

National Park Service



EXPERIENCE
YOUR
AMERICA

State/Federal Accountability

“I always feel like...somebody’s watching meee...”

National Land and Water Conservation Fund State Grant Training
Denver, Colorado

April 7-11, 2013



National Park Service



EXPERIENCE
YOUR
AMERICA

- Session Objectives
 1. Understand the purpose of accountability
 2. Understand the principles of accountability
 3. Understand the management controls used to achieve accountability and the roles of program partners in implementing the controls



National Park Service



EXPERIENCE
YOUR
AMERICA

- Session Objectives
 1. Understand the purpose of accountability
 2. Understand the principles of accountability
 3. Understand the management controls used to achieve accountability and the roles of program partners in implementing the controls



National Park Service



EXPERIENCE
YOUR
AMERICA

- Grants: High risk activity?
 - Almost 20% of Federal budget expended through grants
 - Concern that Federal agencies do not provide effective oversight or management of grants
 - Each stage of the grant life cycle presents risk
- Unique aspects of LWCF grants
 - Perpetual compliance
 - Even after grants are completed requirements to perform remain, therefore inherent risk remains



National Park Service



EXPERIENCE
YOUR
AMERICA

GAO

United States Government Accountability Office
Report to Congressional Requesters

September 2012

GRANTS TO STATE AND LOCAL GOVERNMENTS

An Overview of
Federal Funding
Levels and Selected
Challenges



National Park Service



EXPERIENCE
YOUR
AMERICA

- What is the purpose of accountability?
 - Ensure that programs achieve intended results
 - Ensure that expenditures of public money are proper and used as intended
 - Maintain programmatic and fiscal integrity
 - Reduce risk of fraud, waste, and abuse



National Park Service



EXPERIENCE
YOUR
AMERICA

- **Session Objectives**
 1. Understand the purpose of accountability
 2. Understand the principles of accountability
 3. Understand the management controls used to achieve accountability and the roles of program partners in implementing the controls



National Park Service



EXPERIENCE
YOUR
AMERICA

- Oversight and Accountability: how does it work?
 - Governance framework
 - Internal controls (e.g., accounting, management, administrative)
 - Audits/Reviews/Inspections
 - Certifications



National Park Service



EXPERIENCE
YOUR
AMERICA

GAO

United States Government Accountability Office

Testimony

Before the Subcommittee on Technology,
Information Policy, Intergovernmental
Relations and Procurement Reform,
House of Representatives

For Release on Delivery
Expected at 10:30 a.m. EDT
Thursday, June 23, 2011

FEDERAL GRANTS

Improvements Needed in Oversight and Accountability Processes

Statement of Jeanette M. Franzel
Managing Director
Financial Management and Assurance



GAO-11-773T

National Park Service



EXPERIENCE
YOUR
AMERICA

- A sample of the places requirements and policy are found:
 - OMB Circulars: A-87, A-102, A-123, A-133
 - The “Common Rule” (DOI: 43 CFR Part 12)
 - Federal Managers Financial Integrity Act
 - Single Audit Act
 - DOI Financial Assistance Guidance
 - LWCF Act Section 6(f)
 - LWCF Grant Manual
 - Grant Terms and Conditions



National Park Service



EXPERIENCE
YOUR
AMERICA



U.S. Department of the Interior
Office of Inspector General



Framework Needed to Promote Accountability in Interior's Grants Management

August 2005
Report No. W-IN-MOA-0052-2004

National Park Service



EXPERIENCE
YOUR
AMERICA

- We all share roles and responsibilities...
 - Federal
 - Final application review and obligation
 - Implementation monitoring (review reports)
 - Funds Management
 - Close-out process
 - Program audits (internal, IG, GAO)
 - State program reviews (external)



National Park Service



EXPERIENCE
YOUR
AMERICA

GAO

United States Government Accountability Office

Report to the Subcommittee on Federal
Financial Management, Government
Information, Federal Services, and International
Security, Committee on Homeland Security and
Governmental Affairs, U.S. Senate

August 2008

GRANTS MANAGEMENT

Attention Needed to
Address Undisbursed
Balances in Expired
Grant Accounts



GAO-08-432

National Park Service



EXPERIENCE
YOUR
AMERICA

- We all share roles and responsibilities...
 - State
 - Initial application review & project selection
 - Sub-grantee monitoring
 - Performance and financial reporting
 - Site inspections
 - A-133 Audit
 - Local
 - Successful completion of projects as scoped at cost
 - Programmatic compliance



National Park Service



EXPERIENCE
YOUR
AMERICA

- Session Objectives
 1. Understand the purpose of accountability
 2. Understand the principles of accountability
 3. Understand the management controls used to achieve accountability and the roles of program partners in implementing the controls



National Park Service



EXPERIENCE
YOUR
AMERICA

- Let's talk about risk...
 - Risk-based framework (A-123)
 - Identify the inherent risks in the program operations and processes
 - Assess the likelihood of the risks occurring
 - Consider the consequences of not controlling the risks and their degree of impact
 - Identify the controls for mitigating the risks
 - Periodically test to evaluate whether the controls are working



National Park Service



EXPERIENCE
YOUR
AMERICA

GAO

United States Government Accountability Office

Testimony

Before the Subcommittee on Federal Financial Management,
Government Information, Federal Services, and
International Security, Committee on Homeland Security
and Governmental Affairs, U.S. Senate

For Release on Delivery
Expected at 10:00 a.m. EDT
Thursday, March 29, 2007

IMPROPER PAYMENTS

Agencies' Efforts to Address Improper Payment and Recovery Auditing Requirements Continue

Statement of McCoy Williams, Director
Financial Management and Assurance



GAO-07-635T

National Park Service



EXPERIENCE
YOUR
AMERICA

- NPS/LWCF must demonstrate the presence *and* effectiveness of controls related to...
 - Pre-award
 - Grantee eligibility
 - Grantee risk
 - Grantee internal controls
 - Programmatic and budget analysis
 - Compliance with cost-principles



National Park Service



EXPERIENCE
YOUR
AMERICA

- We also need controls related to...
 - Award
 - Document review of application and basis for award approvals
 - Implementation
 - Grantee monitoring program
 - Timely submission of progress and financial reports
 - Review of project expenses and their costs
 - Close-out process



National Park Service



EXPERIENCE
YOUR
AMERICA

GAO

United States Government Accountability Office

Testimony

Before the Subcommittee on Federal
Financial Management, Government
Information, Federal Services, and
International Security, U.S. Senate

For Release on Delivery
Expected at 2:30 p.m. EDT
Wednesday, July 25, 2012

GRANTS MANAGEMENT

Improving the Timeliness of Grant Closeouts by Federal Agencies and Other Grants Management Challenges

Statement of Stanley J. Czerwinski,
Director, Strategic Issues



GAO-12-704T

National Park Service



EXPERIENCE
YOUR
AMERICA

- And for these things too...
 - Post-completion/On-going
 - Compliance with the Single Audit Act
 - State Program Reviews
 - Long-term compliance (site inspections)
 - Appropriate response to non-performance?



National Park Service



EXPERIENCE
YOUR
AMERICA

- Single Audit Act/A-133
 - Grantees receiving more than \$500,000 in Federal funds (cumulative)
 - Annual to biannual review cycle
 - Review fiscal integrity of financial transactions and reports; compliance with laws, regulations, and administrative requirements
 - Reports filed with the Federal Audit Clearinghouse
 - Federal grant programs required to monitor to make sure grantees file reports and work with them to resolve negative findings



National Park Service



EXPERIENCE
YOUR
AMERICA

GAO

United States Government Accountability Office

Testimony

Before the Senate Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security, Committee on Homeland Security and Governmental Affairs, U.S. Senate

For Release on Delivery
Expected at 2:30 p.m. EDT
Thursday, October 25, 2007

SINGLE AUDIT QUALITY

Actions Needed to Address Persistent Audit Quality Problems

Statement of Jeanette M. Franzel
Director, Financial Management and Assurance



GAO-08-213T

National Park Service



EXPERIENCE
YOUR
AMERICA

- Inspections – a liability for the program?
 - Site inspections required every 5 years
 - As of July 2011 24 States were more than 50% delinquent
 - This was a “reportable condition” in our most recent audit; we are under a corrective action plan



National Park Service



EXPERIENCE
YOUR
AMERICA

- Closing Thoughts...
 - Oversight is not going to decrease
 - In tight budget times, demonstration of efficient and effective management will rank with demonstration of results as reasons to continue funding or not
 - Your compliance is our compliance, and we are required to demonstrate on our collective behalfs that we are following all the rules



National Park Service



EXPERIENCE
YOUR
AMERICA

Questions??



National Park Service



EXPERIENCE
YOUR
AMERICA

The 5 W's of State Program Reviews

**National Land and Water Conservation Fund State Grant Training
Denver, Colorado**

April 7-11, 2013



National Park Service



EXPERIENCE
YOUR
AMERICA

- Program Reviews – Who?
 - Fundamentally: NPS and State together
 - NPS (ideally): team leader, 2 regional program officers, SCORP planner, appraiser, manager or program officer from another region)
 - NPS (more likely): a team leader and the state program officer, maybe also another program officer (from the region or another region)
 - State: SLO/ASLO, staff who work with grants planning, finances, appraisals, etc.



National Park Service



EXPERIENCE
YOUR
AMERICA

- Program Reviews – What?
 - A visit to the State to...
 - fact find as appropriate
 - address previously identified problems
 - resolve issues involving the State's program
 - identify to the State successes, concerns, and weakness or potential thereof



National Park Service



EXPERIENCE
YOUR
AMERICA

- Program Reviews – Where?
 - Well, duh
 - State program offices
 - Randomly selected project sites



National Park Service



EXPERIENCE
YOUR
AMERICA

- Program Reviews – When?
 - Continual monitoring and assessment of the State's effectiveness in administering the program, capped with a periodic review
 - LWCF Manual stipulates a 3-year cycle; in reality, it varies



National Park Service



EXPERIENCE
YOUR
AMERICA

- Program Reviews – Why?
 - LWCF Act and OMB say we have to
 - Goals
 - improve coordination between NPS and State
 - ensure program carried out consistent with law, regulation, and policy
 - identify problems, concerns, areas for improvement
 - improve program accountability and lessen vulnerability to waste, fraud and abuse.



National Park Service



EXPERIENCE
YOUR
AMERICA

- Program Reviews: How?
 - LWCF Manual Ch. 1.C
 - A variety of discussions with state personnel from the LWCF program and other applicable programs about successes, issues, challenges
 - Review of LWCF project files and appraisals
 - Site inspections
 - Provision of technical assistance
 - Final evaluation report



National Park Service



EXPERIENCE
YOUR
AMERICA

Questions??

