

#### **Grants Innovation Exchange Session**

"Smarter Use of Audit Data to Drive Change"

Gary McKeon
Director, Audit Liaison Office
Office of Policy and Program Analysis
Federal Emergency Management Agency



#### **Session Overview**

- Welcome
- Speaker Introduction
- Innovation Exchange
- Results-Oriented Accountability for Grants
   Cross Agency Priority Goal
- Q&A
- Stay Informed





#### **Speaker Introduction**

**Speaker:** Gary McKeon

Gary joined OPPA in November 2012 as the Director of the Audit Liaison Office (ALO). ALO provides oversight, monitoring, and coordination of the Department's responses on audits, inspections, and reviews, primarily by the DHS Office of Inspector General (OIG) and Government Accountability Office (GAO). ALO assists in the implementation of the OMB Circular A-50 Requirements, promotes long-term viability of Federal Emergency Management Agency (FEMA) by facilitating transparency of the Agency to the Department of Homeland Security Secretary (DHS) and the Congress in accordance with law. The Audit follow-up is an integral part of good management and is a shared responsibility of agency management officials and auditors.



Corrective action taken by management on resolved findings and recommendations is essential to improving the effectiveness and efficiency of Government operations.

Prior to becoming Director, Gary was ICE PMO Branch Chief, where he coordinated projects and programs to address high-visibility and mission-critical financial and program performance deficiencies, develop sustainable solutions, and report the status of OCFO and related program operations. Gary has more than 30 years of diverse experience in Business, Construction, Project Management, and Business Process reengineering and military background. Gary is a former Naval Intelligence Officer, Business Entrepreneur and holds a bachelor's degree in Business Administration from Hofstra University and a Management Certificate from University of Virginia (Darden School). Additionally, Mr. McKeon is certified in Project Management Principles (PMP), Risk Management (RSM), and holds a Green Belt in Six Sigma.



# **Smarter Use of Audit Data to Drive Change**

The Truth, the Whole Truth and Nothing but the Truth about Audit Data



## **Today's Topic:**

How FEMA's Audit Liaison Office standardized processes, executed data preparation, and developed its staff in order to deploy business intelligence dashboards that aggregate grant audit data across the entire agency.



# Getting to the Truth using Audit Data

Disaster Grant Audits: the Truth, the Whole Truth & Nothing but the Truth





## **Discussion Areas**

## Audit Liaison Office (ALO) Approach: Getting to The Truth



Vision & Capability Model



Crawl, Walk, Run Strategy

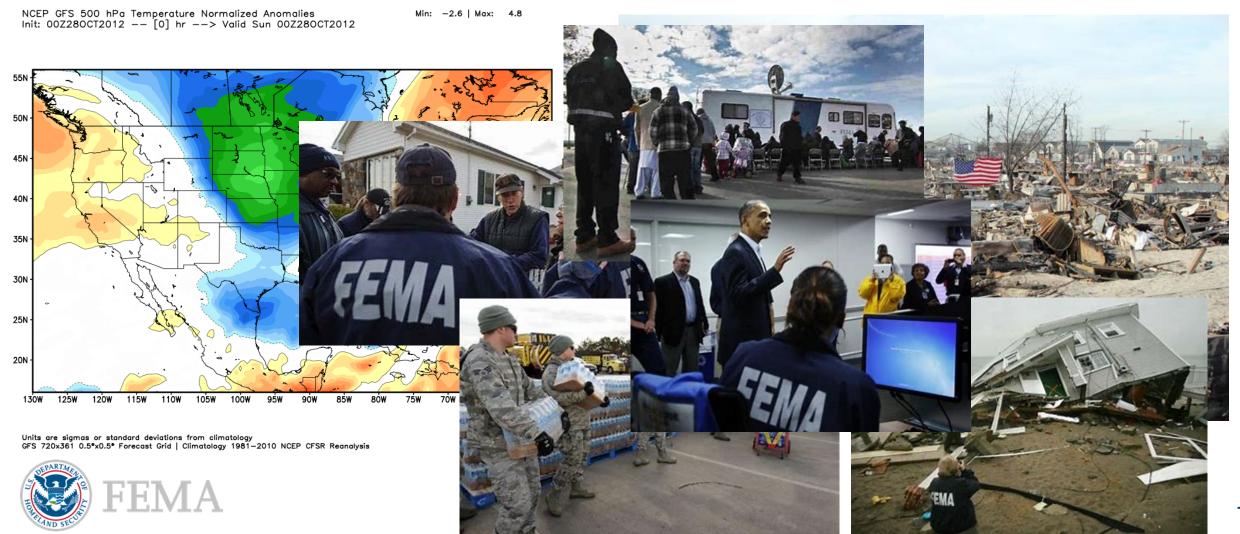


Analytics in Action



## November 2012

## **Hurricane Sandy: Formed 10/22/2012, Dissipated 11/2/2012**



## Where We Were...

## **Unstructured and Fragmented Audit Data Everywhere**

"So many duplicates, which one is correct?"

"Why can't I find it on SharePoint or the Shared Drive?"

"How many different spreadsheets are there?"

"What do you mean it's lost?



"Why is my cheat sheet different from yours?"

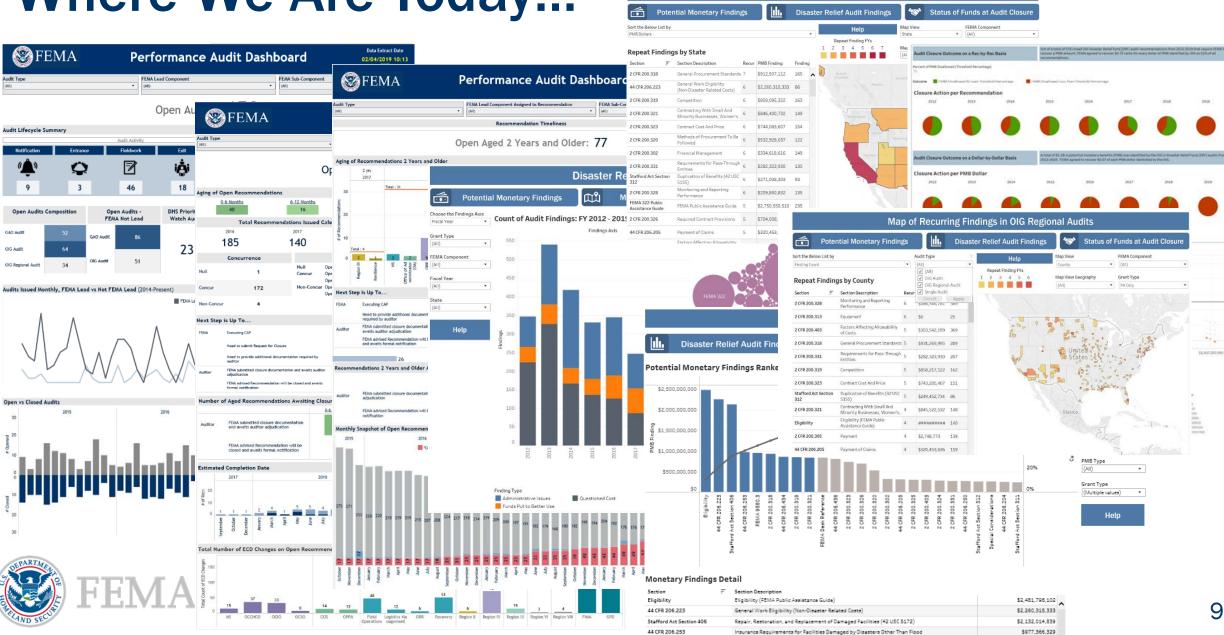
"When did the process change?"

"Why can't everything be in the same place?"

"We need a Single Source of Truth!!"



# Where We Are Today...



Map of Recurring Findings in OIG Regional Audits

## 1. Start with Vision and Capability Assessment







# Vision: ALO Wheel of Compliance



## **Iterative Approach**





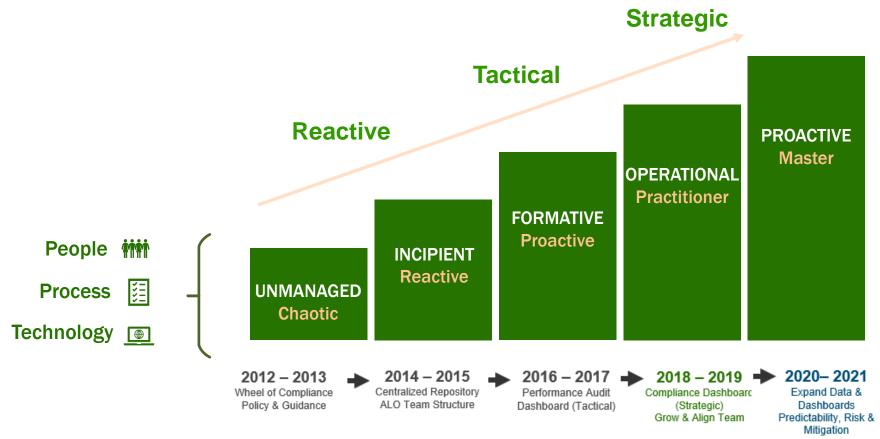




# **Capabilities Assessment**



#### Assess Where Are You on the Continuum & Address Key Gaps





# Step 2: Align with Drivers for Change



#### **External & Internal**























# Step 3: Develop a "Stepped" Execution Strategy









First you crawl...

Then you walk...

Then you run...

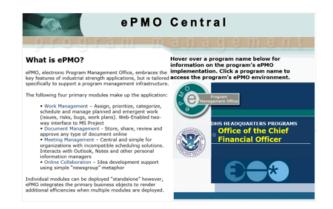


## Crawl



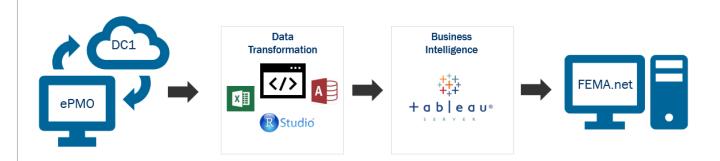
## 1. Create a Single Source of Truth

#### **System of Record for Performance Audits**



Established a single source for Performance Audit Information for the Agency by leveraging DHS's System of Record (ePMO)

#### **Transformation Tools & Tableau Server**



Increased efficiencies by reducing duplication, reduced level of effort and eliminating need for static reporting



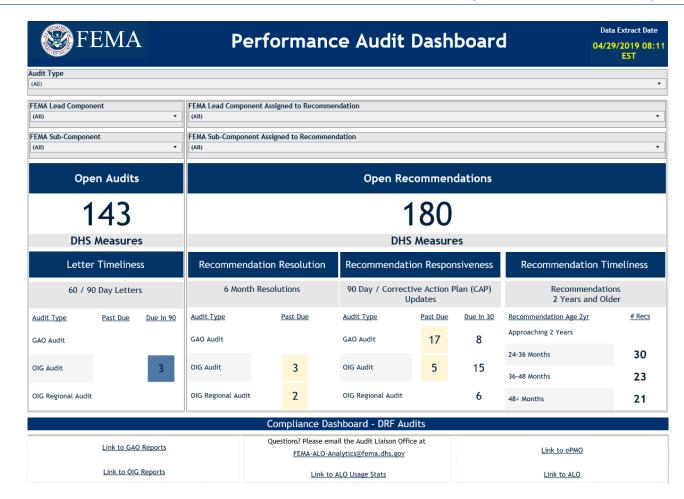
## **Crawl**



## 2. Tactical Dashboard Focused on Performance Audits (GAO & OIG)

# Audit and Recommendation Tracking:

- Provides agency-wide visibility to upcoming and past due Audit Follow-Up items
- Used by Audit Community and Senior Leadership for Monitoring and Reporting





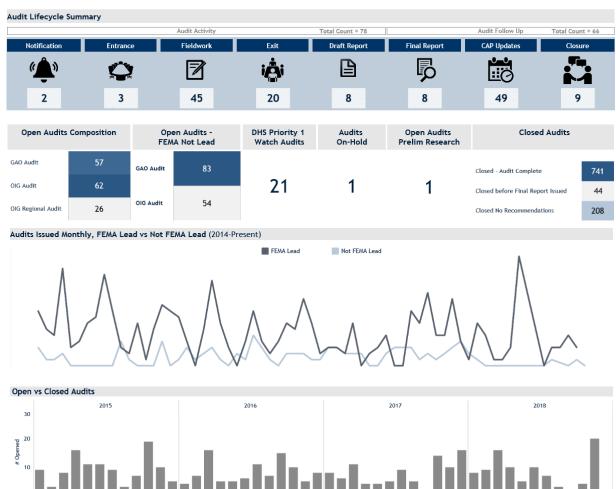
## Open Audits: Audit Lifecycle Activity Tracking and Trends

- Visibility to audit inventory and lifecycle activity
- Year-over-year trending
- Open vs. Closed Backlog





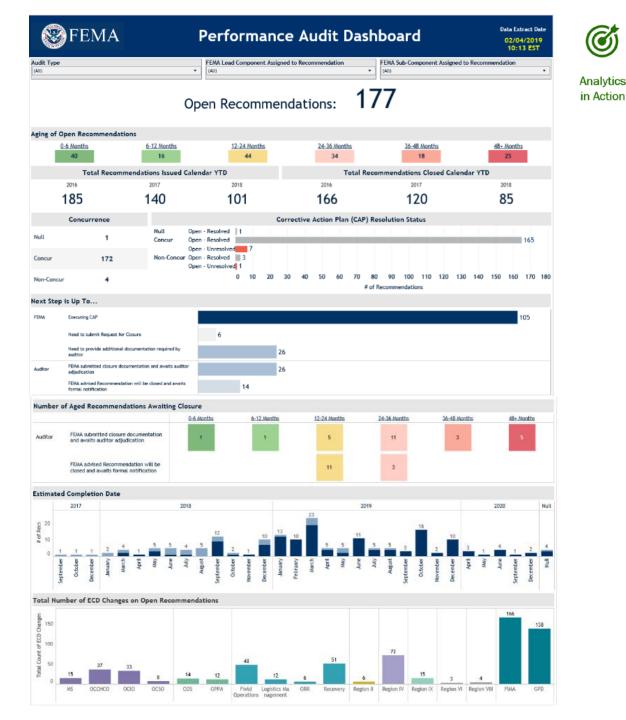
Open Audits: 145





# **Open Recommendations: Tracking and Trends**

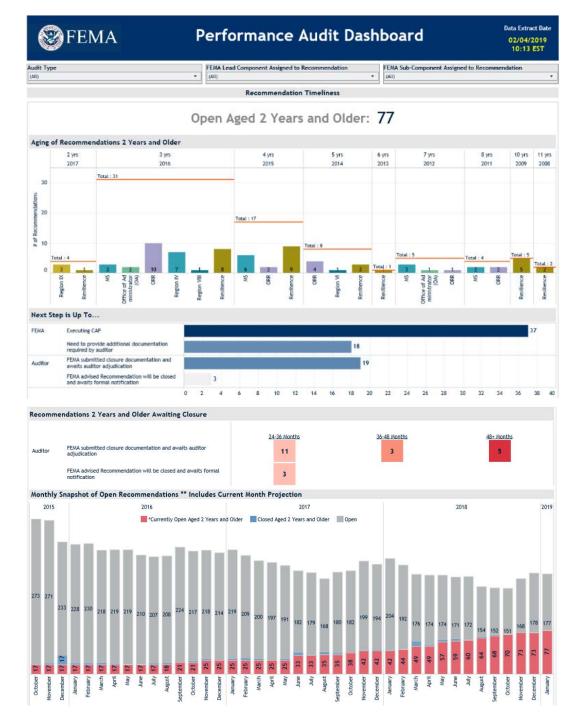
- Aging of Recommendations
- Next Steps and Recommendations Awaiting Closure
- Planned Corrective Action
   Completion Dates and Number of
   Revised Dates





## Aged Recommendations Greater than 2 Years: Tracking and Trends

- Aging Detail by Program/Region
- Next Steps and Recommendations Awaiting Closure
- Open Aged Recs Over Time





0

**Analytics** 

in Action

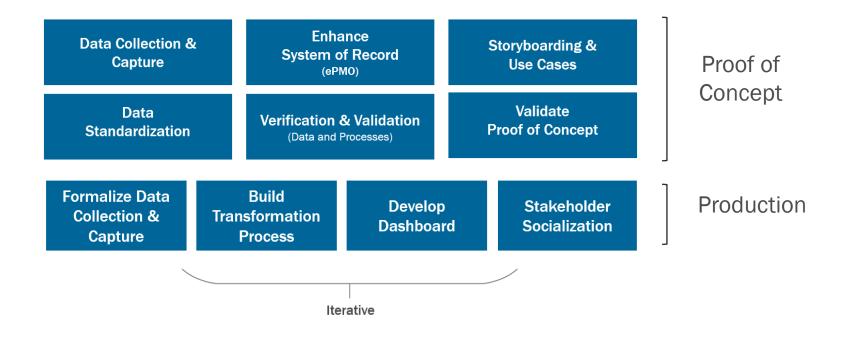
## Walk



## 1. Strategic Dashboard focused on Compliance Data

#### **Objective:**

- ✓ Capture Questioned Costs and Compliance Data from Unstructured Data (OIG Reports & Other Audit Artifacts)
- ✓ Surface Recurring Compliance Issues Geographically by Region, State, and County





## **Fast Walk**



## 2. Incorporate Single Audits (A-133)

**Objective:** 

- ✓ Capture Questioned Costs and Compliance Data from the <u>FAC & Unstructured Single Audit Data</u>
- ✓ Surface Recurring Compliance Issues Geographically by Region, State, and County

Data Collection &
Cleansing
AC Data & Single Audit Repo

FAC Data & Single Audit Reports Using R-Studio Data
Standardization &
Transformation
Using R-Studio

Verification & Validation (Data and Processes)

Storyboarding & Use Cases

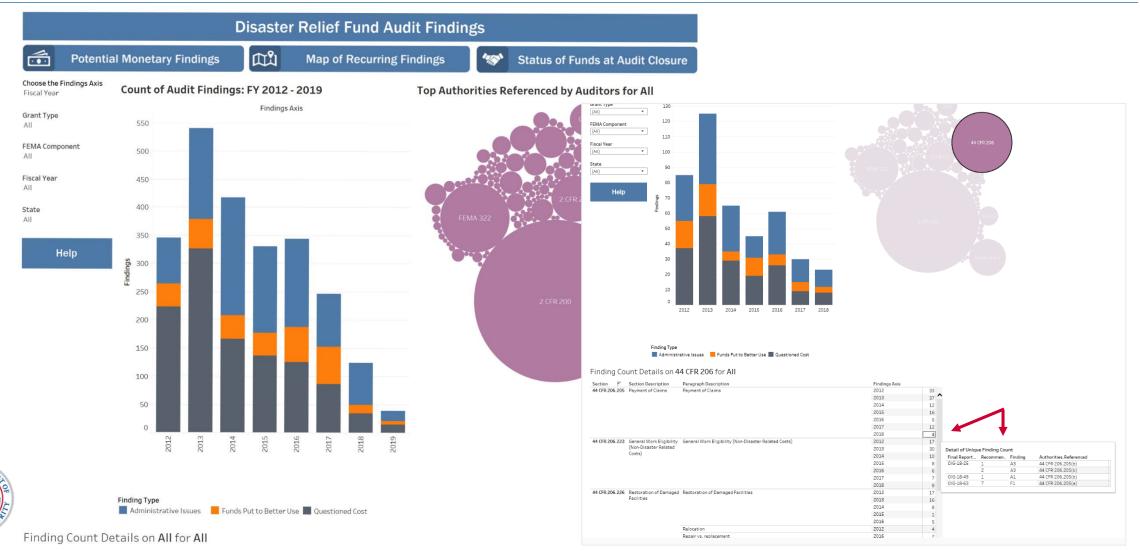
Enhance System of Record (ePM0)



## **Fast Walk**

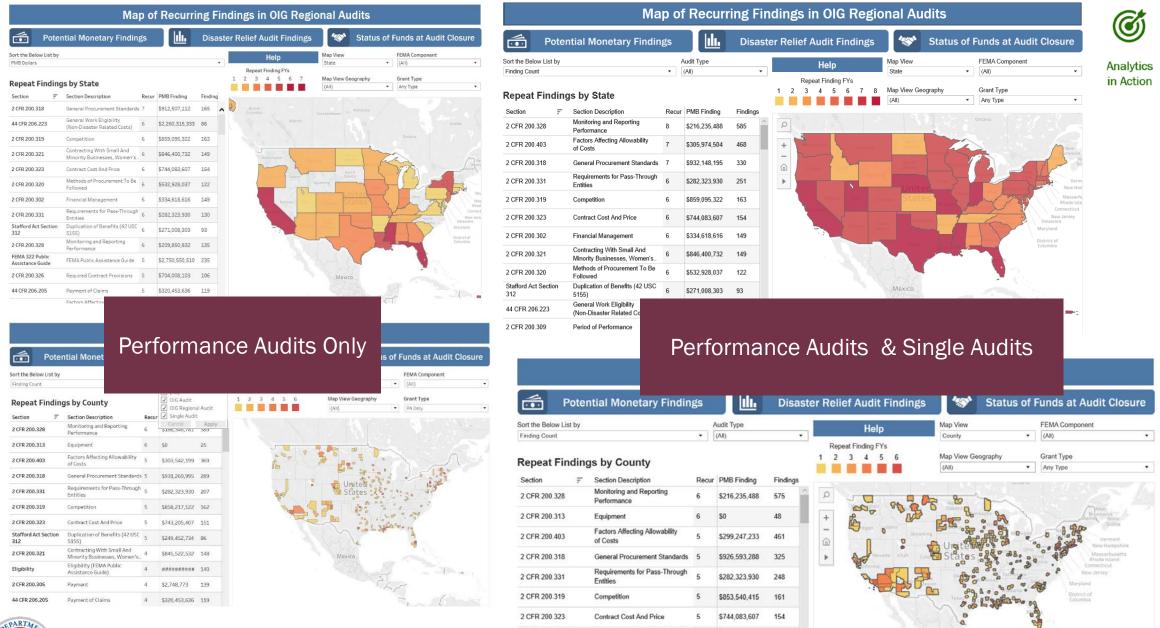


## 3. Compliance Dashboard



#### **Potential Monetary Findings** யு **Analytics** Map of Recurring Findings **Disaster Relief Audit Findings** Status of Funds at Audit Closure in Action Number of Items to Show Potential Monetary Findings Ranked by Citation - Questioned Costs & Funds Put to Better Use Section Highlight these PMB \$2,500,000,00 80% Top 50% Highlight Color \$2,000,000,0 50% of PMB 60% \$1,500,000,0 **Potential Monetary Findings** \$1,000,000, THE STATE OF THE S **Disaster Relief Audit Findings** Map of Recurring Findings **Status of Funds at Audit Closure** \$500,000,0 Number of Items to Show Potential Monetary Findings Ranked by Citation - Questioned Costs & Funds Put to Better Use 25 CFR 200.318 CFR 206.223 14 CFR 206.434 Section Highlight these PMB \$1,000,000,0 100% Top 50% \$800,000,0 80% Highlight Color 50% of PMB Remainder of PMB \$600,000,0 60% ₹ . FEMA Component Region IV \$400,000,0 **Monetary Findings Detail** State (AII) Section Section Description \$200,000,0 20% Eligibility (FEMA Public A Eligibility PMB Type 44 CFR 206.223 General Work Eligibility 2 CFR 200 Stafford Act Section 406 Repair, Restoration, and CFR 200.319 CFR 200.321 2 CFR 200.323 2 CFR 200.320 2 CFR 200.318 2 CFR 200.308 2 CFR 200.325 2 CFR 200.326 2 CFR 200.404 2 CFR 200.317 44 CFR 206.226 FEMA Policy 9524.4 CFR 200.328 2 CFR 200.324 structional Guid cies And Pro FEMA Desk Referen 44 CFR 206.253 Insurance Requirements Grant Type Incident Type Hurricane

Help



Stafford Act Section

Duplication of Benefits (42 USC

\$270,934,397



## Run – What's Next



## 1. Complete Remaining External & Internal Audits









**OMB** 

Waiver

# Run – Future & Beyond



## 2. Expand to other FEMA "Audit-Like" Inputs

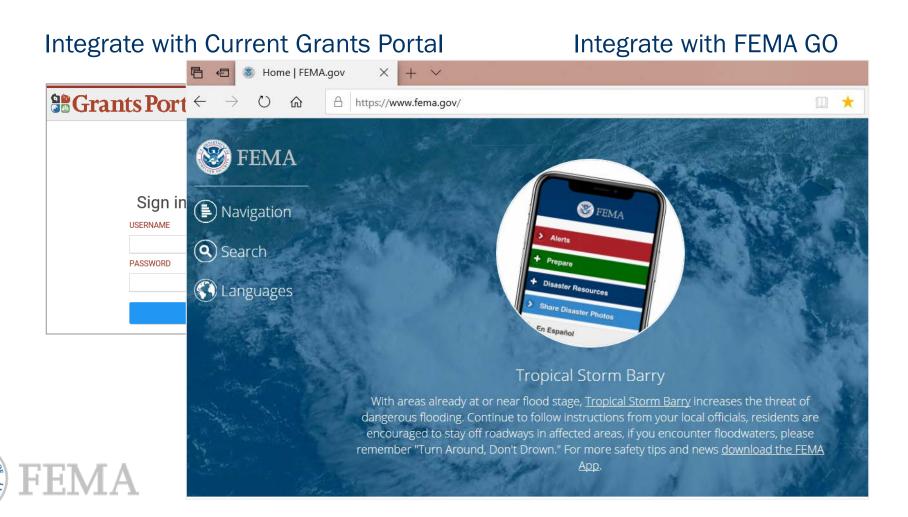




## Run - Future & Iterative



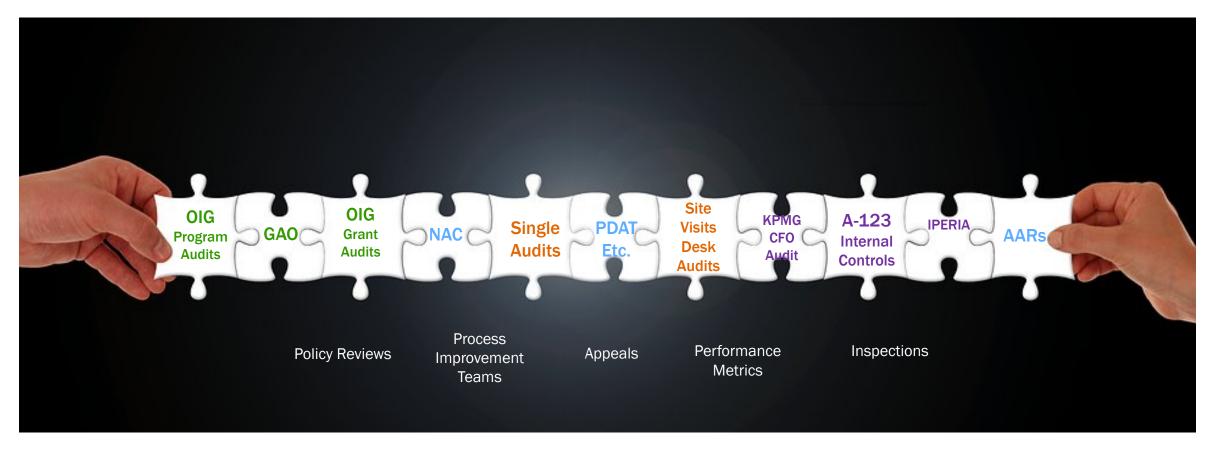
#### 3. Extend into Grants Modernization Effort



Integrate with FEMA.gov

# In Summary: Continuing the Truth Puzzle

## Consolidation of all Audit Types into a Single Source of Truth







# Results-Oriented Accountability for Grants Cross Agency Priority Goal (Grants CAP Goal)

Maximize the value of grant funding by applying a risk-based, data driven framework that balances compliance requirements with demonstrating successful results for the American taxpayer.

**GOAL STATEMENT** 





#### **Grants CAP Goal Strategies**

Hold recipients accountable for good performance practices that support achievement of program goals and objectives; & streamline burdensome compliance requirements for those that demonstrate results.



**Achieve Goals** and Objectives



# **Standardize Business Processes & Data**

Standardize grants management business processes & identify, operationalize, standardize, & link data.



# **Build Shared IT Infrastructure**

Use standard business processes & data to identify opportunities to build shared solutions that reduce burden & improve the user experience.



#### Manage Risk

Leverage data, including data from annual audits, to assess & manage recipient risk.



#### **Instructions:**

Please enter your questions via the chat feature via Adobe Connect; OR

Email them to <a href="mailto:GrantsTeam@omb.eop.gov">GrantsTeam@omb.eop.gov</a>





#### **Stay Informed**

#### JOIN OUR COMMUNITY TODAY!

https://www.performance.gov/CAP/grants/



#### **INNOVATION EXCHANGE SESSION SCHEDULE:**

July 25, 2019 September 26, 2019 October 24, 2019

Note: Sessions will not be held in August, November, or December

#### DO YOU HAVE AN INNOVATION YOU WOULD LIKE TO SHARE?

Please email the Grants Team at GrantsTeam@omb.eop.gov

