

# National Grants Management Association (NGMA) 2016 Annual Conference Session

DATA Act and Section 5 Grants Pilot Single Audit Test Model  
HHS DATA Act Program Management Office (DAP)

March 2016

# Purpose & Meeting Agenda

## Purpose

To provide an overview of the DATA Act and the Section 5 Grants Pilot, specifically the Single Audit Test Model.

## Discussion Topics

*11:30 AM-11:45 AM*

### **DATA Act Overview**

Presenter: Christopher Zeleznik

*11:45 AM-12:20 PM*

### **Single Audit SEFA Process and Forms**

Presenter: Carmen Rivera-Cruz

*12:20 PM-12:30 PM*

### **Summary and Survey**

Presenter: Pilot Participants

# Presenters

***Carmen Rivera-Cruz***

Department of Health and Human Services

Audit Resolution Division (ARD)

Team Lead

# DATA Act Overview

In May 2014, Public Law 113-101 Digital Accountability and Transparency Act of 2014 (DATA Act) was signed into law with the purpose to establish government-wide financial data standards and increase the availability, accuracy, and usefulness of federal spending information.



# Section 5 Grants Pilot Requirements

The goal of the Pilot is to implement Section 5 of the Digital Accountability and Transparency Act (DATA Act) of 2014, Pub. L. No. 113-101, which requires the Federal Government to, “ establish a pilot program with the participation of appropriate Federal agencies to facilitate the development of recommendations for:

(A) standardized reporting elements across the Federal government (§5(b)(1)(A));

(B) the elimination of unnecessary duplication in financial reporting (§5(b)(1)(B));

(C) the reduction of compliance costs for recipients of Federal awards (§5(b)(1)(C)).”

*The Office of Management and Budget (OMB) has designated HHS to serve as the executing agent for the Section 5 Grants Pilot.*

# Section 5 Grants Pilot Test Models

## Common Data Element Repository (CDER) Library

**Designed to be a federal-wide, online repository for grants-specific data standards, definitions, and context.**

**Test 1:** Provide grantees with data element definitions to identify potential changes in accuracy and speed of grant lifecycle form completion.

**Test 2:** Identify form duplication and update/reduce forms to reduce grantee burden.

## Consolidated Federal Financial Reporting (FFR)

**A test model that will allow grantees to submit the FFR form in one system, rather than in multiple entry systems.**

**Test:** Provide grantees with one consolidated process for submitting the FFR to identify potential changes in the time it takes to complete and submit two separate components of the FFR.

**Discussion:** Walk participants through the changes to the FFR and allow for questions/feedback.

## Notice of Award – Proof of Concept (NOA – POC)

**A document containing information a grant recipient needs to perform routine accounting and finance operations.**

**Test:** Provide grantees with standardized NOA cover sheet for Federal awards to populate a data collection tool. Identify potential changes in speed of completing the data collection tool with and without the standardized NOA.

## Learn Grants

**An online web portal that provides information for grant recipients to access federal grant lifecycle information.**

**Test:** Determine users' level of understanding on the grants lifecycle after using Learn Grants.

## Single Audit

**A financial statement audit of an organization's federal funds.**

**Test:** Provide non-federal entities with draft 2016 expanded Single Audit form (SF-SAC only) and collect participant feedback on a more streamlined approach for SF-SAC/SEFA reporting.

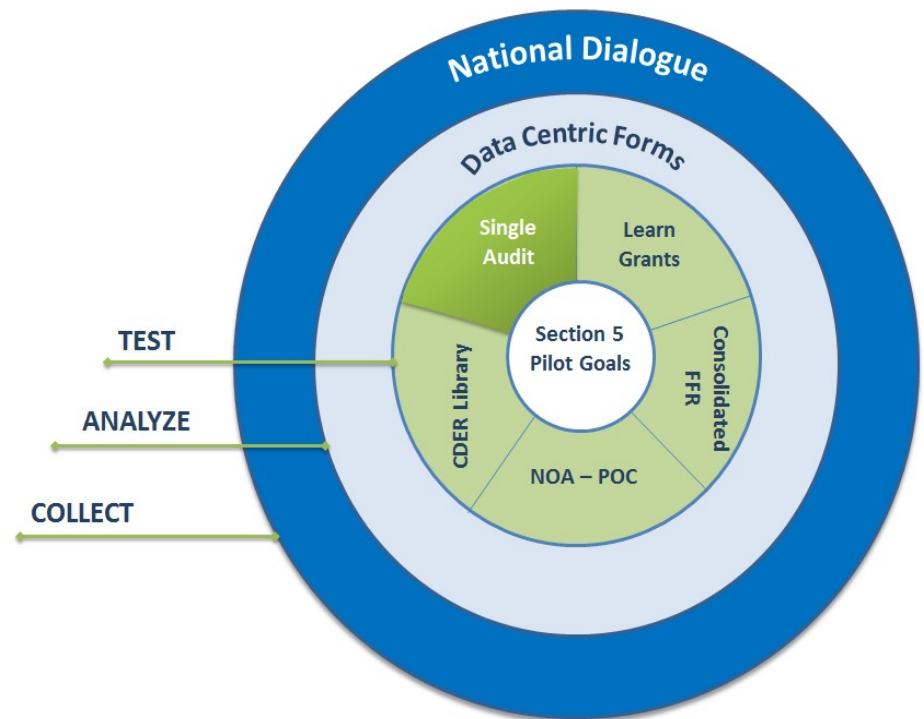
**Discussion:** Present draft expanded Single Audit form and allow participants to comment upon the SF-SAC changes in a live setting.

# Section 5 Grants Pilot – Approach and Framework

HHS DAP created the Section 5 Grants Pilot Framework, which takes a holistic approach to meeting the Section 5 Pilot Goals by:

## Section 5 Grants Pilot Framework

- Collecting feedback through the National Dialogue (<https://cxo.dialogue2.cao.gov/>).
- Analyzing data centric forms.
- Testing models like the CDER Library, Consolidated FFR, Single Audit, NOA – POC, Learn Grants, and other models as appropriate.
- Each component of the Framework *interacts* with and informs the others.
- Time frames associated with each test model will align with legislative requirements to execute the Pilot by *May 2017*, and support OMB's report due to Congress by *August 2017*.

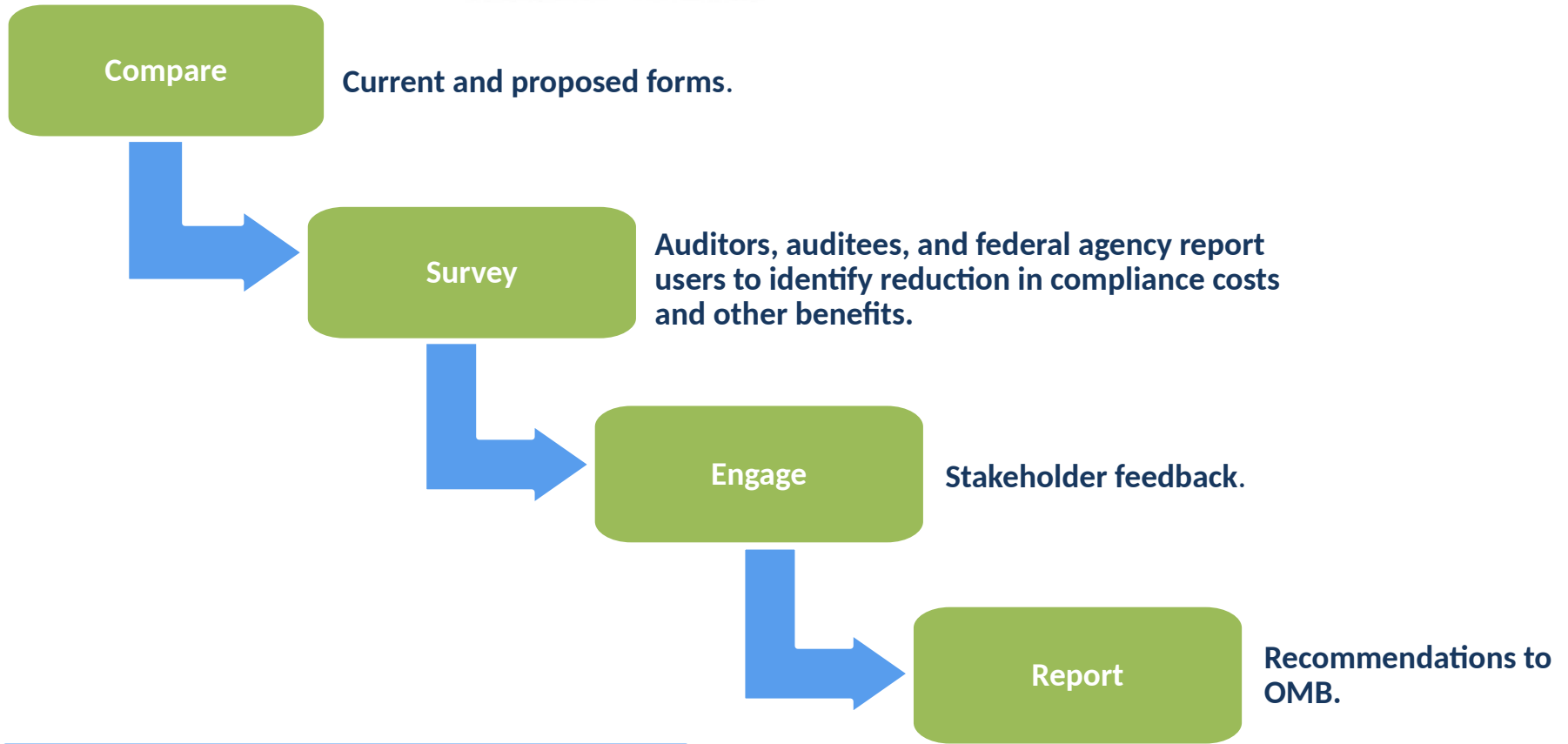


### Section 5 Pilot Goals

- ✓ Standardize reporting elements.
- ✓ Eliminate unnecessary duplication.
- ✓ Reduce compliance costs for Federal award recipients.

DRAFT

# Single Audit Test



**Test:** Provide grantees with information on the draft 2016 Single Audit Concept Form (SF-SAC only) and process, and collect participant feedback on a more streamlined approach for SF-SAC/SEFA reporting.



# Single Audit Test Model

## Hypothesis

- If grant recipients do not have to report the same information through duplicative efforts, then grant recipient burden will be reduced. Data is currently being reported on the Single Audit Data Collection Form (SF-SAC) that is duplicative of data reported on the Schedule of Expenditures of Federal Awards (SEFA).
- If a Concept Form SF-SAC combining the required data from both the SF-SAC and the SEFA can be created, grant recipients would see a reduction in burden through the elimination of reporting duplicative information.

## Test Model

- HHS DAP will host a guided facilitated discussion with federal grant recipients subject to Single Audit requirements. HHS DAP will explain the current Single Audit process and then describe the SEFA Template of the Concept Form and the proposed process.
- Participants will then take a survey asking their opinion about the Concept Form and reducing recipient reporting burden.
- HHS DAP will compile and analyze survey results.

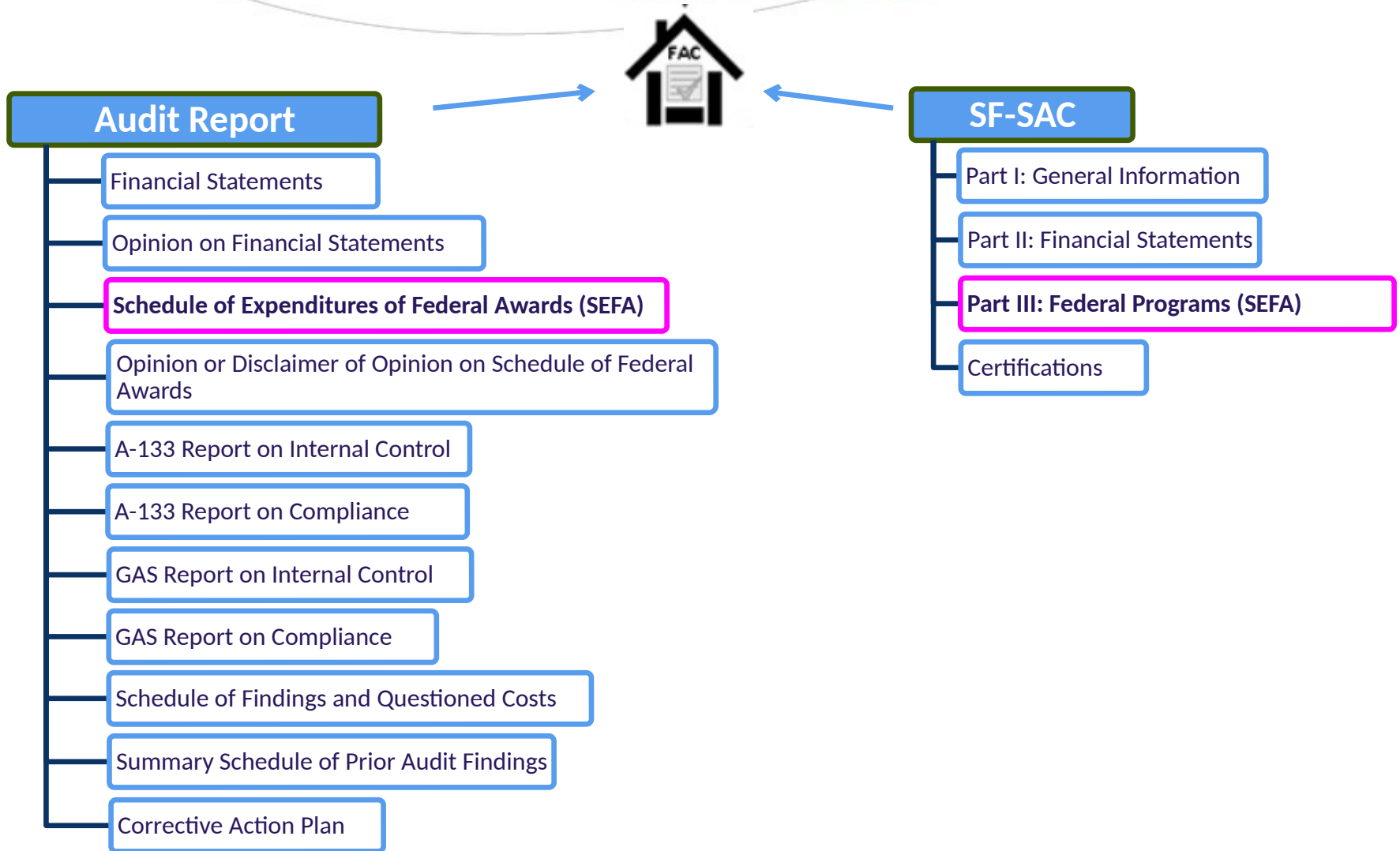
# Single Audit 2CFR200 Subpart F

**Single Audit**, previously known as the OMB A-133 audit, is an organization-wide financial statement and federal awards' audit of a recipient that expends \$750,000 or more in federal funds in one year.

It is intended to provide assurance to the Federal Government that a recipient has adequate internal controls in place, and is generally in compliance with program requirements.

Recipients typically include states, local governments, Indian tribes, universities, and non-profit organizations.

# Single Audit Components



# Schedule of Expenditures of Federal Awards (SEFA)

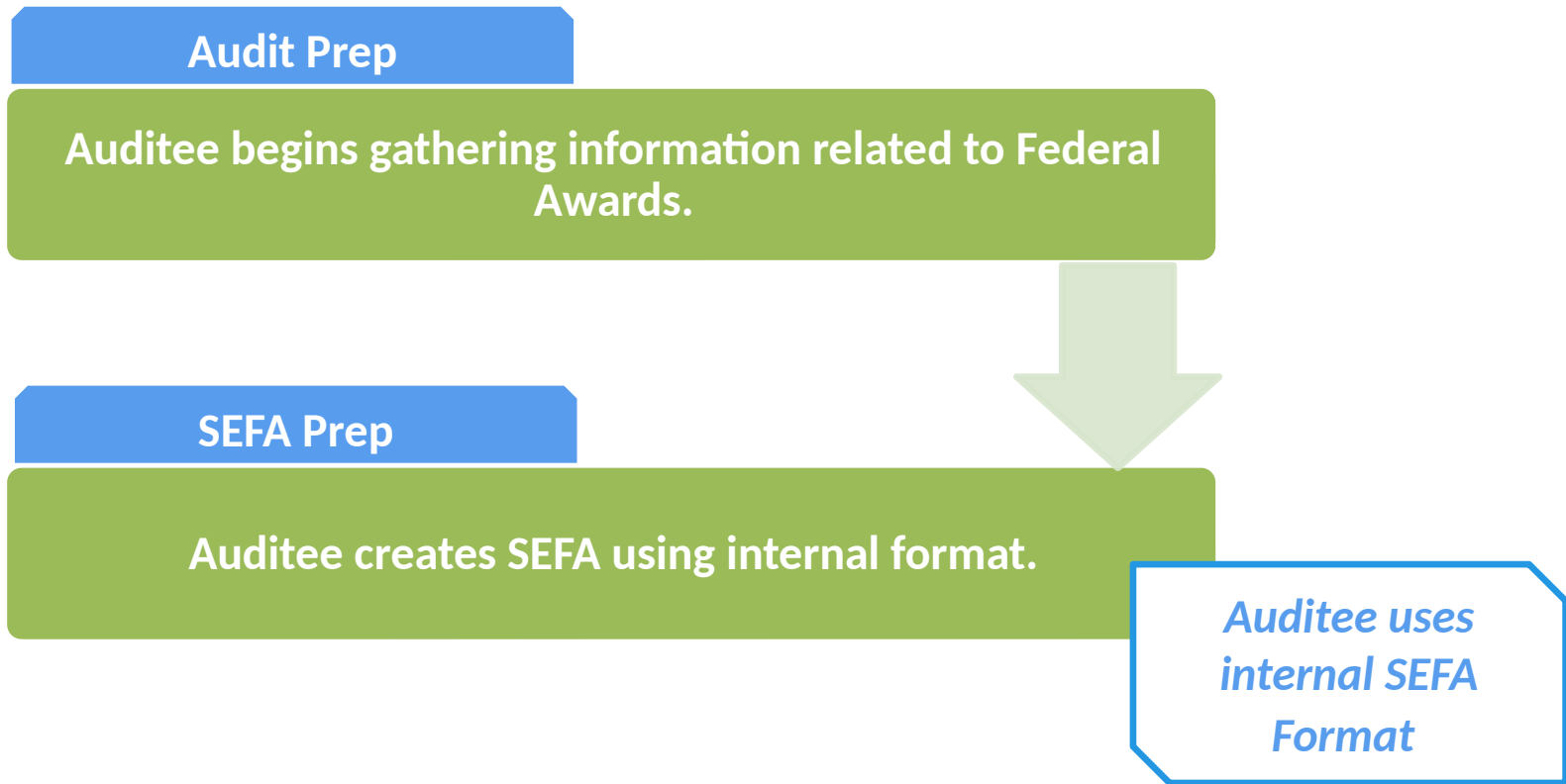


SEFA

- The SEFA is an important and required part of the audit report, as well as an important section of the SF-SAC required for the Single Audit.
- The auditee must prepare the SEFA for the same period being audited
- At a minimum, the SEFA should include (2CFR200, §200.510):
  - List of Federal Programs identified by granting Federal agency;
  - Name of pass through entity for sub-awards received;
  - Current year expenditures per award;
  - CFDA number or other identifying number per award;
  - Amount provided to sub-recipients per award;
  - Footnote disclosures.

# SEFA Preparation – Current Process

Awards with Fiscal Year end dates in 2013, 2014, and 2015 will generally follow this process in preparing the SEFA.



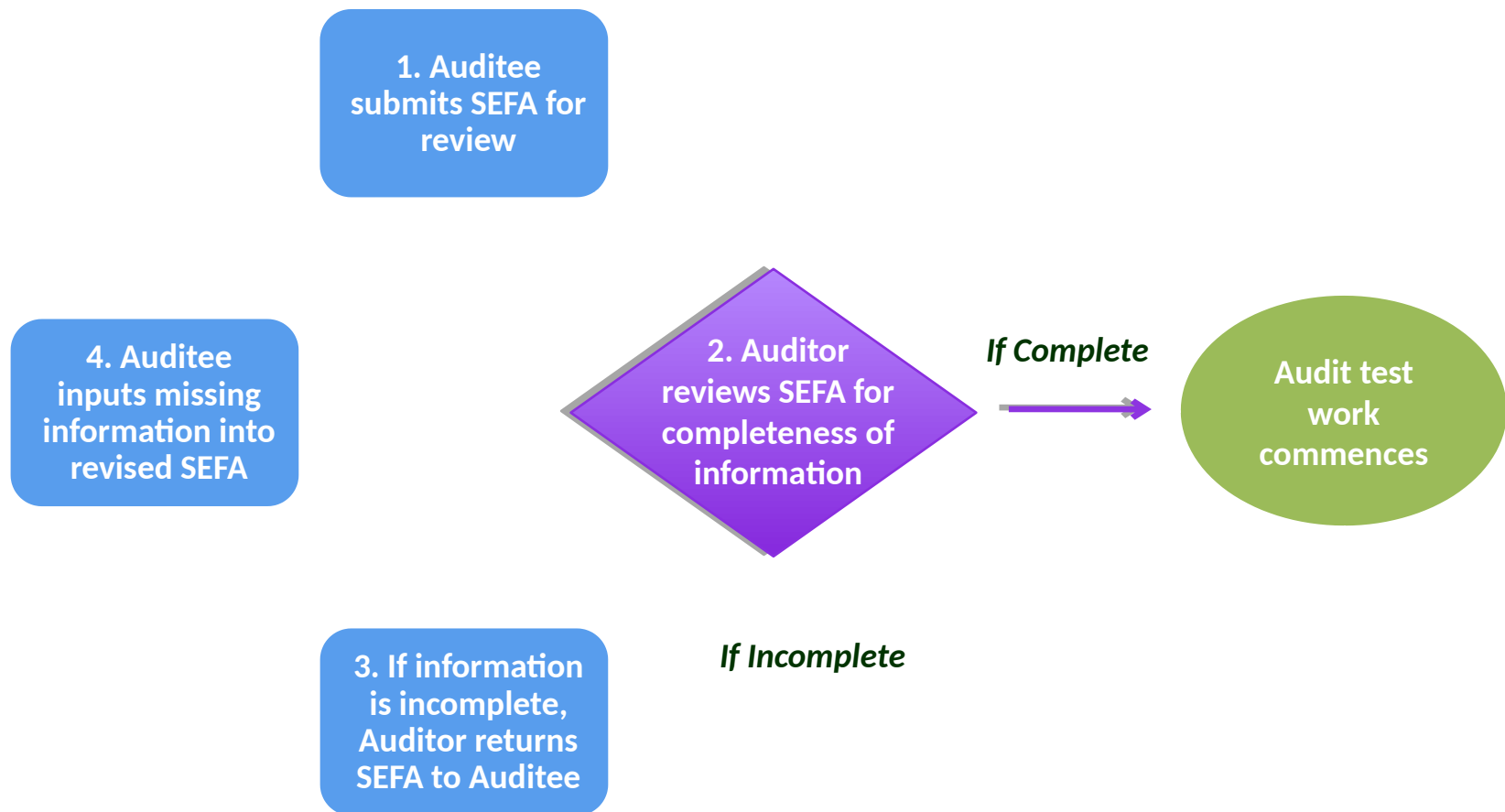
# Internal SEFA Formats

| Schedule of Expenditures of Federal Awards   |                  |  |        |              |                |       |
|--|------------------|--|--------|--------------|----------------|-------|
| Project Name   | Contract/Grant # | Grant (G), Coop Agreement (CA), Contract (C) | CFDA   | Prime or Sub | Total Expenses | Notes |
| <b>Department of Energy:</b>   |                  |  |        |              |                |       |
| Solar Cities   |                  | CA   | 81.117 | Prime        |                |       |
| <b>Department of State</b>   |                  |  |        |              |                |       |
| Legislative Fellows Program  |                  | G  | 19.415 | Prime        |                |       |
| Professional Fellows Program   |                  | G  | 19.415 | Prime        |                |       |
| FY 2014 Prof Fellows IV  |                  | CA   | 19.415 | Prime        |                |       |
| FY 2015 Special Fellows  |                  | CA   | 19.415 | Prime        |                |       |
| <b>Department of Housing and Urban Development</b>   |                  |  |        |              |                |       |
| National Brownfields Conf  |                  | CA   | 66.814 | Prime        |                |       |
| Choice neighborhoods   |                  | G  | 14.008 | Prime        |                |       |
| Strong Cities, Strong Communities NRN<br>Subcontract from Enterprise Community Partners            |                  | C  | 14.534 | Sub          |                |       |
| <b>Environmental Protection Agency:</b>  |                  |  |        |              |                |       |
| LGEM   |                  | CA   | 66.305 | Prime        |                |       |
| <b>US Department of Agriculture</b>  |                  |  |        |              |                |       |
| Rural Sustainability: Linking Economics and the Environment<br>Subcontract from Cornell University |                  | C  | 10.310 | Sub          |                |       |

| Schedule of Expenditures of Federal Awards<br>Year Ended September 30, 2014          |  |                |                                |        |
|--|--|----------------|--------------------------------|--------|
| Cluster/Program  | Federal Agency/<br>Pass-Through Entity                           | CFDA<br>Number | Grant or<br>Identifying Number | Amount |
| <b>U.S. Department of Agriculture</b>  |  |                |                                |        |
| Special Supplemental Nutrition Program for Women, Infants and Children               | U.S. Department of Agriculture<br>U.S. Department of Agriculture | 10.557         |                                | 10.557 |
| Food Distribution Program on Indian Reservations                                     | U.S. Department of Agriculture                                   | 10.567         |                                |        |
| WIC Farmers' Market Nutrition Program (FMNP)   | U.S. Department of Agriculture                                   | 10.572         |                                |        |
| Senior Farmers' Market Nutrition Program   | U.S. Department of Agriculture                                   | 10.576         |                                |        |
| Total U.S. Department of Agriculture   |  |                |                                |        |
| <b>U.S. Department of Housing and Urban Development</b>                              |  |                |                                |        |
| Indian Housing Block Grants  | U.S. Department of Housing and Urban Development                 | 14.867         |                                |        |
| Total U.S. Department of Housing and Urban Development                               |  |                |                                |        |
| <b>U.S. Department of Interior - Bureau of Indian Affairs</b>                        |  |                |                                |        |
| Tribal Self-Governance   | U.S. Department of Interior/Bureau of Indian Affairs             | 15.022         |                                |        |
| Tribal Wildlife Grants Program   | U.S. Department of Interior/Bureau of Indian Affairs             | 15.639         |                                |        |
| Total U.S. Department of Interior - Bureau of Indian Affairs                         |  |                |                                |        |
| <b>U.S. Department of Justice</b>  |  |                |                                |        |
| Violence Against Women Discretionary Grants for Indian Tribal Governments - Recovery | U.S. Department of Justice                                       | 16.587         |                                |        |
| Indian Country Alcohol and Drug Prevention   | U.S. Department of Justice                                       | 16.616         |                                |        |
| Tribal Youth Program   | U.S. Department of Justice                                       | 16.731         |                                |        |
| Total U.S. Department of Justice   |  |                |                                |        |

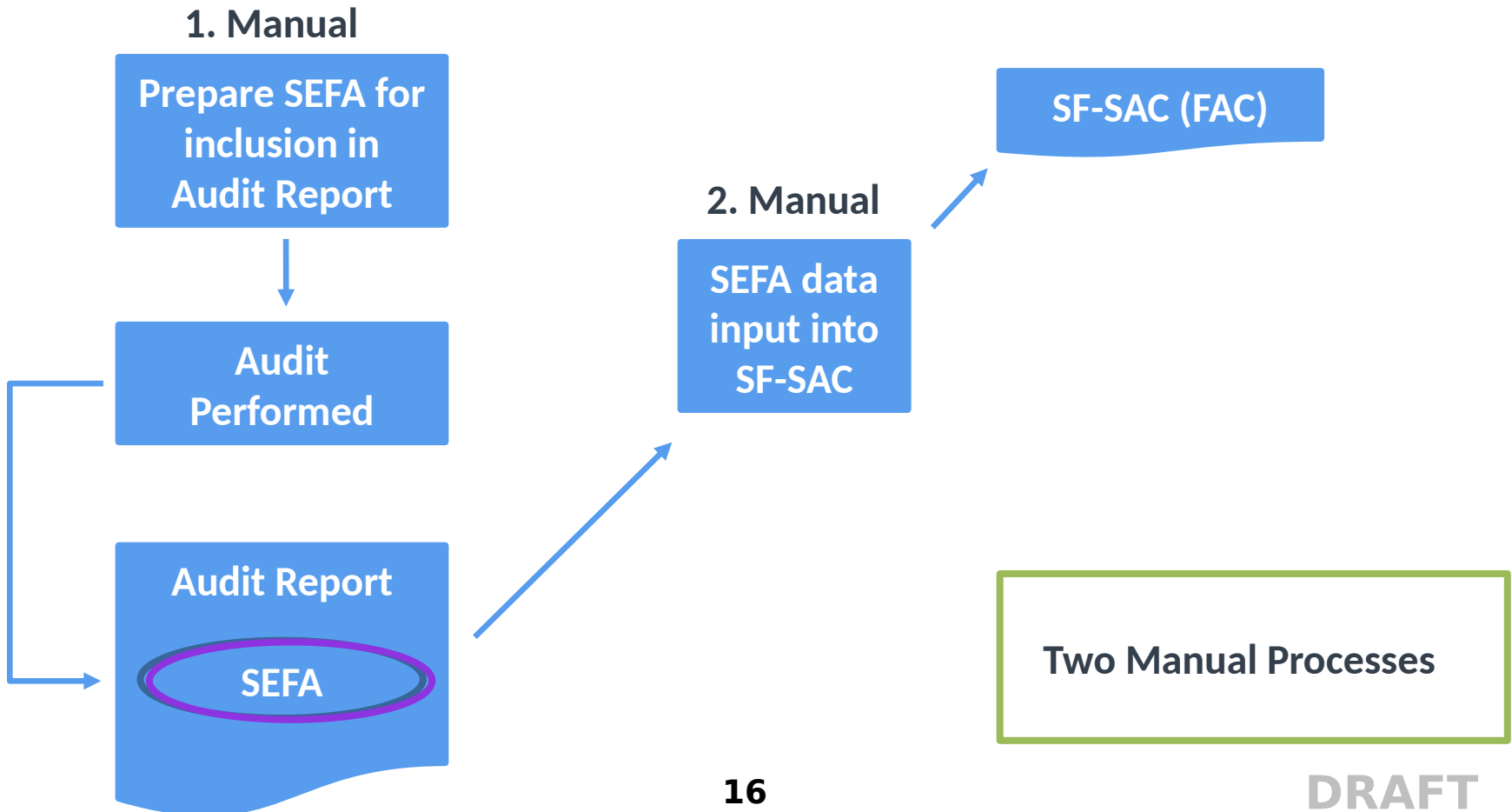
# SEFA Review & Auditor Acceptance Without SEFA Template

Without a SEFA Template, the process of preparing and submitting the SEFA is onerous for auditees and may require multiple cycles of preparation and review.



# Current Data Collection Form (SF-SAC)

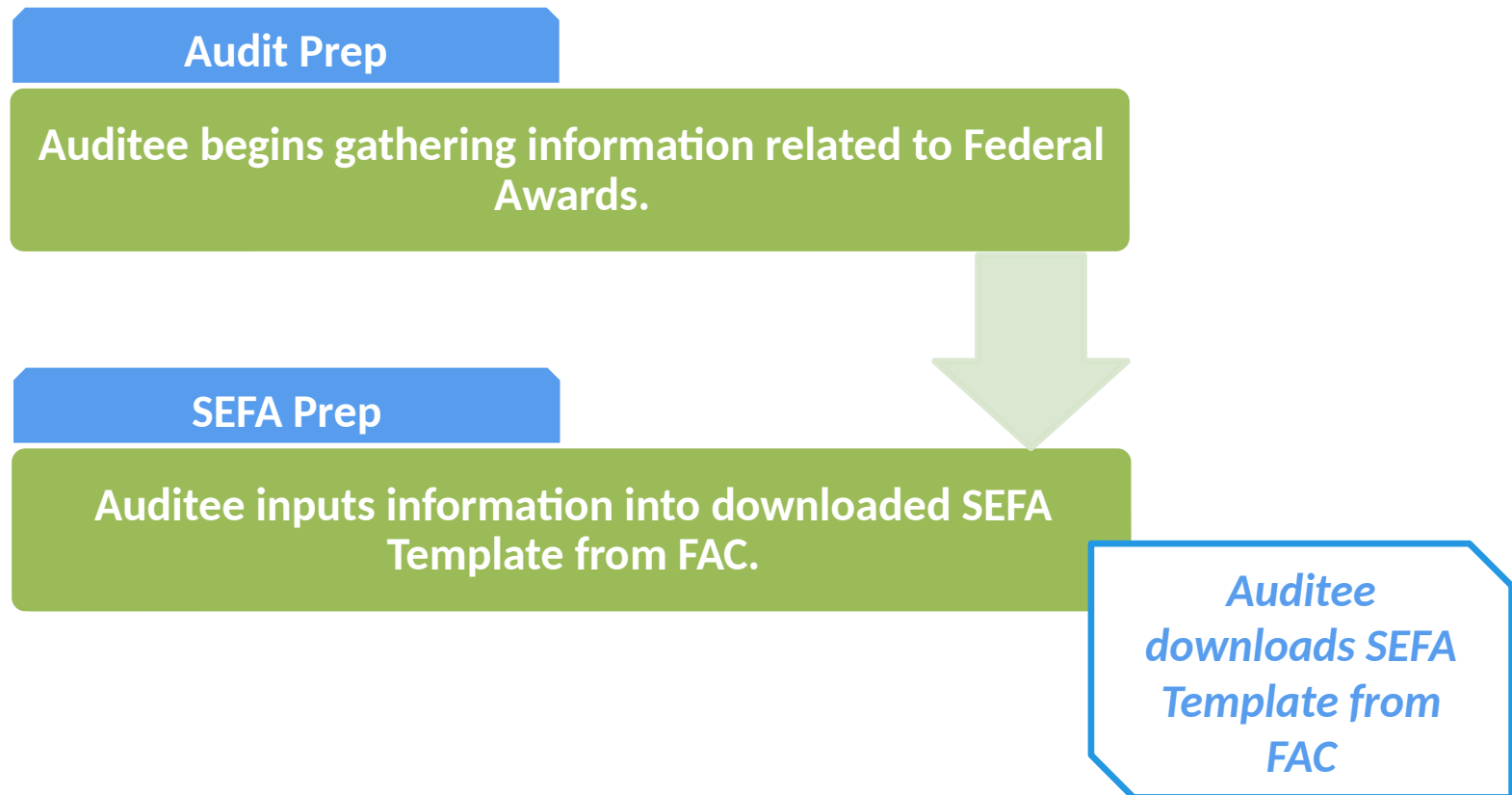
In the current process, there is a duplication of effort in inputting the SEFA data into the grantee's internal template as well as the SF-SAC.





# SEFA Preparation – Proposed Process

Awards ending in FY 2016 will generally follow this process in preparing the SEFA.



# Concept Form

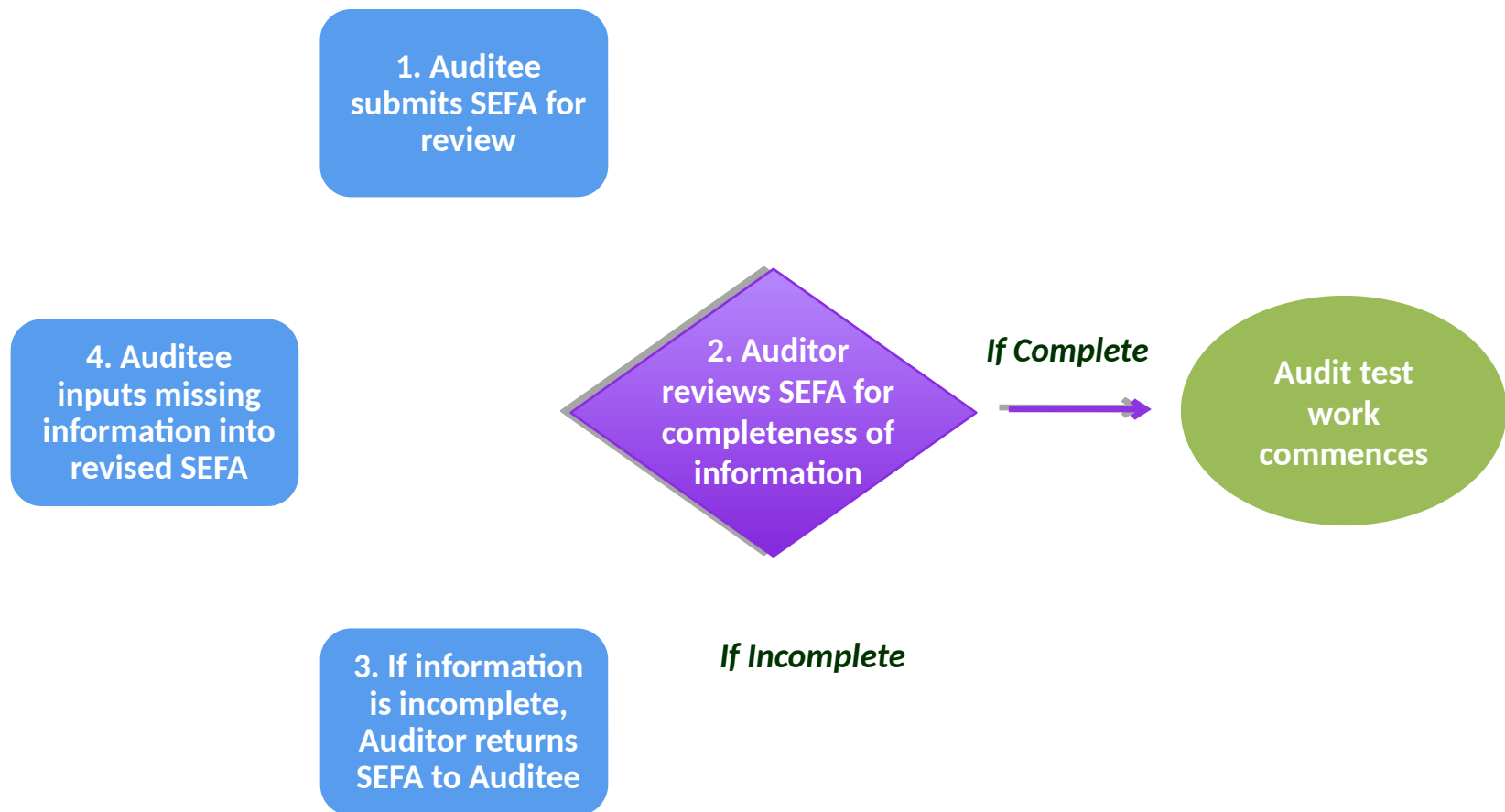
The **Concept Form** will serve as the SEFA Template for the SF-SAC.

| FORM SF-SAC                                   |   |   |  |                         |                      |   |   |                           |                    |  |   |                     |   | REPORT ID:   |  | VERSION:                 |     |
|---|---|---|--|-------------------------|----------------------|---|---|---------------------------|--------------------|--|---|---------------------|---|--|--|--------------------------|-----|
| Part II: FEDERAL AWARDS                       |   |   |  |                         |                      |   |   |                           |                    |  |   |                     |   | Part III: INFORMATION FROM THE SCHEDULE OF FINDINGS AND QUESTIONED COSTS |  |                          |     |
| 1. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR |   |   |  |                         |                      |   |   |                           |                    |  |   |                     |   | 1. MAJOR PROGRAM INFORMATION AND AUDIT FINDINGS                          |  |                          |     |
|   | (a)   | (b)                                     | (c)  | (d)                     | (e)                  | (f)   | (g)   | (h)                       | (i)                | (j)  | (k)   | (l)                 | (m)   | (n)  | (o)  | (p)                      | (q) |
|   | CFDA Number                                 |   | Additional Award Identification (Optional) | Name of Federal program | Amount Expended (\$) | Cluster Identification (N, R, S, Q, X) <sup>4</sup> | Federal Program Total or Cluster Total <sup>5</sup> | Loan/Loan Guarantee       |                    | Federal Award Source                                   |   |                     | Federal Award Passed Through to State recipients <sup>6</sup> | Total Amount Passed Through <sup>7</sup>                                 | MAJOR PROGRAM  |                          |     |
| Row Number (Auto-Generated)                   | Federal Awarding Agency Prefix <sup>1</sup> | CFDA Three Digit Extension <sup>2</sup> |  |                         |                      |   |   | Loan/Loan Guarantee (Y/N) | Direct Award (Y/N) | If column (j) is "N", list Name of Pass-through Entity | If column (l) is "N", list identifying number assigned by the Pass-through Entity | Major Program (Y/N) |   |  | If column (a) is "Y", type of audit report on Major Program <sup>7</sup> | Number of Audit Findings |     |
|   |   |   |  |                         |                      |   |   |                           |                    |  |   |                     |   |  |  |                          |     |
| <b>TOTAL FEDERAL AWARDS EXPENDED</b>          |   |   |  |                         | \$                   | .00   |   |                           |                    |  |   |                     |   |  |  |                          |     |

<sup>1</sup> See Appendix I of instructions for valid Federal Awarding Agency two-digit prefixes.  
<sup>2</sup> Three digit CFDA extensions listed in the Catalog of Federal Domestic Assistance (CFDA). If the extension is unknown, see instructions.  
<sup>3</sup> Used to collect other data used to identify the award which is not a CFDA number, Federal Award Identification Number (FAIN), or Procurement Instrument Identifier (e.g., program year, contract number).  
<sup>4</sup> Cluster Identifier (N = No, R = Research & Development, S = Student Financial Aid, # = 5-Digit Cluster Number, X = State)  
<sup>5</sup> The system will provide total Federal awards expended for each Federal program by summing the individual CFDA lines which have the same CFDA number.  
<sup>6</sup> Used to collect the loan or loan guarantee (loan) balances outstanding at the end of the audit period for loan programs as identified in Part III, Item 5(j) (2 CFR 200.510(b)(5)).  
<sup>7</sup> If major program is marked "yes," enter only one letter (U = Unmodified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.

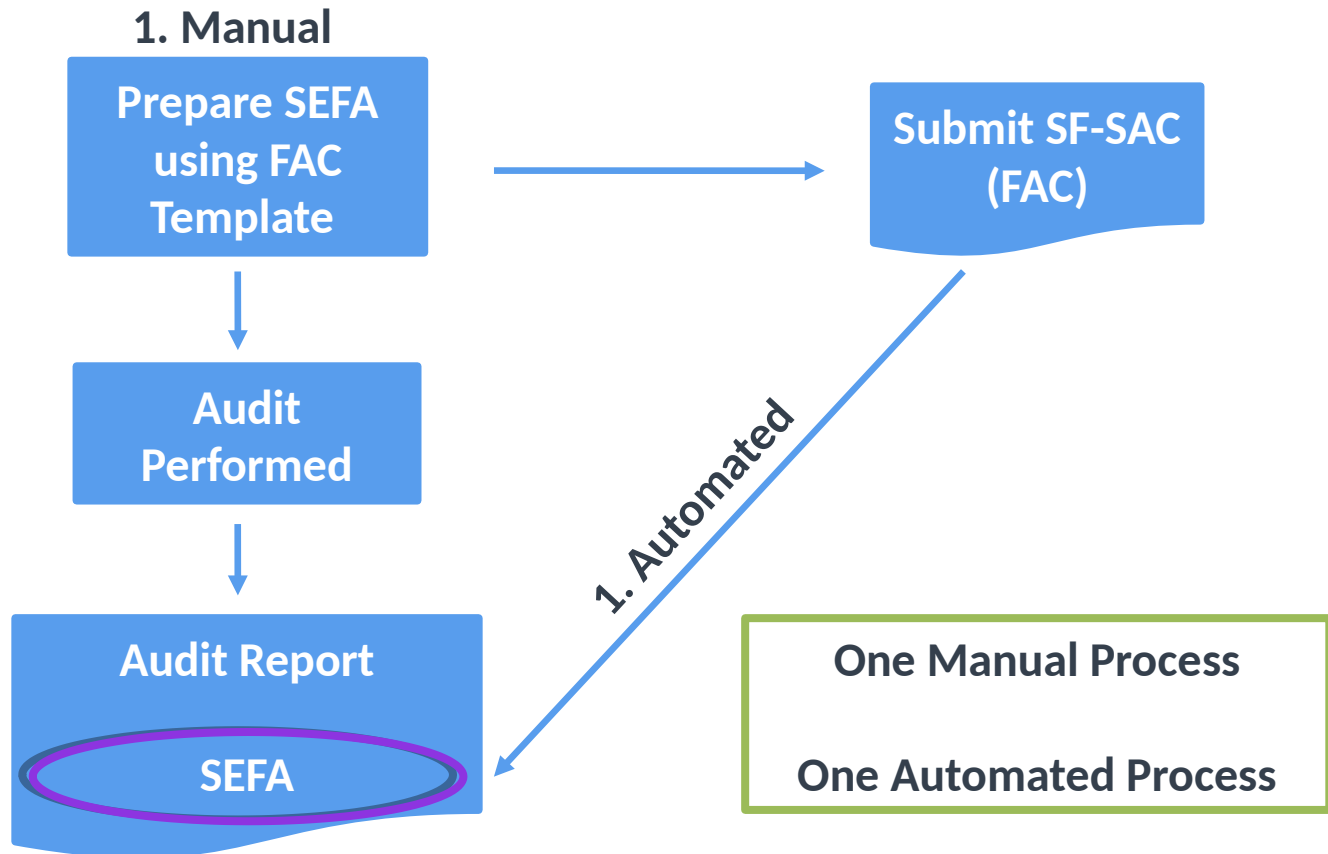
# SEFA Review & Auditor Acceptance With SEFA Template

Through the use of the SEFA Template, auditees may be less likely to omit required data, leading to less review and submission cycles.



# Proposed Data Collection Form (SF-SAC)

In the proposed process, the Auditee inputs the SEFA data directly into the SF-SAC, which then generates the SEFA to be included in the Audit Report.



# Summary - Multiple Cycles

Preparing and submitting the SEFA is onerous and may require multiple cycles of submission and review

There may be fewer cycles of submitting the SEFA for review with the use of the SEFA Template

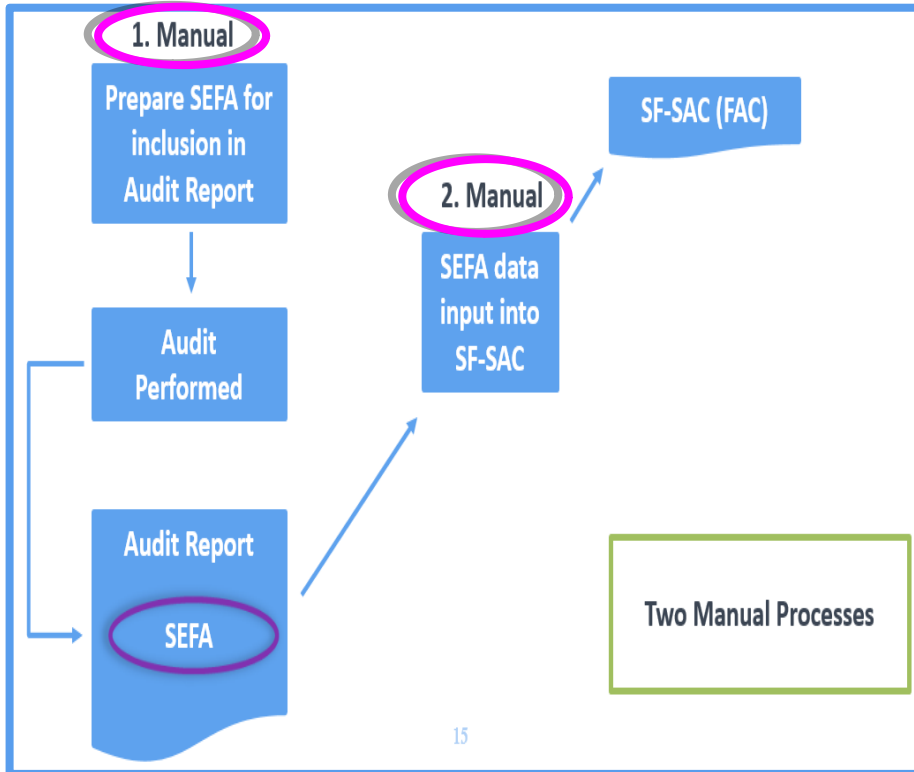
| FORM SF-SAC                                   |                                  |   |                         |                     |                                 |  |                            |                           |                            |                    |                            |                            |                            | REPORT ID:   |                            | VERSION:                   |                            |
|---|----------------------------------|---|-------------------------|---------------------|---------------------------------|--|----------------------------|---------------------------|----------------------------|--------------------|----------------------------|----------------------------|----------------------------|--|----------------------------|----------------------------|----------------------------|
| Part II: FEDERAL AWARDS                       |                                  |   |                         |                     |                                 |  |                            |                           |                            |                    |                            |                            |                            | Part III: INFORMATION FROM THE SCHEDULE OF FINDINGS AND QUESTIONED COSTS |                            |                            |                            |
| 1. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR |                                  |   |                         |                     |                                 |  |                            |                           |                            |                    |                            |                            |                            | 1. MAJOR PROGRAM INFORMATION AND AUDIT FINDINGS                          |                            |                            |                            |
| (a)   | (b)                              | (c)                                     | (d)                     | (e)                 | (f)                             | (g)                                      | (h)                        | (i)                       | (j)                        | (k)                | (l)                        | (m)                        | (n)                        | (a)  | (b)                        | (c)                        |                            |
| CFDA Number                                   |                                  | Address Award Identification (Optional) | Name of Federal program | Amount Expended (5) | Cluster Identifier (N, S, R, X) | Federal Program Total or Cluster Total 5 | Loan/Loan Guarantee        |                           | Federal Award Source       |                    |                            |                            | MAJOR PROGRAM              |  |                            |                            |                            |
| Row Number (Auto-Generated)                   | Federal Awarding Agency Prefix 1 |   |                         |                     |                                 |  | CFDA Title Dgt Extension 2 | Loan/Loan Guarantee (Y/N) | Outstanding Loan Balance 4 | Direct Award (Y/N) | CFDA Title Dgt Extension 2 | CFDA Title Dgt Extension 2 | CFDA Title Dgt Extension 2 | CFDA Title Dgt Extension 2   | CFDA Title Dgt Extension 2 | CFDA Title Dgt Extension 2 | CFDA Title Dgt Extension 2 |
|   |                                  |   |                         |                     |                                 |  |                            |                           |                            |                    |                            |                            |                            |  |                            |                            |                            |
| <b>TOTAL FEDERAL AWARDS EXPENDED</b>          |                                  |   |                         | <b>5</b>            | <b>.00</b>                      |  |                            |                           |                            |                    |                            |                            |                            |  |                            |                            |                            |

1 See Appendix I of instructions for valid Federal Awarding Agency two-digit prefixes.  
 2 Three digit CFDA extensions listed in the Catalog of Federal Domestic Assistance (CFDA). If the extension is unknown, see instructions.  
 3 Used to collect other data used to identify the award which is not a CFDA number, Federal Award Identification Number (FAIN), or Procurement Instrument Identifier (e.g., program year, contract number).  
 4 Cluster Identifier (N = No, R = Research & Development, S = Student Financial Aid, # = 3-Digit Cluster Number, X = State)  
 5 The system will provide total Federal awards expended for each Federal program by summing the individual CFDA lines which have the same CFDA number.  
 6 Used to collect the loan or loan guarantee (loan) balances outstanding at the end of the audit period for loan programs as identified in Part III, Item 5(j) (2 CFR 200.310(b)(2)).  
 7 If major program is marked "yes," enter only one letter (U = Unmodified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.

# Summary – Duplicative Efforts

## Current Process

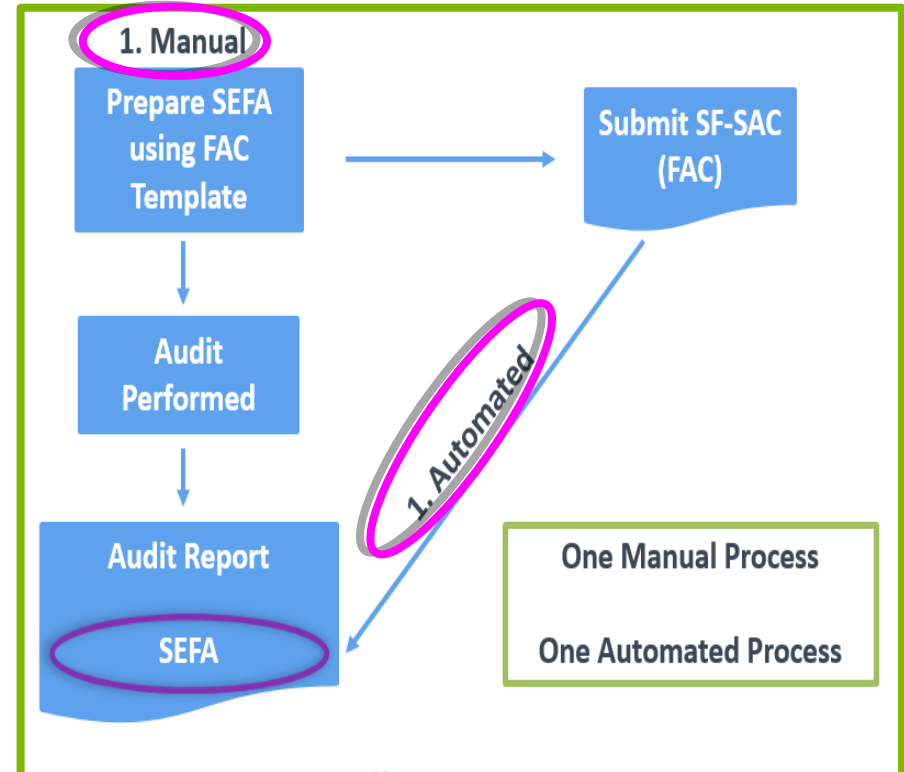
There is a duplication of effort in creating the SEFA using the grantee's internal template as well as inputting the SEFA data into the SF-SAC.



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## Proposed Process

Auditees input information directly into the SEFA Template, which is uploaded into the SF-SAC. The SF-SAC generates the SEFA to be included in the Audit report.



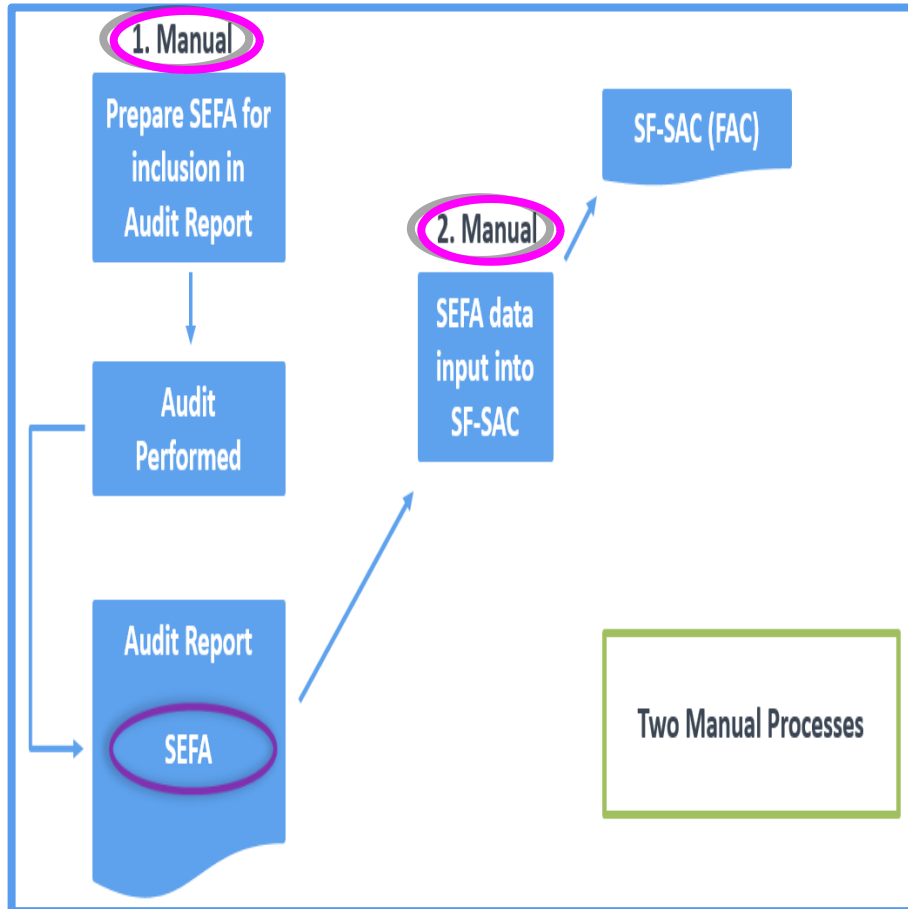
# Thank You

**Questions, Comments, and Concerns?**

**Thank you for attending the HHS DAP Single Audit Facilitated Discussion. Please take a moment to complete the associated survey.**

# Current Process vs. Proposed Process

## Current Process



## Proposed Process

