

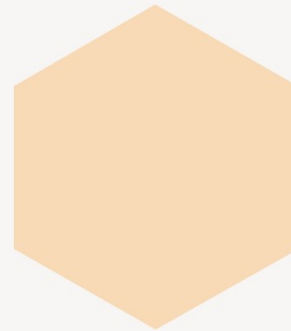


Implementing System-Wide Internal Controls and Socializing Change

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Hybrid Session



Session Summary & Learning Objectives

Session Summary:

What are internal controls and how do we socialize them for long term success?

Learning Objectives:

- Determine what internal controls are essential for grant management.
- Identify how to build the framework for these controls into your current environment.
- Understand how to socialize the changes to increase adoption and success.

What are Internal Controls (ICs)?

Processes designed and implemented by an organization to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of reporting for internal and external users
- Compliance with applicable laws and regulations



Why do we need ICs in Grants work?




Maintain and grow your grant funding.

Stay on track, report accurately, and perform well in reviews or on-site monitoring visits

Maximize drawdown, support compliance, and create capacity for your team.

COMMON IC deficiencies:



Operating policies and procedures have not been developed or are outdated

Key documentation lacking or does not exist

Key steps in a process are not performed

Staff not seeking prior approval when the requirement is present

Financial management practices that do not follow rules and guidelines

Lack of current staff training to ensure applicable parties understand how processes relate to and support program goals

The slide features several decorative elements: a large orange hexagon in the top left, a light blue hexagon in the bottom left, and a white hexagon with a thin border in the middle left. A central image shows a stack of papers with various charts and graphs, including bar charts and line graphs, with a pen resting on top.

Determining the need for improved ICs

Start by asking yourself and your organization simple questions

1. Do we have systems in place and supporting business processes?
2. Do we have Personnel and the environment to resolve ethical questions?
3. Do we have a risk mitigation plan?
4. Do we have a way to track and maintain inventory records?
5. Is there a procedure in place to track and communicate updates to policies and procedures?

Internal Controls Checklists

Program Management

- The overall goals and objectives of your grant program
- The purpose of your updated internal controls and the goals you want to achieve by implementing them
- A detailed project plan outlining the steps and milestones for achieving the grant program's goals and objectives
- A risk management plan to identify and mitigate potential risks that could affect the program
- A communication plan to keep key stakeholders informed of the program's progress and changes
- Key team members and stakeholders both internal and external, and their responsibilities in the grant lifecycle
- A schedule to review the effectiveness of your standardized processes on an annual basis and make changes if necessary



Ok but how do we implement ICs?

New internal controls via policies and procedures may not have the best impact without effective implementation.

Providing a **structured** and **intentional** approach to rollout via change management increases the overall likelihood of success for a project by supporting individuals and organizations through change.

- Organizations want to ensure organizational changes will “stick”
- Organizations must measure that their processes are effective

Best Practices for Implementing and Communicating Change

- Prepare to Change
 - Knowing where you want to be
- Engage for Change
 - Knowing who and what is involved
- Execute Change
 - Developing and verifying the outcome
- Manage Change
 - Communicate frequently, openly and with an engaged audience
- Sustain Change
 - Provide feedback and continue to iterate



Socializing Internal Controls

The good and the bad in Grants Management

Time & Effort Rollout

- University Setting with Faculty
- Friday Afternoon, ad hoc meeting, in person with remote trainer
- No agenda shared in advance, or introduction to current or future business processes
- STRANGER DANGER

Pre-Award Workflow Rollout

- Small City for Department Staff
- Thursday morning, regularly scheduled meeting, all remote
- Agenda shared in advance, mapped documentation from current to future state
- Colleague / Staff Presenter



Best Practices for Implementing and Communicating Change

Manage and Sustain Change

- Clear communication
 - Communicate frequently and openly
- Stakeholder engagement
 - Engage with front-line employees
- Dedicate resources to drive change
 - Provide necessary training and support
- Integrate change management activities with project management
 - Understand technical plan through intentional approach
- Provide feedback and continue to iterate



Keep It Super Simple

- Identify who you need to communicate with
- Establish a strong communication plan
- Ensure you are focusing on the impact of change
- Provide training, tools, time, and resources
- Be mindful, and honest!



My Takeaways



- Surprise! Easier with time and money! 😊
- There is room for even small improvements that can happen slowly



- Free resources available!
- Communicate, communicate, communicate



- Try to prevent vs. react



Thank you