data Standardization

- Leveraging the Notice of Proposed Grants Guidance to incorporate a broader array of standard grants data elements and associated definitions for both pre-award and post-award reporting processes
- Shift the paradigm of information collection from “forms” based to one based on a set of questions related to a set of standard data elements
- Re-establish a repeatable government-wide grants data element/data definition review, validation and approval process
 - Engage stakeholders across the federal grants and financial community; engage OMB/OFFM as well as OMB/OIRA in this process.
- Provide resources to:
 - Validate the number of “grants-related” information collections/forms in the OMB/OIRA database
 - Develop a data element warehouse/analytic tool to conduct further review and analysis of existing data elements and data element definitions
- For future information collection requirements, require use of the data element warehouse to ensure consistency

Ideas to Address Grant Award & Financial Transparency Challenges

- ▶ In addition to continued grants data standardization efforts, leverage OMB's June 12th "transparency" memorandum to:
 - Initiate a government-wide effort for each agency to document its existing "core" grant award ID structure and, where necessary, augment its grant award ID structure to facilitate a cross-walk and/or data validation reference point between grants management and financial management systems
 - Recognize and support potential system changes to and/or financial or grants management systems to accommodate validation of grant award and financial information
 - Consider the making changes to USASpending & Government-wide TAS Adjusted Trial Balance System (GTAS) at the government-wide level, rather than each agency building their own interfaces to accommodate grant/financial data alignment

