Grants Innovation Exchange Session

“Smarter Use of Audit Data to Drive Change”

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Session Overview

- Welcome
- Speaker Introduction
- Innovation Exchange
- Results-Oriented Accountability for Grants Cross Agency Priority Goal
- Q&A
- Stay Informed
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...
1. Start with Vision and Capability Assessment
Vision: ALO Wheel of Compliance

Iterative Approach

People

Technology & Analysis

Strategic Planning

Policy & Guidance

Communication

Audit Liaison Office

Performance

Training & Skills

Technology

Process
Capabilities Assessment

Assess Where Are You on the Continuum & Address Key Gaps

People  
Process  
Technology

- UNMANAGED Chaotic
- INCIPIENT Reactive
- FORMATIVE Proactive
- OPERATIONAL Practitioner
- PROACTIVE Master

Reactive  
Tactical  
Strategic

2012 – 2013: Wheel of Compliance Policy & Guidance
2014 – 2015: Centralized Repository ALO Team Structure
2016 – 2017: Performance Audit Dashboard (Tactical)
2018 – 2019: Compliance Dashboard (Strategic) Grow & Align Team
2020 – 2021: Expand Data & Dashboards Predictability, Risk & Mitigation
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...
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
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 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
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

Proof of Concept
- Data Collection & Capture
- Enhance System of Record (ePMO)
- Storyboarding & Use Cases
- Data Standardization
- Verification & Validation (Data and Processes)
- Validate Proof of Concept
- Iterative

Production
- Formalize Data Collection & Capture
- Build Transformation Process
- Develop Dashboard
- Stakeholder Socialization

FEMA
Objective:

- Capture Questioned Costs and Compliance Data from the FAC & Unstructured Single Audit Data
- Surface Recurring Compliance Issues Geographically by Region, State, and County
3. Compliance Dashboard

Disaster Relief Fund Audit Findings

- Potential Monetary Findings
- Map of Recurring Findings
- Status of Funds at Audit Closure

Count of Audit Findings: FY 2012 - 2019

Top Authorities Referenced by Auditors for All

Finding Type:
- Administrative Issues
- Funds Put to Better Use
- Questioned Cost

Finding Count Details on All for All

Finding Details on 44 CFR 206 for All

Section 44 CFR 206.302

- Findings Aims
- Findings Rejected
- Findings Reopened
- Findings Finalized

Result of Audit Findings:
- Final Report
- Findings
- Corrected Findings
- Auditors' Decision

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Run – What’s Next

1. Complete Remaining External & Internal Audits

**External Audits**
- GAO
- OIG Program
- OIG Grant - DRF
- OIG Grant – Non-DRF

**Grantees & Sub-Grantees**
- Single Audits (A-133)
- FEMA Site Visits & Desk Reviews

**Internal Audits**
- Internal Controls A-123
- KPMG Financial Audit
- IPERIA
- Financial Recovery Audits

OMB Waiver

A-50 Audits
2. Expand to other FEMA “Audit-Like” Inputs
Run – Future & Iterative

3. Extend into Grants Modernization Effort

Integrate with Current Grants Portal

Integrate with FEMA GO

Integrate with FEMA.gov
In Summary: Continuing the Truth Puzzle

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

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

**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.
Instructions:

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

Email them to GrantsTeam@omb.eop.gov
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