

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

July 25, 2019



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





Speaker: Gary McKeon

PRESIDENT'S

MANAGEME

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



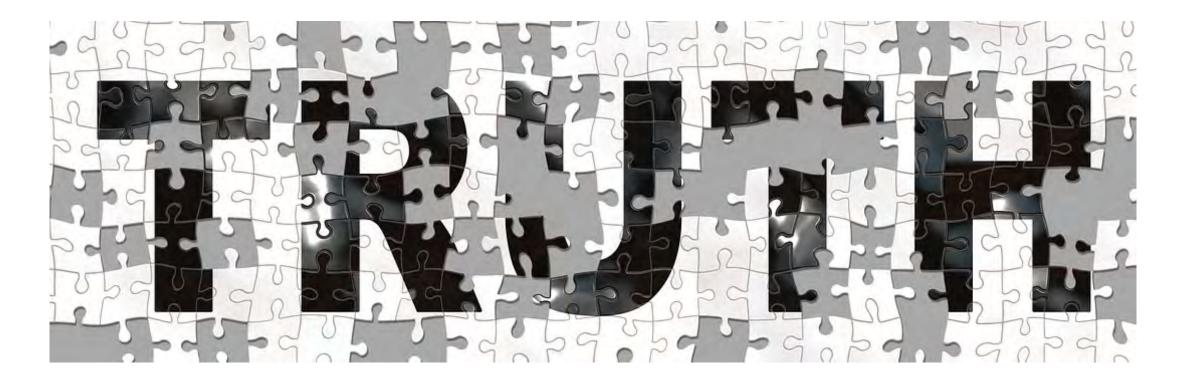
Today's Topic:

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

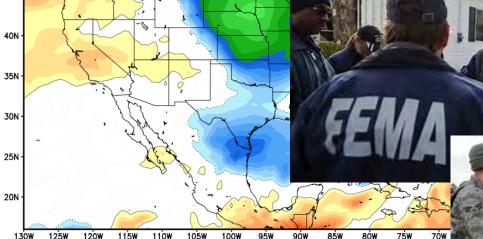


November 2012

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

Min: -2.6 | Max: 4.8

NCEP GFS 500 hPa Temperature Normalized Anomalies Init: 00Z280CT2012 -- [0] hr --> Valid Sun 00Z280CT2012



Units are sigmas or standard deviations from climatology GFS 720x361 0.5°x0.5° Forecast Grid | Climatology 1981—2010 NCEP CFSR Reanalysis



50N

45N

Where We Were...

Unstructured and Fragmented Audit Data Everywhere





FEMA

Where We Are Today...



44 CFR 206.253

Map of Recurring Findings in OIG Regional Audits

Insurance Requirements for Facilities Damaged by Disasters Other Than Flood

3817,366.329

1. Start with Vision and Capability Assessment







Vision: ALO Wheel of Compliance

Iterative Approach

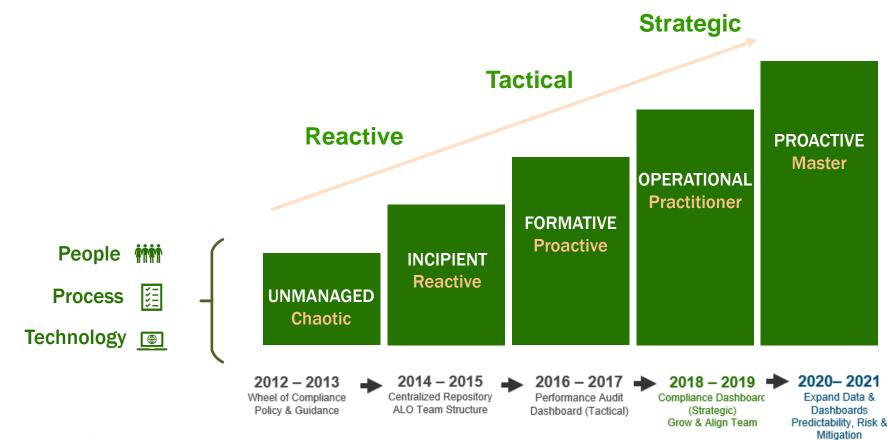


1

Capabilities Assessment



Assess Where Are You on the Continuum & Address Key Gaps





Step 2: Align with Drivers for Change

External & Internal



1

Vision & Capability Model

Step 3: Develop a "Stepped" Execution Strategy





First you crawl...

Then you walk... Then you run...







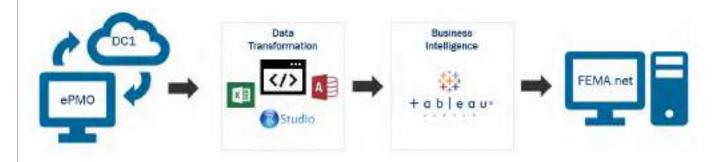
1. Create a Single Source of Truth

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



Crawl



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

Audit and Recommendation Tracking:

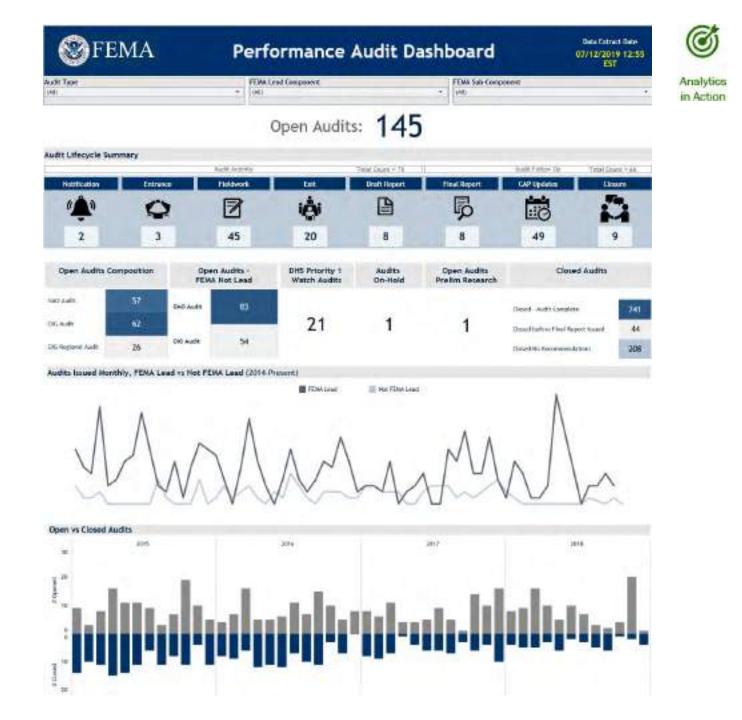
- Provides agency-wide visibility to upcoming and past due Audit Follow-Up items
- Used by Audit Community and Senior Leadership for Monitoring and Reporting



ØF	EMA	Per	forman	ce Audit	Dash	board	1	Deta Extract Date 04/29/2019 08:1 EST	
walt Type Van									
FEINA Land Group unto	onent -	FERA Land Component (with	Assigned to Become	erelation					
FERM Sub-Component		PEWA Sub-Component Aurigned to Recommendation							
O	pen Audits	1		Open Re	commen	dations			
143 DHS Measures		180 DHS Measures							
69.7	90 Day Letters	6 Month Resolutions		90 Day / Corrective Action Plan (CAP) Updatus			Recommendations 2 Years and Older		
Auth Type GAO Audh	Ponti Diar I Diar In 90	Audit Type GAD Audit	Fast Dat	Awatt Type GAD Awatt	Pant Due	0ue in 20 8	Recommendation Age 254 Approaching 1 Pears	Energy	
015 Avdit	3	00 Ast1	3	tila Aulit	5	15	26-36 Manfin 26-48 Martin	30 23	
010 Regional Au	£1.	DIG Regional Audit	2	DIG Regional Audit		6	48- months	21	
			Compliance Da	shboard + DRF Au	dits				
	LUE to GAO Reports			sall the Audit Linkon Offi relytics afforms, disc.gov	ke at		Lick.to.sEMD		
Link to OKS Reports			Line to ALD Unage Stats			Line to all			

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





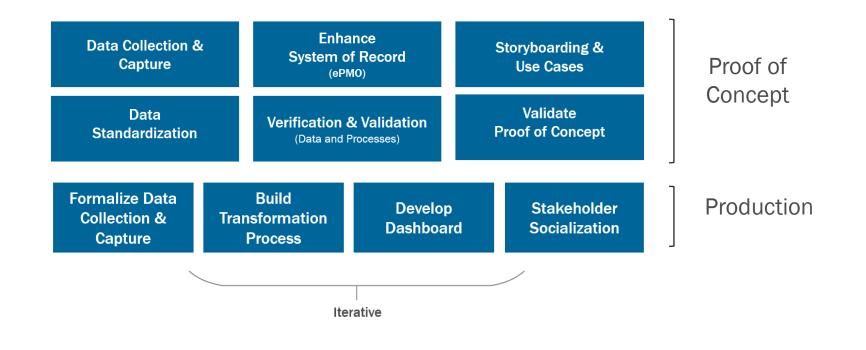




1. Strategic Dashboard focused on Compliance Data

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





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

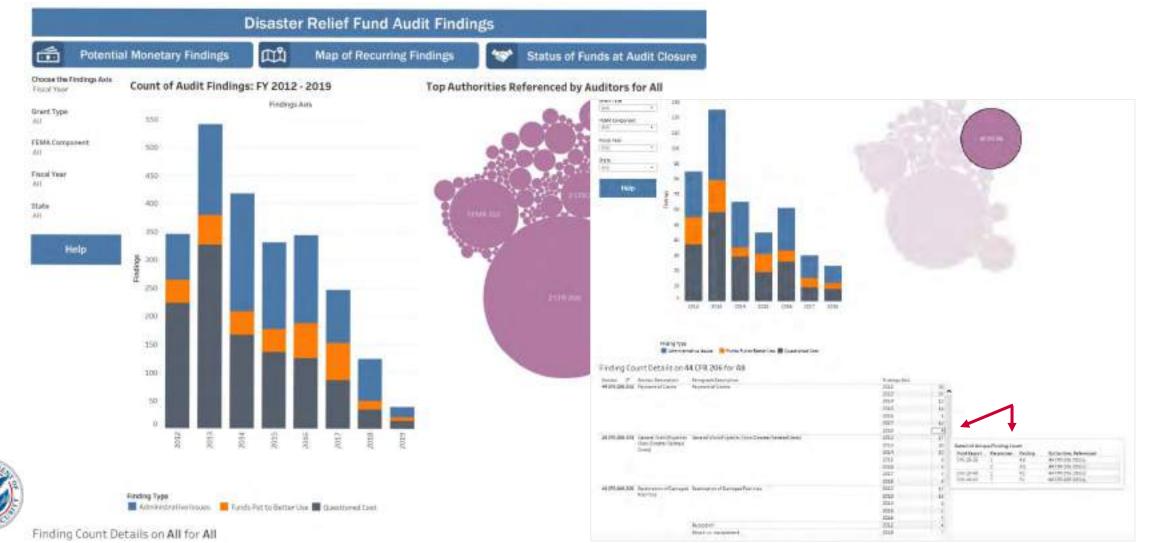
	Clea FAC Data & Sing	lection & nsing gle Audit Reports R-Studio	Da Standard Transfo _{Using F}		
Verification & Validation (Data and Processes)		Storyboarding & Use Cases		Enha System o (ePl	

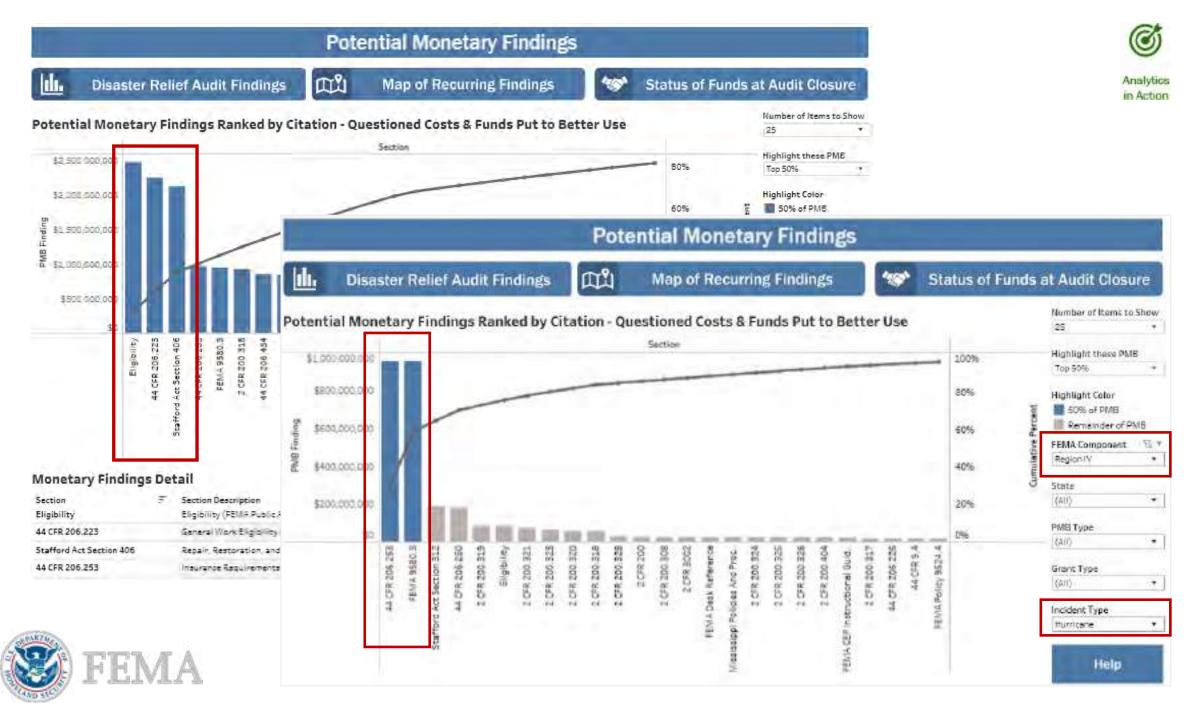


Fast Walk



3. Compliance Dashboard





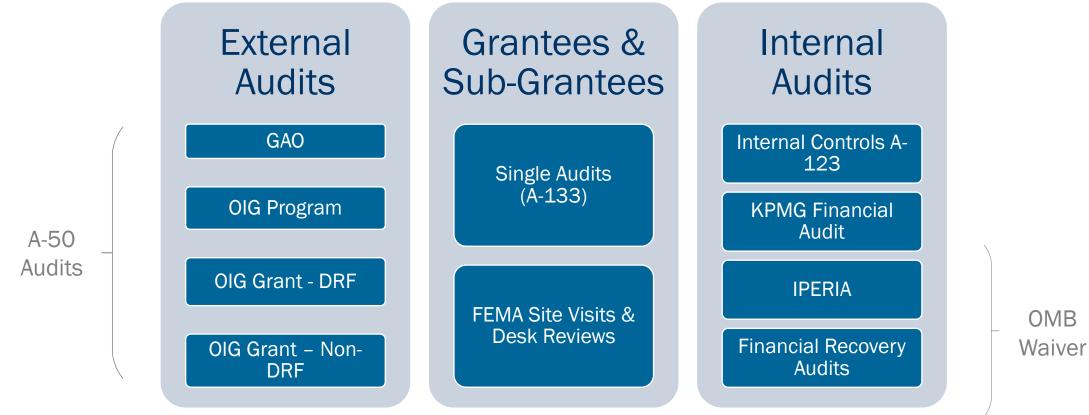


Poter	ntial Monetary Findin	¢	<u>.</u>	Distaste	er Relief Audit Findi	ings 💖	Status of Funds at	Audit Closure	9
Balow List by		Aut 19	(pe	(1	Helo Report Finding Firs	Mag Vice The	/15/4/Date	anati 	Analytic in Action
eat Finding	gs by State				1 2 3 4 5 6	7 1 Nop Wee De	grame Gear Type • Day time		ID ACOO
*. T	Section Description	New PMD	Testes .	Fielder					
260.326	Most sing and Reporting Parlomance	8 6216	235,489	686	R				
260.465	Factors Affecting Allovability of Cases	T \$336	174504	-			The	10-	
200.316	laining Processed Standards	T 8612	548,195	336	1				
389.331	Requirements for Pass-Through Entrony	6 532	323.930	351				and the -	
200.310	Carapettine	8 3858	396,300	162			1000-07		
200.325	Dentiliant Centil And Philos	8. \$744	MOLGHT	454	100	1	1 Santana	2	
200.302	Financial Monogeneout	8 3334	attan	149	-			and the second second	
200.524	Contracting With Snoull And Minority Gualanesson, Warsey's	1 BH	46,732	169		5	100		
280.320	Mathods of Procerement To Els. Followed	5 5532	528,037	122					
d Art Section	Deplection of Excellen (42 (260) 8190)	8 8271	NAME	83		- mark	-		
R 206-221	General Which Eligibility (Non-Disaster Reference Est Period of Performance	Per	for	mar	nce Audit	s & Si	ngle Audi	its -	
200.389	filen Bilante Balanci Ed								dit florus
30 XW	/tor Boote Bolesci Ed Period d Petermano Potential Monetary I			L	nce Audit	Audit Findings	Sintu	is of Funds at Au	and a subscription
200 300 F	/tor Boote Bolesci Ed Period d Petermano Potential Monetary I	Findings		L					and a subscription
200 300 Entropy Count	/tor Boote Bolesci Ed Period d Petermano Potential Monetary I	Findings	1 Aut	L	Disaster Relief /	Audit Findings	Mar View	is of Funds at Au	
200 309 continue de la continue de	Perod of Performance Perod of Performance Potential Monetary Integration Total Statements Integration Total Statements Total	Finding	1 Aut	tu. Net	Disaster Relief /	Audit Finding: Nelo	Mag Ware County Mag Ware Geography	is of Funds at Au FEM Corpora (98) Gree(Type	
200 300 Efficiency Const Indeg Const Repeat Fin	Per Baste Baland E Perod d Pelemana Potential Monetary way	Finding	Audi (04)	tu. Net	Disaster Rollef / Bigsol /1 1 2 3	Audit Finding: Nelo	Mag Ware County Mag Ware Geography	is of Funds at Au FEM Corpora (98) Gree(Type	
200 300 en fins Distore Lin Indeg Count Depeat Fin Laction	Pier-Baater Relevance Percel of Performance Potential Monetary Intag Indings by County IT Sector Decreptor Bardong and Report	Finding	Audi (04)	Star Nor	Disaster Rollef /	Audit Finding: Nelo	Mag Ware County Mag Ware Geography	is of Funds at Au FEM Corpora (98) Gree(Type	
ato 300 en fas Betev Lin relegi Canal epeat Fin actan CIR 200 340	Pier-Dicarter Relevic Di Percei di Performance Potentila il Monietary III Ry III Ry Peternance Diploment Espannent Espannent	Finding: B S S	Audit (00) Actar PM 121	Star Nor	Disaster Rollef / Haperd T 1 2 3 Feetoge 575 41 + + + +	Audit Finding: Nelo	Mag Ware County Mag Ware Geography	is of Funds at Au FEM Corpora (98) Gree(Type	
epeat Fin action CFR 200 528 CFR 200 528	Perod of Performance Perod of Performance Potential Monetary Intry Indiage by County IT Sector Descriptor Introduces and Report Performance Equipment Factors Affecting Allows	Finding: 	Audit - (04) - (04) - 271 - 27	5/24 5/24 8 7 10 drug 8 7 25, 48	Disaster Rollef / Bigent fr 1 2 3 Fedage 575 4	Audit Finding: Nelo	Mag Ware County Mag Ware Geography	is of Funds at Au FEM Corpora (98) Gree(Type	
200 300 of the Delow Lin release Count of R 200 300 of R 200 300 of R 200 300 of R 200 300	Non-Disarke Relevants Percei d Performance Potential Monetary milings by County 7 Sector Descripton Monitories and Report Performance Episjonent Factors Affording Allows d Costs Secretal Procurement S Bacteriant for Desc	Findings R 9 6 600 6 tambob 5	Audit (00) 521 531 539 539 539	0.207,230	Disaster Relief / Based fi 1 2 3 Fedage 575 43 43 44 45	Audit Finding: Nelo	Mag Ware County Mag Ware Geography	is of Funds at Au FEM Corpora (98) Gran Type	
an 300 in the Delay Lin relative Delay CPR 201 503 CPR 201 503 CPR 201 503 CPR 201 503 CPR 201 503	Non-Gaater Released Ex Percei of Performance Potentilal Monetary Indings by County T Sector Decorpton Vertermance Performance Equipment Factors Affecting Allows of Costs Sceneral Procurement Ste Registerments for Pace	Findings R 9 6 600 6 tambob 5	Audit (20) (20) 527 537 539 539 539 539 539 539	5004 5004 8.705.400 8.207.200 8.503.208	Diseaster Rollef / Hapon Tr 1 2 3 Feedage 575 43 44 - - - - - - - - - - - - -	Audit Finding: Nelo	Mag Ware County Mag Ware Geography	is of Funds at Au FEM Corpora (98) Gran Type	
ato 389 et ha Belos La roleg Caul Acpeat Fin action critic 208 528	Non-Disaster Baland Ed Percel of Performance Potential Monetary Indings by County IT Sector Descripton Montons and Report Performance Dipatrionit Factors Albeding Albres of Costs Secretal Procurement S Registerments for Paca Entities	Findings B 19 6 skills 6 tambob 5 Through 5 5	Audi (01) S21 S31 S32 S32 S32 S32 S33 S33 S33 S33 S33 S33	0.247,230 6.247,230 6.247,230 6.247,230 6.247,230 6.247,230 6.247,230 6.247,230 6.247,230	Disaster Relief / Based fi 1 2 3 Findings 575 43 43 43 10 10 10 10 10 10 10 10 10 10	Audit Finding: Nelo	Mag Ware County Mag Ware Geography	is of Funds at Au FEM Corpora (98) Gran Type	

Run – What's Next



1. Complete Remaining External & Internal Audits





Run – Future & Beyond



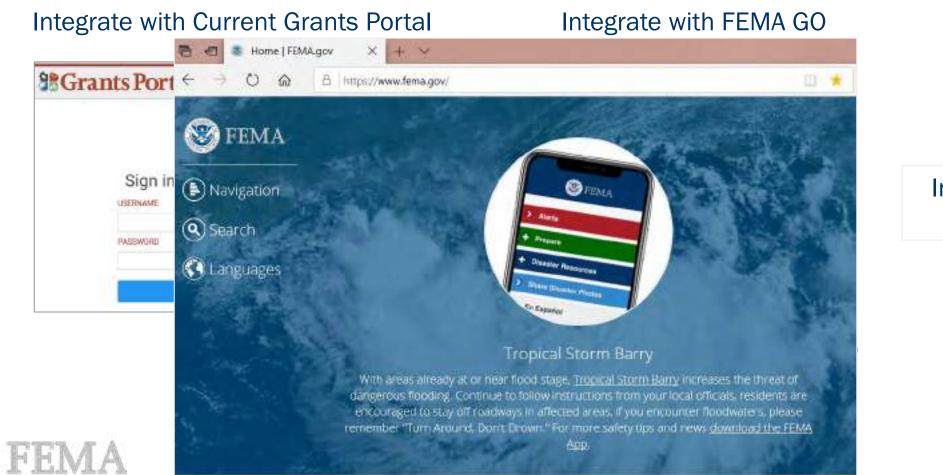
2. Expand to other FEMA "Audit-Like" Inputs





Run – Future & Iterative



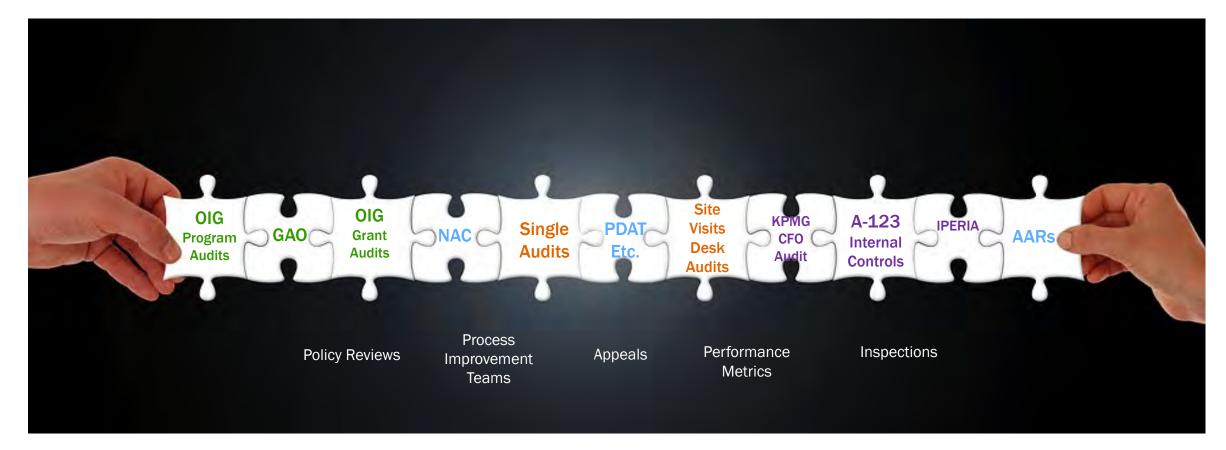


Crawl, Walk, Run Strategy

Integrate with FEMA.gov

In Summary: Continuing the Truth Puzzle

Consolidation of all Audit Types into a Single Source of Truth







PRESIDENT'S MANAGEMENT

GENDA

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



PRESIDENT'S

MANAGEMENT

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 <u>GrantsTeam@omb.eop.gov</u>

Q&A





PRESIDENT'S

MANAGEMENT

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

