Business Systems Review (BSR)

Florence Rabanal *D.Sc*, Large Facilities Office

(Rob Hengst/LFO ; Deanna DiGiovanna/CSB; Tim Kashmer/CSB;   Donna O'Malley/AST; Anna-Lee Misiano/CSB; Eddie Whitehurst/CSB)

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Agenda

- Goal and Background (20 min)
- Questions/Answers (10 min)
- Breakout Group Discussions (50 min)
  - Organize with NSF Breakout Group [10]
  - Discuss Targeted Questions [40]
- Out Brief and Discuss to Attendees (10)

Business Systems Review: What

- Verify business systems (people, policies, procedures and information systems) are **aligned** with Federal regulations and NSF expectations for stewardship

- Help Recipients **implement** and **maintain** compliant business systems supporting the facility

- Review **alignment** and **familiarity** with Uniform Guidance (2 CFR Part 200)

- Verify documented policies/procedures and they are **used** (practices via sampling) to carryout the business and support Facility

Business Systems Review: What

- Engage Team of subject matter experts (SMEs)

- Not auditors; not GAO "yellow book standards" but Uniform Guidance, PAPPG, Major Facilities Guide

- Employ a consistent process:
  - Scoping/review strategy (Tailoring)
  - Document request
  - Desk Review
  - Site Visit & Preliminary Observations
  - BSR Final Report
  - Follow-Up

Today's Goal and History

- To update on discuss recent changes to [Business Systems Review Guide] NSF's framework for compliance assistance

- 2013 version [BSR Guide] pre-dates the Uniform Guidance
- Publicly posted but never OMB "cleared"
- Supporting Standard Operating Guidance (SOG) and Standard Operating Procedures (SOPs)

Major Changes

- **Core functional area (CFA) review modules:**
  - Principles/practices fully aligned with Uniform Guidance
  - COSO framework of internal controls explicitly highlighted[1]
  - Budget and cost estimate expectations mirror GAO good practices
  - Subrecipient monitoring principles/practices (multiple CFA)

- **Major Facilities Portfolio Risk Assessment narrative:**
  - Highlights synchronization with other BFA oversight and audit activities

[1]Committee of Sponsoring Organizations of the Treadway Commission

Major Changes

- **Usability:**
  - Matrix clarifying connection between governing regulations and each principle/practice
  - Sample questions expanded to convey focus of principles/practices
  - Cash management principles integrated into financial management module (7 CFA modules rather than 8)

Highlights of Changes: Traceability Matrix

Practice 2.2. Documented policies and procedures address post-award management requirements.	• 2 CFR Appendix A to Part 25 Award Term, B. Requirement for unique entity identified • 2 CFR §25.302, Financial management • Uniform Guidance 2 CFR §200.308, Revision of budget and program plans
Practice 2.3. Documented policies and procedures address close-out requirements, and the post-closeout adjustments and continuing responsibilities.	• Uniform Guidance 2 CFR §200.208, Certifications representations • Uniform Guidance 2 CFR §200.343, Closeout adjustments and continuing responsibilities • Uniform Guidance 2 CFR §200.344, Post-closeout adjustments and continuing responsibilities • Uniform Guidance 2 CFR §200.345, Collection of amounts due

Highlights of Changes: Enhanced Questions

QUESTIONS/FOCUS AREAS PRINCIPLE 2.
• What mechanisms does the Recipient have in place to review and negotiate award terms and conditions?   • Where in the process does the Recipient and Major Facility stakeholders verify that they are not making an award or subaward with parties that have been debarred, suspended or excluded from participation in Federal assistance programs or activities?   • If the Recipient serves as a pass-through entity, how are requirements for certification and representation submissions determined?   • With what frequency does the Recipient access the System of Award Management (SAM) through the "recipient integrity and performance portal" and review comments about itself and ensure it is current, accurate and complete?

BSR Guide Next Steps

- Using in draft form for 2019 BSRs
- Internal NSF review
- 503 compliance & release for public comment – May 2019
- Reconcile comments
- Final – January 2020

Questions?

Subgroup Breakout Discussions

- How has your Organization been challenged with implementing the requirements represented by the selected CFA principles/practices?

- What examples does can your Organization share to highlight the "over and above" (good practices) steps undertaken to implement any of the requirements?

- What changes or improvements would you suggest for the selected CFA module?