

Grant Accountability and Transparency Act

SIAAB ANNUAL CONFERENCE 2019

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OBJECTIVES

- Statewide Grant Management System Implementation
 - Phase 1 and 2 Overview
 - State Agency “Kick Off” Meeting
 - GMS Implementation and Pre-Implementation Review
- What’s New with GATA and the Uniform Guidance?
 - Five Year Review of Uniform Guidance
 - New Federal Entity Unique Identifier
 - Agency issues with the Implementation of GATA
 - Audit Report Review Issues
- Internal Audit Tools Available
- Training, Training, and More Training
- Demonstration and Access to GATA Systems

Statewide Grant Management System (GMS) Implementation


During the last five years GATA has implemented and enhanced Uniform Templates and streamlined centralized processes utilizing a Subcommittee framework to collaborate with all stakeholders – state agencies and their grantees

- The same framework is being utilized for designing uniform business processes for the implementation of the GMS
- The goal is to replace the majority of the disparate grant management systems
 - Only 3 agencies have grant management systems
 - Only 1 agency has a complete grant life cycle system
 - Most agencies manage grants on spreadsheets and databases

Statewide Grant Management System (GMS) Implementation


The State is implementing a statewide grant management system in two phases:

Phase 1 – Pre-Award

- Grant Portfolio Management Pilot
 - Interfacing the GATA Registration, Pre-qualification, fiscal and administrative risk assessment and the Catalogue of State Financial Assistance (CSFA) Notice of Funding Opportunity
 - Single Sign On for GATA systems and GMS
 - Merit Based review of the application
 - Non-competitive Award – scope of work/project plan and budget approval
 - Uniform Grant Agreement and Uniform Interagency Agreement
 - The Pre-Award phase will begin user testing in January/February and will be available for all agencies in April
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Statewide Grant Management System (GMS) Implementation

Phase 2 – Post Award

- Agency and Statewide Grant Portfolio Management
 - Interface with the GATA Indirect Cost Rate Election System
 - Central Repository Vault
 - Grantee billing
 - Grantee/Subrecipient Periodic Financial and Performance Reporting
 - Grantee Budget to Actual Reporting
 - State Agency Budget Monitoring
 - Federal Financial Reporting
 - Interface the GATA Audit Report Review Management System
 - Interface with Agency Accounting Systems
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Standardized Business Process Flow

The Subcommittee are required to standardize the business process flow to be implemented in the GMS to meet Uniform Guidance, GATA and specific program requirements

A review of the GMS system capabilities and current business flow process currently in place at agencies

A best practice was identified and agreed to by state agencies and their grantees

Any unique grant requirements were identified to ensure system modifications were reviewed with the vendor with possible solutions

A gap analysis was prepared to identify business process flows that could not be supported without modifications

The modifications are prioritized with work around solutions for modifications that could not be implemented in the first year

State Agency “Kick Off” Meetings

State Agencies who have submitted their system inventory listings have been held

A “Kick Off” meeting reviews the implementation process and the next steps

6 Agencies have participated in the Kick off meetings

Follow up meetings are currently being scheduled with the vendor

Ensure Internal Audit representative is attending the meetings, if you have not attended the meeting contact your Chief Accountability Officer

Statewide Grant Management System (GMS) Implementation


Each Agency was required to provide a listing of all existing systems used to administer grants

Based on the capability of the GMS, each listing was reviewed with the IT Subcommittee to determine if and the timing of:

- The System could be replaced
- Part of the system could be replaced
- The timing of a complete or partial replacement
- If an interface or a data dump from the GMS to the current grant management system was required
- If additional systems would be required, for example, rate setting systems, then any interface with GMS, beyond the accounting system (SAP), the agency is responsible for paying for the additional costs

Statewide Grant Management System (GMS) Implementation

The Top Grant receiving/making agencies will be implemented first – DHS, IDOT, DPH, DCFS, DCEO, Aging, ICCB, and ISBE based on the Uniform grant business processes. Each agency is required to review their grant portfolio to determine:

- The timing of the grant application and current awards under the grant program
 - Whether Multi-year grant awards will be transferred to the system, during the grant period
 - For agencies that have a grant management system, the timing of implementation, whether after phase 2 or phase 1 due to lack of pre-award systems
 - Full implementation of agencies will be required for phase 2 implementation
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GMS Pre-Implementation Review

- The Grant Accountability and Transparency Unit of the Governor's Office of Management and Budget is the owner of the system. The GMS system contract is managed by DoIT, therefore the pre-implementation review is being conducted by CMS and DOIT Internal Audit.
- State Agency Internal Audit will be responsible for the pre-implementation review of the GMS implementation in their Departments
- Information regarding the pre-implementation conducted by CMS and DOIT will be shared with agency internal audit divisions via the GMS SharePoint site to avoid any duplication of effort
- A meeting for all Chief Internal Auditors will be conducted to provide an overview of the pre-implementation efforts
- CMS and DOIT Chief Internal Auditors are currently finalizing the areas of responsibility

What's New GATA?

- GATA Sunset Provision has been removed
- Implementation of the Audit Report Review System
 - Grantees/Subrecipient Certification of Audit type requirement – GAAS, GAGAS or Single Audit
 - Consolidated Year End Financial Report – Grant Awards pre-populated from CSFA
 - Functionality that allows grants or grant programs to be added by the grantee, that was not reported by agencies
 - Audit Report Review Manual available on the GATA website
- KPMG is reviewing Single Audit reports, reconciliations and Issuance of Management's Decision Letter - acceptance of Corrective Action Plans through the centralized system this year.

What's New GATA?

Continuous Improvement of GATA Systems, Grantee Dashboard for

- GATA Registration;
- Pre-Qualification;
- Fiscal and Administrative Risk Assessment;
- Indirect Cost Rates;
- Audit Report Review.

Indirect Cost Rate Election System

- The Election System will allow the election of Indirect Cost Rate Election for the Easy Three:
 - Federally Negotiated Indirect Cost Rate
 - De Minimis Rate
 - No Rate – waiving the ability to charge Indirect Costs
- For Grantees/Subrecipients who elect to Negotiate a Rate will be transferred to the Indirect Cost Rate will be transferred to Negotiation System
- Local Governments will also be transferred for the monitoring of Federally Maintained Rate Review
- Will be fully implemented in November/December 2019

De Minimis Rate

If the De Minimis Rate is Elected: An Indirect Cost Rate can be negotiated at anytime

- If negotiation is finalized during the grant period, the rate will be honored if grant funding is available to honor the rate
- Rate is required to be honored in new awards
- Rate will be honored until new rate is negotiated, if new proposal is submitted within the deadlines
- Indirect Cost Rate Proposals are due 6 months after the year end, if grantee/subrecipient is subject to the Single Audit the rate is due 9 months after year end
- An automatic grace period up to one year is allowed (Federally allowed)
- If the grantee/subrecipient does not meet the deadlines – no indirect cost rates are allowed to be charged until a new rate is negotiated

Federally Negotiated Rate

If a federal negotiated rate has been negotiated:

The rate letter and a copy of the Cost Policy Statement (allocation methodology) is required to be submitted

Some federal rates are limited to the federal agencies awards or program rates

- A state negotiated rate can be negotiated for all other grant awards
- Required documentation from the federal agency

All Negotiated Rates – Federal and State are subject to any limitations imposed by federal and state programs

- All limitations must be approved through the exception process
- Must be supported by statutory cites and recorded in the Catalog of State Financial Assistance and the Notice of Funding Opportunity

Federal Uniform Guidance Update

The federal government is required to review the Uniform Guidance and update once every five years:

The changes will be announced in the Federal Register in December 2019

All changes will be reviewed and necessary changes will be made in accordance with the timeframes set forth by OMB

Training will be provided by the Grant Accountability and Transparency Unit and will be available on the GATA website – www.grants.illinois.gov

New Federal Unique Entity Identifier

SAM.gov will no longer be using Dunn and Bradstreet's DUNS number

The Federal Government will be issuing a Unique Entity Identifier

Starting in December 2020, an entity seeking to do business with the federal government will be required to obtain an Unique Entity Identifier

The DUNS number will be maintained for historical purposes

More information on the transition is available on the SAM.gov and GATA website

GATA – Common Agency Issues

Completion of the CSFA

- Grants administered have not been entered into the CSFA
- Grants are entered but does not include all the subrecipient awards
- Approved exceptions have not been entered
- Exceptions have been entered that have not been formally approved
- Per the instructions to agencies when an exception has been approved under 2 CFR 200. 101 for block grants and entitlement programs - to review the specific program rules in the code of federal regulations have not been completed

GATA – Common Agency Issues

Consolidated Year End Financial Report

- Agencies do not reconcile to amounts reported by grantee/subrecipient
- Agencies do not have the capacity to reconcile to grantee fiscal year end to state records

Corrective Action Plans


- No follow up being conducted on Corrective Action Plans

GATA – Common Agency Issues

Fiscal and Administrative Risk Assessment and Specific Conditions to determine additional monitoring required, some of the common issues/misconceptions:


- Agency personnel does not understand why a grantee is higher risk if not subject to the Single Audit
- Suggested specific conditions are provided, however in many cases due to the nature and requirements of the program, these should be modified as necessary
- Many agencies do not understand the steps necessary for the grantee to have a specific conditions removed, for example if an entity does not have policies and procedures identified, agency personnel does not understand why this cannot be remove immediately

Common Agency Issues – Indirect Cost Rate Negotiation and Application

- Subject Matter Experts (SME) are required for each agency
 - Training provided including webinars, bi-weekly SME calls, reviewing issues with grantee/subrecipient indirect cost rate proposal submission
 - Indirect cost rates charged are not verified to ensure they are properly applied in accordance with the rate methodology
 - SME's are not signing off on completed indirect cost rate negotiations
 - SME's are not reviewing required changes made by their grantees after corrections and resubmission
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Common Agency Issues - Programmatic Risk Assessment

A framework was developed to assist in the programmatic risk assessment required under 2 CFR 200.201 – Risk posed by the applicant

- Agencies are required to review their programs to determine the risk of not meeting the program objectives or the risk of material non-compliance with program activities
 - Most agencies or divisions have not identified those situations to be able to complete a programmatic risk assessment
 - No performance measures have been developed for state funded grant programs
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Common Agency Issues – Lack of Segregation of Duties in Grant Administration

Lack of a centralized compliance unit


Same individual responsible for the entire life cycle of a grant including:

- Federal grant application
- Subaward: competitive, formula or legislative mandate
- Monitoring
- Close out
- Audit and final decisions on audit findings, questioned cost and acceptance of the corrective action plan

Common Agency Issues – Illinois Administrative Code

Very few agencies have codified their grant rules

Each agency has been directed to review their current rules and make the necessary changes to incorporate:

- The Uniform Guidance
 - Changes to their corresponding Code of Federal Regulations updates by the Federal Awarding Agency
 - GATA Requirements
 - Exceptions granted under GATA Rules
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Common Issues – Agency Grant Staff Not Attending GATA Training


#1 complaint from grantees: state agency grant staff are unaware of requirements or aren't familiar with Uniform Guidance and GATA

Most agencies don't track grant management staff to who attends the trainings

- GATU requires webinar registration so we're able to track staff who have attended training

Trainings are provided live; recordings and presentation hand outs are available on-demand from GATA website

Audit Report Review – Common Issues

- Peer Review is either late or not conducted
 - Auditor who conducted audit was not a licensed CPA
 - Auditor states in their opinion they also prepared the financial statements
 - Audit Firms – called to find out where they could locate 2 CFR 200, another wanted to know if the Single Audit satisfied the requirement to follow Generally Accepted Government Auditing Standards
 - “In relation to” Opinions – many firms have called or emailed to find out if we could provide an example of an in relation to opinion
 - One auditor did not understand the GAAS and GAGAS requirements due to the requirement that if \$1 of federal funding triggered a Single Audit
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Internal Audit Tools Available

Audit Tools

Catalog of State Financial Assistance (CSFA)

CSFA State Staff Inquiry – Provides Summary Dashboard and drill down capability

Illinois Stop Payment List

Reports and Exports

- Export Programs by Agency
- Export Active Awards
- Export Individual Awards by Fiscal Year
- Export Grantees grouped by Agency by Fiscal Year
- Illinois Stop Pay Listing – export to excel

Reports and Exports (Continued)

State Staff Inquiry Screen Reports

- Grantee List Export
- Grantee Contacts Export
- ICQ Status
- Approved ICQ and related Specific Conditions
- Grantee F&A Risk Profile
- Indirect Cost Rates


Audit Tools – State Staff Inquiry Screen

Grantee dashboard information

- Grantee demographics
 - Name, contact info, fiscal year-end, organization type, FEIN, DUNS, GATA ID, SOS File ID, State Cognizant Agency,
- Pre-qualification status
 - SAM.gov account, Federal Excluded Parties List, federal delinquent debt, Secretary of State Good Standing, Illinois Stop Payment List and Illinois DHFS Sanction List
- Fiscal and administrative risk assessment (ICQ) summary
- Indirect Cost Rate information
- Audit information
- Notice of State Awards
- Prior and past years state agency funding information

Training, Training, and More Training

Extensive Federal and GATA requirements training is available on the GATA website for both grantees/subrecipients and staff. The most recent includes Modules 1-8 covering the entire grant lifecycle and GATA requirements:

- Module 1 – Uniform Guidance and GATA Overview
 - Module 2 – Uniform Templates and Frameworks
 - Module 3 – Grantee Portal and GATA Website
 - Module 4 – Risk Assessment
 - Module 5 – Cost Principles – Basic Considerations
 - Module 6 – Cost Principles - Selected Items of Cost
 - Module 7 – Indirect Cost Rate Election Requirements
 - Module 8 – Centralized Audit Report Review
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Demonstration and Access

Willing to provide a live demonstration of the CSFA, Audit Tools for Internal Auditors

Access can be obtained upon request to the State Staff Inquiry and Reporting Functionality

Training presentations and Webinars are available on the GATA Website www.grants.illinois.gov

Questions and access requests can be emailed to OMB.GATA@Illinois.gov

GATA Question?

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