



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

U.S. DEPARTMENT OF THE INTERIOR DATA ACT SUBMISSION FOR FIRST QUARTER FY 2019




OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

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Memorandum

To: Andrea Brandon
Deputy Assistant Secretary, Budget, Finance, Performance, and Acquisitions

From: Mark L. Greenblatt 
Inspector General

Subject: Final Audit Report – U.S. Department of the Interior DATA Act Submission
for First Quarter FY 2019
Report No. 2019-FIN-043

This memorandum transmits the results of our final audit of the U.S. Department of the Interior's (DOI's) fiscal year (FY) 2019 first quarter financial and award data submission in accordance with the Digital Accountability and Transparency Act of 2014 (DATA Act) and submission standards developed by the U.S. Department of the Treasury (Treasury) and the Office of Management and Budget (OMB).

We assessed the data and found that, while they contained most of the required information and conformed to the OMB and Treasury standards, there were small deficiencies in completeness, timeliness, and accuracy of the data submissions we sampled. The table on page 1 of our report explains the files we reviewed. Specifically, we found in the 57 data elements for each of the 385 transactions that 3.45 percent were incomplete, 2.84 percent were not timely, and 11.34 percent were not accurate. These results were projected to the DOI's FY 2019, first quarter submission. Based on the Council of the Inspectors General on Integrity and Efficiency Federal Audit Executive Council's standards, we consider the DOI's FY 2019, first quarter data displayed on USASpending.gov to meet the higher quality standard.

We offer three recommendations to help the DOI improve its submissions and comply with standards. In response to our draft report, the DOI concurred with all three recommendations. Based on this response, we consider all three recommendations to be resolved but not implemented.

We will refer the recommendations to the Assistant Secretary for Policy, Management and Budget for implementation tracking.

If you have any questions concerning this report, please contact me at 202-208-5745.

The legislation creating the Office of Inspector General requires that we report to Congress semiannually on all audit, inspection, and evaluation reports issued; actions taken to implement our recommendations; and recommendations that have not been implemented.

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File Names and Descriptions

File Name	File Description	Contents	What We Found
File A	Appropriations Account Detail	Appropriation is setting aside money for a specific purpose. The U.S. Department of the Interior (DOI) appropriates funds to delegate cash needed for operations. These accounts show the details of the appropriations.	Amounts in File A were less than the amounts in File B.
File B	Object Class and Program Activity Detail	Object classes are categories of items or services purchased by the U.S. Government. Program Activity Detail is a specific activity or project listed in the Government's annual budget. This file contains more details about the items or services purchased by the Government.	The object classes and program activity detail did not match the Office of Management and Budget classes and detail. The DOI's File B direct appropriation amount did not match the DOI's SF-133 line 2004 per the Treasury Account Symbol for the same reporting period.
File C	Award Financial Detail	This file contains the totals of the DOI's awards to each awardee.	Information entered did not match the same information in external agency systems, obligation amounts in File C did not match those in Files D1 and D2, and obligations occurred in File C that were not active in the reporting period or were for other periods.
File D1	Award and Awardee Attributes (Procurement)	This file contains the DOI's awardee names, addresses, and award amounts for procurement contracts.	Information entered did not match departmental systems.
File D2	Award and Awardee Attributes (Financial Assistance)	This file contains the DOI's awardee names, addresses, and award amounts for financial assistance awards.	Information entered did not match departmental systems.

Results in Brief

We audited the fiscal year (FY) 2019 first quarter financial and award data that the U.S. Department of the Interior (DOI) submitted to the U.S. Department of the Treasury (Treasury) and displayed on www.USASpending.gov in accordance with the Digital Accountability and Transparency Act of 2014 (DATA Act), Pub. L. No. 113-101, 128 Stat. 1146. The DATA Act requires U.S. Government agencies to make Federal spending data accessible, searchable, and reliable.

We assessed the DOI's implementation and use of the Governmentwide financial data standards established by the Office of Management and Budget (OMB) and the Treasury. We determined that the DOI met the March 20, 2019 deadline for submitting its financial data to Treasury, implemented the Governmentwide standards¹ for those data that the OMB and Treasury developed as directed by the DATA Act, and improved its data quality. We did, however, find discrepancies in some of the files, which would affect the display of information on USASpending.gov.

We also assessed the completeness, timeliness, accuracy, and quality of data DOI submitted. We reviewed a statistical sample of transactions from the DOI's FY 2019 first quarter data to determine whether the DOI reported all summary-level financial data for the proper reporting period and if those transactions contained all applicable data elements required by the DATA Act. We found that some files contained most of the required summary-level data and all data elements conformed to the OMB and Treasury standards. While there were deficiencies in completeness, timeliness, and accuracy of the data submissions we sampled, they were small enough to meet the Council of the Inspectors General on Integrity and Efficiency Federal Audit Executive Council's "higher" quality standard.

We offer three recommendations to improve the DOI's DATA Act reporting process. In response to our draft report, the DOI concurred with all three of our recommendations. Based on this response, we consider all three recommendations to be resolved but not implemented.

¹ The DATA Act, which expanded requirements in the Federal Funding Accountability and Transparency Act of 2006, 31 U.S.C. § 6101, outlines the information required to ensure transparent Federal spending reporting. From these requirements identified in the DATA Act, Treasury developed 57 standards (called DATA Act elements) that agencies use to create and submit their DATA Act files.

Introduction

Objective

In our audit of the U.S. Department of the Interior's (DOI's) fiscal year (FY) 2019 first quarter financial and award data submitted in accordance with the Digital Accountability and Transparency Act of 2014 (DATA Act), Pub. L. No. 113-101, 128 Stat. 1146, we focused on these objectives:

1. Assessing the DOI's implementation and use of the Governmentwide financial data standards established by the Office of Management and Budget (OMB) and the U.S. Department of the Treasury (Treasury)
2. Assessing the completeness, timeliness, accuracy, and quality of financial and award data submitted for publication on USASpending.gov

The scope and methodology are included in Appendix 1.

Background

The DATA Act requires Government agencies to make Federal spending data more accessible, searchable, and reliable. The Act required the OMB and Treasury to establish Governmentwide data standards. It also required Federal agencies to have begun reporting financial and payment data by March 20, 2019, in accordance with these standards. The data standards define the data elements and formats required for reporting data from both agency financial systems and Governmentwide procurement systems. The data files include:

- File A, "Appropriations Account Detail"
- File B, "Object Class and Program Activity Detail"
- File C, "Award Financial Detail"
- File D1, "Award and Awardee Attributes (Procurement)"
- File D2, "Award and Awardee Attributes (Financial Assistance)"
- File E, "Additional Awardee Attributes"
- File F, "Subaward Attributes"

Files A, B, and C are created by agency systems; Files D1 and D2 by agency systems and external systems; and Files E and F by external systems. Upon submission, each agency's senior accountable official (SAO) documents his or her assurance of internal controls over data reliability and accuracy for these seven files. The SAOs, however, are not responsible for certifying the quality of the data the awardees report to the General Services Administration

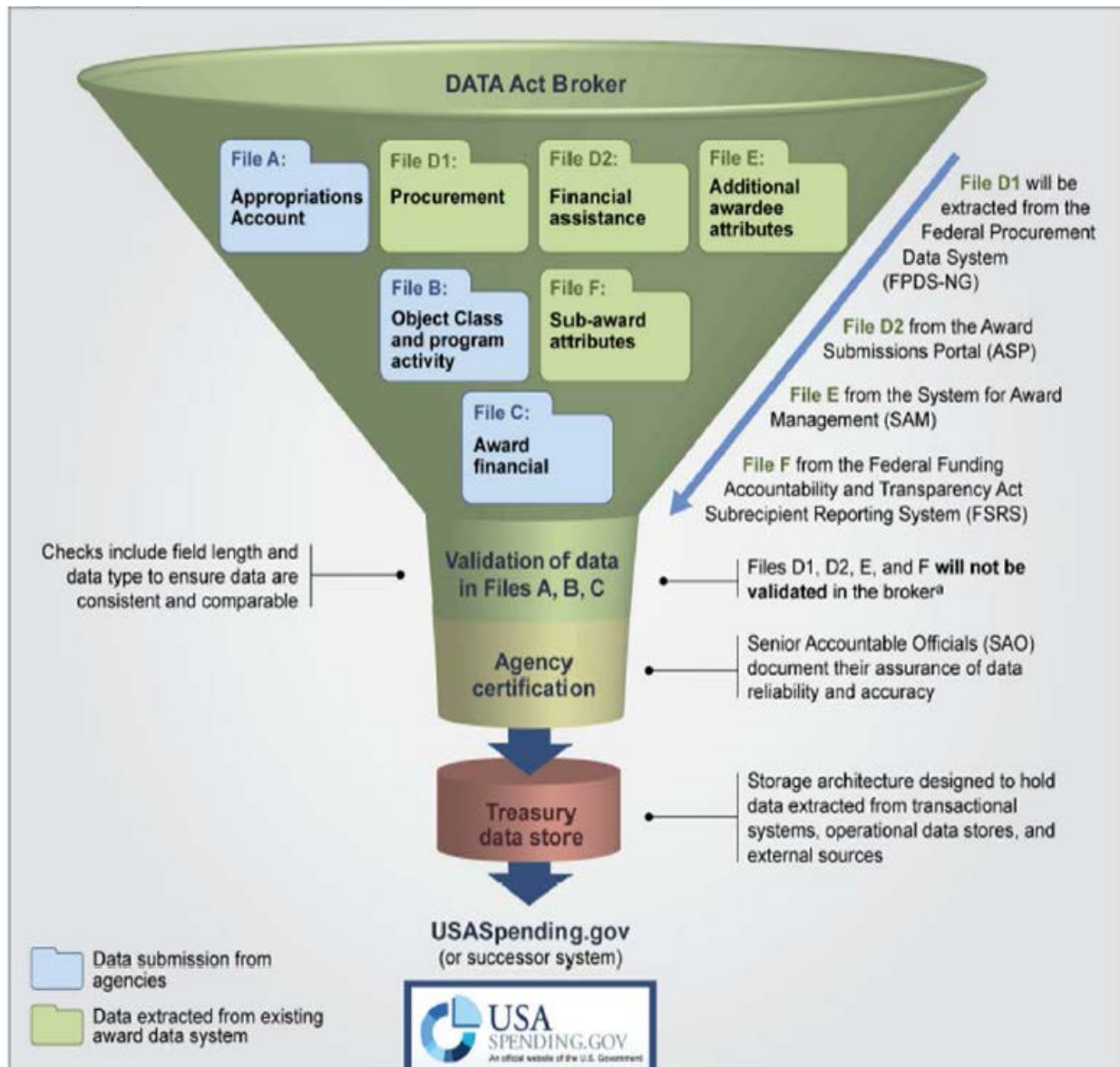
(GSA). Reported data is displayed on a public website, www.USASpending.gov, to help increase transparency in Federal spending by linking grant, contract, loan, and other financial data to program results. Inspectors general are required to submit oversight reports to Congress by November 8, 2019.²

DATA Act File Creation

The DATA Act, which expanded requirements in the Federal Funding Accountability and Transparency Act of 2006, 31 U.S.C. § 6101, outlines the information required to ensure transparent Federal spending reporting. From these requirements identified in the DATA Act, Treasury developed 57 standards (called DATA Act elements) that agencies use to create and submit their DATA Act files.

Agencies are expected to use the Treasury broker software that compiles agency data for publication on USASpending.gov, to upload Files A, B, and C. These files contain data pulled from internal financial and award management systems. Once the agencies upload these files, they use the broker software to create the remaining Files D1, D2, E, and F. The broker software validates Files A, B, and C using two types of validation checks—data element validations and complex validations—before submitting the files to Treasury. These checks ensure the required standard format and correct calculations for the files. For seemingly invalid data, the broker software can either produce a warning message while still accepting the data for submission or produce a critical error, which prevents submission of the data altogether. Figure 1 illustrates the operation of the broker software after the agencies upload DATA Act Files A, B, and C.

² CIGIE [Council of the Inspectors General on Integrity and Efficiency] FAEC [Federal Audit Executive Council] *Inspectors General Guide to Compliance under the DATA Act*, February 2019.



Note: The Award Submissions Portal (ASP) is now called Financial Assistance Broker Submission (FABS).

Figure I. Operation of the broker software

Source: Government Accountability Office analysis of Treasury's technical documents, GAO-17-156

Findings

We determined that the DOI submitted financial data (Files A, B, and C) to the broker software and created and submitted Files D1, D2, E, and F with the broker software by the March 20, 2019 deadline. We found that the DOI implemented the Governmentwide standards³ for those data that the OMB and Treasury developed as directed by the DATA Act; however, we found that the broker software warnings occurred for the following element linkages and calculations:

- The amounts in File A were less than amounts in File B.
- Object classes and program activity detail did not match OMB classes and detail.
- The DOI's File B direct appropriation amount did not match the DOI's SF-133 line 2004 per the Treasury Account Symbol (TAS) for the same reporting period.
- Information entered in File C did not match the external agency systems.
- Obligation amounts in File C did not match those in Files D1 and D2.
- Obligations occurred in File C that were not active in the reporting period or were for other periods.
- Information entered in File D1 and D2 did not match the departmental systems.

We also found deficiencies in completeness, timeliness, quality, and accuracy of the data submissions we sampled.⁴ Specifically, we found in the 57 data elements for each of the 385 transactions that 3.45 percent were incomplete, 2.84 percent were not timely, and 11.34 percent were not accurate. These results were projected to the DOI's FY 2019, first quarter submission. Based on the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Federal Audit Executive Council (FAEC) standards (higher, moderate, and lower), we consider the DOI's FY 2019, first quarter data displayed on USASpending.gov to meet the higher quality standard.

Broker Software Warnings

The broker software delivers warnings to users when it cannot validate data elements or values, a condition that ultimately would affect the display of information on USASpending.gov. Treasury

³ The DATA Act, which expanded requirements in the Federal Funding Accountability and Transparency Act of 2006, 31 U.S.C. § 6101, outlines the information required to ensure transparent Federal spending reporting. From these requirements identified in the DATA Act, Treasury developed 57 standards (called DATA Act elements) that agencies use to create and submit their DATA Act files.

⁴ FY 2019 CIGIE FAEC *Inspectors General Guide to Compliance under the DATA Act*. Completeness is measured based on whether all required data elements were reported. Timeliness is measured based on the reporting schedules defined by the procurement and financial assistance requirements (Federal Funding Accountability and Transparency Act (FFATA), Federal Acquisition Regulation (FAR), Federal Procurement Data System - Next Generation (FPDS-NG), and DATA Act Information Model Schema (DAIMS)). Accuracy is measured based on when amounts and other data relating to recorded transactions were recorded in accordance with the DAIMS, Interface Definition Document, and the online data dictionary, and agree with authoritative sources. Quality is defined as data that is reported on a timely basis and is complete and accurate.

allows some validation rules to give warnings so that the agencies can resolve these issues prior to certifying. If they do not correct the issues, agencies can submit their data with the warnings, but will be required to correct the problems in future uploads. In the future, Treasury will change these warnings to fatal errors, requiring the agencies to correct them before submission.⁵

We accessed and reviewed the Treasury DATA Act submission portal in the broker software for the DOI's submitted files and identified that there were 438 warnings in 5 reports. Of the 5 reports—

- The procurement award cross warning report had 240 warnings
- The financial award cross warning report had 186 warnings
- The program activity report had 5 warnings
- The appropriations program activity cross warning report had 5 warnings
- The financial award warning report had 2 warnings

Procurement Award Cross Warning Report

The DOI had 240 Treasury broker software warnings in this report, consisting of:

- 98 C11 warnings indicating that the obligations in File C did not exist or did not match those in File D1
- 64 C12 warnings indicating that the obligations in File D1 did not exist or did not match those in File C
- 78 C23.2 warnings indicating that the obligation amounts in File C did not match those in File D2.

During our detailed testing, we identified that the DOI's File C submission contained purchase order postings relevant to the DATA Act that should not be included in first quarter FY 2019 data. These incorrect inclusions resulted from obligations or deobligations that were not active in the first quarter, or from transactions that were not recorded in the proper period. We also identified that the DOI's File C submission contained obligation amounts that did not match File D2 obligation amounts.

We identified these issues in our sample (see Deficiencies in the Statistical Sample section below) when we tested DATA Act element linkages from File C to Files D1 to identify whether the procurement instrument identifier (PIIDs) and obligation amounts in File C were also in File D1. The DATA Act requires the PIIDs and obligation amounts to be included and match in both files. We identified that:

⁵ GAO-17-156, *DATA ACT: OMB and Treasury Have Issued Additional Guidance and Have Improved Pilot Design but Implementation Challenges Remain*, December 2016.

- Three PIIDs in our File C sample were not in File D1. These PIIDs were not timely because they were outside of the first quarter FY 2019 timeframe and, therefore, should not have been included in File C.
- Ten PIID obligation amounts in our File C sample did not match those in File D1.

The DOI's Data Act Operational Plan (DAOP) indicated that the large proportion of C11 and C12 rule warnings relate to timing challenges caused by discrepancies between the "Obligation Date" in the DOI's Financial and Business Management System (FBMS) and the "Date Signed – Element 2A" in the GSA's Federal Procurement Data System (FPDS). The DOI also told us that the broker software extracts FPDS data using the "Date Signed – Element 2A" field on the purchase order that sometimes does not represent the FBMS obligation date. The "Date Signed – Element 2A" can vary based on when the contracting officer signs the original obligation and then adds a modification. The DOI also told us that the FPDS does not have a static date field that identifies when an award (original or modification) posting is finalized. As a result, the difference in obligation date within FBMS and date signed within FPDS cause these warnings.

The C23.2 rule warnings occurred because the transaction obligated amount (award amount) in File C did not match the Federal action obligation amount in File D2. The DATA Act Program Management Office issued guidance to agencies indicating that for each unique award ID in File C, the sum of each Transaction Obligated Amount reported for the period should match the sum of the Federal Action Obligation amounts reported in D2 for the same timeframe, regardless of modifications. Due to timing challenges, however, the amounts may not match and only a warning message will be included in the validation report.

The DAOP also indicated that the C23.2 warnings were due to obligation rounding differences of less than \$50.00 between FBMS and FPDS. The DOI told us that the FBMS' Procurement Information System for Management uses more dollar decimal places than its SAP software and as a result, obligation change amounts may differ (see Figure 2). We identified that the DOI is working on a solution to resolve the rounding differences, and due to the materiality level, it does not warrant a recommendation. These warnings can cause procurement award obligation information on USASpending.gov to be inaccurate.



Figure 2. Rounding differences between two of DOI's financial management software systems: Procurement Information System for Management (PRISM) and SAP.

Source: OIG

Recommendation

We recommend that the DOI:

- I. Issue guidance to contracting officers on determining accurate obligation dates

Financial Award Cross Warning Report

The DOI had 186 Treasury broker software warnings in this report, consisting of:

- 57 C8 warnings indicating that awards in File C did not exist or did not match those in File D2
- 63 C9 warnings indicating that awards in File D2 did not exist or did not match those in File C
- 66 C23.3 warnings indicating that the obligation amounts in File C did not match those in File D2

During our detailed testing, we identified that DOI's File C submission contained purchase order postings relevant to the DATA Act that should not have been included in first quarter, FY 2019 data. These incorrect inclusions resulted from obligations or deobligations that were not active in the second quarter, or from transactions that were not recorded in the proper period.

We identified these issues in our sample (see Deficiencies in the Statistical Sample section below) when we tested DATA Act element linkages from File C to File D2 to identify whether the Federal award identification numbers (FAINs) and obligation amounts in File C were also in

File D2. The DATA Act requires that the FAINs and obligation amounts be included and match in both files. We identified that:

- Five FAINs in our File C sample were not in File D2. These FAINs were not timely because they were outside of the first quarter FY 2019 timeframe and, therefore, should not have been included in File C.
- All FAIN obligation amounts in our File C sample matched those in File D2.

The C8 and C9 rule warnings relate to FAINS and are similar in nature to the C11 and C12 warnings for acquisitions awards above. The DOI's Data Act Operational Plan (DAOP) indicated that the large proportion of C8 and C9 rule warnings relate to challenges caused by discrepancies between DOI's FBMS FAIN obligation date and the release date in its Procurement Information System for Management, which interfaces with the FBMS system.

The 66 C23.3 rule warnings occurred because the transaction obligated amount (award amount) in File C did not match the Federal action obligation amount in File D2. The DATA Act Program Management Office issued guidance to agencies indicating that for each unique award ID in File C, the sum of each transaction obligated amount reported for the period should match the sum of the Federal Action Obligation amounts reported in D2 for the same timeframe, regardless of modifications. Due to timing challenges, however, the amounts may not match and only a warning message will be included in the validation report. These warnings can cause financial award obligation information on USASpending.gov to be inaccurate.

Recommendation

We recommend that the DOI:

2. Issue guidance to grant officers on determining accurate obligation dates

Program Activity Warning Report

The program activity report had five rule warnings, consisting of:

- Three B9 warnings indicating a difference between the DOI's program activity (PA) description in the DOI's FBMS and the OMB PA description
- Two B14 warnings indicating that the File B direct appropriation amount does not match the inverse of the DOI's SF-133 line 2004 per the Treasury Account Symbol (TAS) for the same reporting period

The DOI responded to these warnings by identifying that the DOI had PA descriptions that were not aligned with the OMB PA descriptions. The DOI told us that some PA descriptions tend to "drop-off" the OMB PA descriptions, causing the warnings. Because transactions were not recorded in the proper period, File B direct appropriation amounts did not match the inverse of the DOI's SF-133 line 2004 per the TAS for the same reporting period. We identified that the

DOI has taken steps to identify and resolve transactions not being recorded in the proper period. These warnings can cause PA descriptions and obligation amounts on USASpending.gov to be inaccurate.

Financial Award Warning Report

The DOI had two B9 rule warnings in this report. The DAIMS indicated that the B9 warnings were due to incorrect or misspelled PA names. Program activity names must be valid for the corresponding funding TAS as defined in Section 82 of OMB Circular A-11. The DOI told us that these were due to differences between the DOI's PA descriptions configured in the DOI's FBMS and the OMB PA descriptions. These warnings can cause PA descriptions and obligation amounts on USASpending.gov to be inaccurate.

Recommendation

We recommend that the DOI:

3. Update the FBMS to align with the OMB PA descriptions or contact the OMB to update its descriptions

Appropriations Program Activity Cross Warning Report

The DOI had five warnings, consisting of one A18, three A19, and one A35. Based on the DAIMS, the A18 and A19 warnings indicate that the Government TAS Trial Balance shows an ending balance different than the DOI's FBMS ending balance, and the A35 warning indicates that File A's deobligations, recoveries, or refunds do not equal those in File B. These warnings can cause obligation, recoveries, or refund information to be inaccurate on USASpending.gov.

The DOI responded to these warnings by analyzing the accounts that are causing the differences and identifying timing differences among FBMS entries. The differences occurred because transactions were included in the incorrect period. To resolve the warnings, the DOI has a process to identify incorrect period transactions and adjusts as needed.

Deficiencies in the Statistical Sample

The DATA Act required us to review a sample of the DOI's File C—or Files D1 and D2 if File C was found inadequate—to assess the completeness, timeliness, accuracy, and quality of the data submitted. We determined that the DOI's File C provided an adequate sample, based on preliminary review. Using Teammate Analytics, a statistical sampling program, we selected 385 of 10,467 transactions from the DOI's File C and performed attribute testing on each to determine completeness, timeliness, accuracy, and quality. We used the testing spreadsheet tool included in the FY 2019 *CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act* to test the 57 elements against source systems and documents. We set the estimated number of errors expected in the sampled population based on the DOI's FY 2017 second quarter average error rate of 38 percent.

Attribute Testing Results

We found in the 57 data elements for each of the 385 transactions that 3.45 percent were incomplete⁶, 2.84 percent were not timely⁷, and 11.34 percent were not accurate⁸. These results were projected to the DOI's FY 2019, first quarter submission. Based on the CIGIE FAEC standards (higher, moderate, lower), we consider the DOI's FY 2019, first quarter data displayed on USASpending.gov to meet the higher quality standard (see Figure 2).

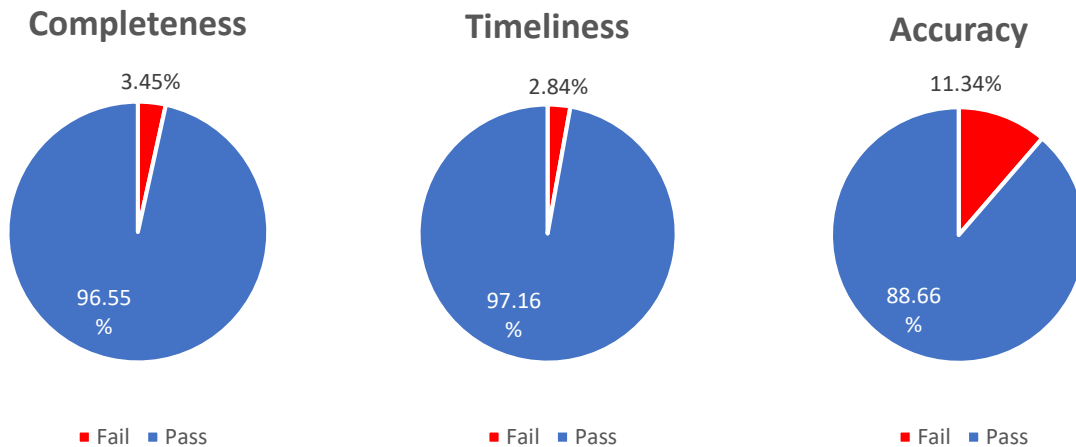


Figure 2. Percentage of passed and failed transactions in each category. We sampled 385 of 10,467 transactions that the DOI submitted in its File C in compliance with the DATA Act requirements.

Completeness

We considered a data element complete if it included the required data. We tested completeness by comparing transactions and various awardee attributes to source documents, as well as to internal and external source systems. For example, we verified that the sample transactions contained all applicable elements required by the DATA Act.

Timeliness

We based the timeliness of data elements on the reporting schedules defined by the procurement and financial assistance requirements (Federal Funding Accountability and Transparency Act (FFATA), Federal Acquisition Regulation (FAR), Federal Procurement Data System - Next Generation (FPDS-NG), Financial Assistance Broker Submission, and DATA Act Information Model Schema (DAIMS)). We tested the sample back to source documents and the DOI's FBMS to determine whether the obligations and deobligations occurred in the FY 2019, first quarter period. Many of the contracts and grant agreements the DOI provided to us were not signed or dated; therefore, we had to locate and obtain either the original signed contracts and grant

⁶ Based on a 95 percent confidence level, the projected error rate for the completeness of the data elements is between 3.437 percent and 3.463 percent.

⁷ Based on a 95 percent confidence level, the projected error rate for the timeliness of the data elements is between 2.828 percent and 2.851 percent.

⁸ Based on a 95 percent confidence level, the projected error rate for the accuracy of the data elements is between 11.327 percent and 11.353 percent.

agreements or match contract line item numbers or purchase order line items to transactions in the FBMS' Procurement Information System for Management.

Accuracy

We considered a data element accurate when users recorded amounts and other data relating to transaction records in accordance with the DAIMS Reporting Submission Specifications, Interface Definition Document, and the online data dictionary, and agree with the authoritative source records. We verified accuracy, which included comparing transaction amounts and various awardee attributes with source documents, internal and external source systems, and USASpending.gov to see if they agree with source documents and source systems.

Quality

We used the guidance in the FY 2019 *CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act* to rate the quality of the sample. If the highest error rate of completeness, timeliness, and accuracy was between 0 percent and 20 percent, we would consider the quality higher; between 21 percent and 40 percent, moderate; and 41 percent or more, lower. The DOI's highest error rate was 11 percent indicating that it met the higher quality standard.

Conclusion and Recommendations

Conclusion

Based on our audit, we found that the DOI has improved the completeness, timeliness, accuracy, and quality of its financial and award data submitted to USASpending.gov. The data the DOI submitted to USASpending.gov, however, can improve. If it does not, the website will continue to display DOI award and financial information incorrectly or not at all. Implementing the recommendations to the DOI's creation and submission of its DATA Act files will assist its compliance with the DATA Act guidelines and provide the public DOI spending data that is accessible, searchable, and reliable, as required. We found in the 57 data elements for each of the 385 transactions that 3.45 percent were incomplete, 2.84 percent were not timely, and 11.34 percent were not accurate. These results were projected to the DOI's FY 2019, first quarter submission. Based on the CIGIE FAEC standards, we consider the DOI's FY 2019, first quarter data displayed on USASpending.gov to meet the higher quality standard.

Recommendations Summary

We issued a draft version of this report to the DOI to review and respond. Based on the response, we consider all three recommendations resolved but not implemented. See Appendix 4 for the full text of the DOI's response and Appendix 5 for the status of recommendations.

We recommend that the DOI:

1. Issue guidance to contracting officers on determining accurate obligation dates

DOI Response: The DOI concurred with our finding and recommendation. The Business Integration Office (BIO) will work with the Office of Acquisition and Property Management (PAM) to issue guidance on determining accurate obligations dates with a target completion date of December 31, 2020.

OIG Reply: Based on the DOI's response, we consider Recommendation 1 resolved but not implemented.

2. Issue guidance to grant officers on determining accurate obligation dates

DOI Response: The DOI concurred with our finding and recommendation. The BIO will work with the Office of Grants Management (PGM) to issue guidance on determining accurate obligation dates with a target completion date of December 31, 2020.

OIG Reply: Based on the DOI's response, we consider Recommendation 2 resolved but not implemented.

3. Update the FBMS to align with the OMB PA descriptions or contact the OMB to update its descriptions

DOI Response: The DOI concurred with our finding and recommendation. In collaboration with the Office of Budget (POB), the BIO will evaluate the broker software warnings to determine appropriate adjustments to existing processes, including OMB's quarterly BDR [budget data request] process to capture updates in OMB MAX [the budget information system] with a target completion date of December 31, 2021.

OIG Reply: Based on the DOI's response, we consider Recommendation 3 resolved but not implemented.

Appendix I: Scope and Methodology

Scope

Our audit scope included performing and reviewing a statistical sample of 385 out of 10,467 items in the U.S. Department of the Interior's (DOI's) Fiscal Year (FY) 2019, first quarter financial and award data submitted in accordance with the Digital Accountability and Transparency Act of 2014 (DATA Act) for publication on USASpending.gov. We checked the sample against the standard 57 DATA elements and any applicable procedures, certifications, documentation, and controls to achieve this process. We projected the results of our statistical sample testing to the DOI's entire FY 2019, first quarter submission. According to the Office of Management and Budget's (OMB's) Management Procedures Memorandum No. 2016-03, data reported by Federal agencies in FY 2019, first quarter will be displayed on USASpending.gov by May 2019.

We also assessed the DOI's internal controls by consulting the Generally Accepted Government Auditing Standards, the FY 2019 *CIGIE* [Council of Inspectors General on Integrity and Efficiency] *FAEC* [Federal Audit Executive Council] *Inspectors General Guide to Compliance under the DATA Act*, and the five components for Federal Government internal controls (see Appendix 2) in the Government Accountability Office's (GAO's) *Green Book*.

Methodology

We conducted the audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence we obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To accomplish our objectives, we—

- Reviewed 385 statistical sample selections of 10,467 total entries in the DOI's FY 2019, first quarter File C submission against the 57 standard DATA elements established by OMB and the U.S. Department of the Treasury.

The sample size of 385 is mathematical, based on the sampling formula for attribute sampling using the following criteria:

1. Confidence Interval: 95 percent
2. Desired Precision: 5 percent
3. Expected Error Rate: 38 percent

The GAO and CIGIE FAEC DATA Act group selected the percentages for confidence level and precision. We based the sample size on these parameters and the error rate on the DOI's FY 2017, second quarter DATA Act error rate of 38 percent.

- Reviewed laws, legislation, directives, and any other regulatory criteria (and guidance) related to the DOI's responsibilities to report financial and payment information under the DATA Act
- Reviewed the DOI's governance structure, processes, and controls planned and/or established
- Conducted interviews and walkthroughs with the DOI's DATA Act working groups responsible for implementing the DATA Act at the agency level
- Assessed the DOI's systems, processes, and internal controls in place over data management under the DATA Act
- Assessed the DOI's internal controls in place over the financial and award data reported to USASpending.gov per OMB Circular No. A-123, *Management's Responsibility for Internal Control*
- Traced the 385 statistical sample selections and their data elements established by the OMB and Treasury back to source systems and/or performed alternate procedures consisting of matching contract line item numbers or purchase order line items to transactions in the Procurement Information System for Management
- Assessed the completeness, timeliness, accuracy, and quality of the financial and award data sampled in files A, B, C, D1, and D2. (We did not audit files E and F because they are compiled from information provided by the General Services Administration's systems.)
- Assessed DOI's implementation and use of the 57 data elements established by the OMB and Treasury
- Interviewed DOI officials responsible for data creation and reporting

We used data from the DOI's Financial and Business Management System (FBMS) in conducting this audit. We also used data from the General Services Administration's (GSA's) FPDS system. The controls over the FBMS were being evaluated as part of the FY19 DOI financial statement audit conducted by KPMG with oversight by the Office of Inspector General during the time we were reviewing the data from the FBMS. Because the KPMG was not finished with its evaluation of the controls over the FBMS, we were only able to partially rely on the KPMG's assessment of the controls pertaining to the financial management systems (i.e., grants, loans, procurement) from which the data elements were derived and linked. As a result, we also traced transactions back to source documents. In addition, under the General Services Administration's FPDS contract, the FPDS was subject to Government certification and accreditation assessments. Consequently, we believe that the data from the GSA system was sufficiently reliable given our audit objectives.

Testing Limitations for Data Reported from Files E and F

File E of the DATA Act Information Model Schema contains additional awardee attribute information the Treasury broker software extracts from the System for Award Management (SAM). File F contains sub-award attribute information the broker software extracts from the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS). Files E and F data remain the responsibility of the awardee in accordance with terms and conditions of Federal agreements, and the quality of these data remains the legal responsibility of the recipient. Therefore, agency senior accountable officials are not responsible for certifying the quality of File E and F data reported by awardees, but they are responsible for assuring controls are in place to verify that financial assistance awardees register in SAM at the time of the award. As such, we did not assess the completeness, timeliness, quality, and accuracy of the data extracted from SAM and FSRS via the Treasury broker software system.

Criteria and Best Practices

- *CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act*, February 14, 2019
- Digital Accountability and Transparency Act of 2014, May 9, 2014
- The DATA Act Information Model Schema Version 1.3, June 29, 2018
- OMB Memorandum M-15-12, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*, May 8, 2015
- OMB Memorandum M-17-04, *Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring DATA Reliability*, November 4, 2016
- OMB Management Procedures Memorandum No. 2016-03, *Additional Guidance for DATA Act Implementation: Implementing Data Centric Approach for Reporting Federal Spending Information*, May 3, 2016
- GAO, *Standards for Internal Controls*, Report No. GAO-14-704G, September 2014

Appendix 2: DOI Internal Controls over the DATA Act Creation and Submission

Results of our Assessment over Internal Controls

Based on our review of the U.S. Department of the Interior's (DOI's) internal controls over the Digital Accountability and Transparency Act of 2014 (DATA Act) requirements, we found that we are unable to fully rely on the internal controls over the data's source systems because our contracted financial statement auditors had not completed the general and application control testing over the DOI's Financial and Business Management System (FBMS). As a result, we traced our sample selection back to the data's source documents to test the completeness, timeliness, accuracy, and quality of the DOI's submitted DATA Act Fiscal Year (FY) 2019, first quarter data. Since the DOI was timely in providing the requested source documentation, we completed fieldwork steps on time.

The following sections outline the DOI's processes for each of the five internal control components.

Control Environment

The control environment is the foundation for an internal control system. It provides the discipline and structure to help an agency achieve its objectives.

The DOI appointed the Principal Deputy Assistant Secretary for Policy, Management and Budget as the senior accountable official (SAO) to oversee the DOI's implementation of the DATA Act. The Principal Deputy Assistant Secretary for Policy, Management and Budget delegated the operational responsibilities to the Director of the Business Integration Office (BIO) to manage the project across multiple DOI bureaus and Federal spending communities.

The financial reporting for the DOI comes from the FBMS, and the DATA Act elements are implemented into the FBMS structure. Governance for the DATA Act requirements falls under and is performed by the existing FBMS executive governance structure, which is led by the SAO and includes members from each bureau. The BIO heads the DATA Act implementation team and communicates information to the SAO through the FBMS executive structure meetings.

Risk Assessment

We reviewed the DOI's risk assessment efforts to identify its basis for developing risk responses and identified that the DOI does not have an enterprise risk management risk profile. The DOI, however, incorporated an outlined risk assessment covering risk areas of the DATA Act in its DATA Quality Plan, which encompasses enterprise risk management principles.

The BIO performs assessments on the FBMS and the requirements of the DATA Act through gap analysis and frequent communication with the Office of Management and Budget (OMB) and the U.S. Department of the Treasury (Treasury). For example, the gap analysis tracks data element differences and challenges between the FBMS, the General Services Administration (GSA), and Treasury systems. These three Federal agencies have systems that assist in creating Federal agency DATA Act files. This analysis helps the DOI report to any implementation

challenges it faces to Treasury and OMB and request feedback. Once the DOI obtains feedback or guidance, it implements any necessary changes in the FBMS or relies on other source systems the GSA owns, such as the System for Award Management (SAM), based on guidance from Treasury.

The FBMS executive structure, which oversees DATA Act implementation, meets to discuss and address challenges with DATA Act implementation identified through gap analysis and external communication.

Control Activities

We reviewed the DOI's control activities—actions established by management through policies and procedures to achieve objectives and respond to risk—in the internal control system, which includes the DOI's information system.

The DOI updated its DATA Act Operation Plan to address FY 2017, second quarter DATA Act findings (see Appendix 3 for our 2017 recommendations), which discusses how to create and review Files A, B, C, D1, and D2 and then submit them to the broker software. We also reviewed the DOI's policy about reporting information to the Federal Procurement Data System – Next Generation (FPDS-NG), a system from which the broker software extracts data to create the agency's DATA Act files. The policy establishes requirements for the entry, review, and certification of FPDS-NG data. We also reviewed the DOI's policy and procedures used to guide reporting information to the Procurement Information System for Management. These policies and procedures appear to be adequate.

We partially relied on our contractor's internal control work on the DOI's general and application controls over the FBMS for the FY 2019 financial statement audit. We also traced our sample selection back to source documents to ensure the accuracy of the reported information. We did not perform an internal control review over the DOI's FBMS general and application controls for data reporting because we would have been duplicating the contractor's efforts.

The DOI also told us that it partially relies on the GSA's assurance statement on the quality of the data pulled from GSA's systems, SAM, and the Federal Subaward Reporting System (FSRS). The statement indicates that SAM and FSRS successfully passed the security controls assessment at the Federal Information Processing Standards 199 moderate impact level, in accordance with the Federal Information Security Management Act and National Institute of Standards and Technology policy guidelines, as well as the GSA security assessment and authorization process.

OMB Circular No. M-17-04, Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability.

For the DATA Act, this document requires that agencies identify intergovernmental transfers (IGTs) and personally identifiable information (PII). We reviewed the Circular and found that the DOI has a process for identifying and reporting IGTs. The DOI identifies an allocation transfer via the Treasury Account Symbol (TAS) and buys/sells transactions via a data element. The DOI uses the TAS two-digit agency identifier to determine whether the transaction is an IGT. The first two-digit TAS indicates the awarding agency and the second two-digit TAS

indicates the funding agency. For example, Files A, B, and C have two included elements named “Allocation Transfer Agency Identifier” and “Agency Identifier.” The former indicates the awarding agency and the latter indicates the funding agency.

The DOI identified buy/sell transactions by setting up a reimbursable agreement and accounted for it using an included file element called “By Direct Reimbursable Funding Source,” identifying the transactions with either a “D” for “direct” or an “R” for “reimbursable.” These transactions were pulled into File C using these indicators.

We inquired as to how the DOI identifies and reports classified and sensitive data and found that it has a process in place to assist in identifying PII. The DOI compared each DATA Act element with customer information to identify whether the data may contain PII.

OMB Circular No. A-123, Management’s Responsibility for Enterprise Risk. Management and Internal Control

The DOI also relied on its contracted external auditors to identify internal control weaknesses in its FBMS via the Financial Statement Audit. This audit assesses Federal agencies’ compliance with OMB Circular No. A-123. The DOI does not perform its own internal audits of the FBMS.

Information and Communication Efforts

We reviewed the information that management and personnel communicate and use to support the internal control system. We found that the DOI appointed a DATA Act SAO who oversees DATA Act implementation for all bureaus and most offices. The DATA Act SAO delegated the operational responsibilities to the Director of the BIO to manage the project across multiple DOI bureaus and Federal spending communities. Each bureau has an executive sponsor for DATA Act implementation, who meets regularly with the DOI’s DATA Act implementation team, led by the BIO, to provide guidance and receive status updates. The BIO also provides periodic updates to the SAO, the bureau sponsors, and other executives, as appropriate, via memos, telephone calls, and monthly meetings.

Further, we identified that the DOI communicated with external sources, including Treasury, the OMB, vendors, and DATA Act working groups, to obtain information supporting its internal controls over the DATA Act. These sources discuss challenges to comply with the DATA Act and work together to resolve them.

Monitoring Activities

We reviewed the DOI’s monitoring activities to identify how DOI management assessed the quality of its performance over time and resolved the findings of audits and other reviews. We identified that both the SAO and DOI management monitor DATA Act process through regular meetings, as well as through review of processes and procedures. If the DOI identifies a risk, the DOI DATA Act group meets to identify potential solutions and then leverage the group’s expertise to execute a course of action. For example, the DOI identified that certain broker software warnings were associated with small dollar obligation modifications that were not closed out after the period of performance ended. The DOI gives priority to closing out higher dollar obligation modifications due to the resources and time it takes to close them out. In attempts to resolve the challenge, the BIO is currently working on a series of processes to

automate certain acquisition award closeouts that have a less than \$100 balance and +120 days after the period of performance end date. Once the series of automated processes closes out an award, the contract officers can review the closeouts prior to certifying them.

Appendix 3: FY 2017, Second Quarter DATA Act Audit Recommendations

Results of our assessment over the Department of the Interior's progress to implement and resolve audit recommendations

Based on our review of the U.S. Department of the Interior's (DOI's) policies, procedures, and Digital Accountability and Transparency Act of 2014 (DATA Act) Operational Plan, we consider the following recommendations implemented and resolved:

1. DOI resolve Treasury broker warnings in its DATA Act files prior to SAO [senior accountable official] certification

OIG Reply: We consider this recommendation partially resolved and implemented. While warnings are still accepted by the Treasury broker, they may cause information to be displayed incorrectly or not at all on USASpending.gov as indicated in this report's discussion of the File C to Files D1 and D2 cross-validation warnings. The DOI should continue to attempt to resolve Treasury broker warnings as they occur.

2. DOI resolve the summation problem to report File C per the DATA Act guidelines

DOI Response: DOI concurred with this recommendation. BIO [Business Integration Office] worked with SAP and resolved the summation problem prior to the third quarter submission.

OIG Reply: We consider this recommendation resolved and implemented.

3. DOI develop and implement written procedures to avoid pulling obligation modifications that are not active in the reporting period

OIG Reply: We consider this recommendation resolved and implemented. We reviewed the DOI's DATA Act Operational Plan and other procedures and identified that the DOI developed and implemented written procedures to avoid pulling obligation modifications that are not active in the reporting period.

4. DOI develop and implement written procedures to ensure that transactions are included in the proper period

OIG Reply: We consider this recommendation resolved and implemented. We reviewed the DOI's DATA Act Operational Plan and other procedures and identified that the DOI developed written procedures to ensure that transactions are included in the proper period.

5. DOI require ONRR [Office of Natural Resource Revenue] and OTFM [Office of Trust Funds Management] to attend the DATA Act meetings and include IBC [Interior Business Center] in the DATA Act governance structure

OIG Reply: We consider this recommendation resolved, but not implemented.

6. DOI develop and implement written procedures over ensuring data accuracy after compiling DOI's DATA Act File B and OTFM and ONRR Excel spreadsheets

OIG Reply: We consider this recommendation resolved and implemented. We reviewed the DOI's DATA Act Operational Plan and procedures over the compilation of the DOI's DATA Act File B and identified it implemented written procedures over ensuring the accuracy after compiling the DOI's DATA Act File B and OTFM and ONRR Excel Spreadsheet.

7. DOI develop and implement written procedures to review Files D1, D2, E, and F prior to SAO certification

OIG Reply: We consider this recommendation resolved and implemented. We recognize that agencies do not have to ensure data quality for GSA [General Services Administration] systems; however, they are required to perform reviews on the files to resolve warnings before submission. We reviewed the DOI's DATA Act Operational Plan and identified that it has procedures to review files D1, D2, E, and F validation warnings.

8. ONRR develop and implement written procedures on its DATA Act file creation

OIG Reply: We consider this recommendation resolved and implemented. We reviewed ONRR's policies and procedures and identified that it documented its process on its DATA Act file creation.

Appendix 4: Response to Draft Report

The DOI's response to our draft report follows on page 26.




United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

MEMORANDUM

To: Mark L. Greenblatt
Inspector General

From: Andrea L. Brandon 
Deputy Assistant Secretary - Budget, Finance, Performance, and Acquisition

Date: 10/31/2019

Subject: Response to Draft Audit Report – U.S. Department of the Interior DATA Act
Submission for First Quarter FY 2019. Report No. 2019-FIN-043

This memorandum is written in response to your memorandum of October 29, 2019 which pertains to the U.S. Department of the Interior's (DOI's) fiscal year 2019 first quarter financial and award data submission audit; which was completed in accordance with the Digital Accountability and Transparency Act of 2014 (DATA Act) and submission standard developed by the U.S. Department of the Treasury (Treasury) and the Office of Management and Budget (OMB).

As is evident in the audit report, the process for quarterly DATA Act submissions is complex and a certain percentage of errors are expected. Based on DOI's FY 2017 error rate of 38 percent; an estimated average error rate of 38 percent was expected for FY 2018. However, we were very pleased to learn that DOI's highest error rate was only 11 percent during this evaluation period. This represents a significant improvement and that DOI has met the CIGIE FAEC standard for "higher" quality.

DOI was assessed on the completeness, timeliness, accuracy, and quality of its data submitted for first quarter FY 2019. A comparison of these results to those from the previous audit conducted for FY 2017 reveals a pattern of improvement:

- completeness improved from 96% to 96.55%
- timeliness improved from 86% to 97.16%
- accuracy improved from 62% to 88.66%

DOI improved their attribute testing results from the audit conducted for FY 2017; completeness improved from 96% to 96.55%; timeliness improved from 86% to 97.16%; accuracy improved from 62% to 88.66%; and moved from a moderate quality standard to a higher quality standard.

Report No. 2019-FIN-043 offers three recommendations to help DOI improve its submissions and comply with standards. Our response to each is as follows:

- Recommendation #1 - Issue guidance to contracting officers on determining accurate obligation dates.
 - RESPONSE: DOI concurs with the recommendation. The Business Integration Office (BIO) will work with the Office of Acquisition and Property Management (PAM) to issue guidance on determining accurate obligation dates.
 - Target Completion Date: December 31, 2020
 - Responsible Official: BIO Director/PAM Director

- Recommendation #2 - Issue guidance to grant officers on determining accurate obligation dates
 - RESPONSE: DOI concurs with the recommendation. The BIO will work with the Office of Grants Management (PGM) to issue guidance on determining accurate obligation dates.
 - Target Completion Date: December 31, 2020
 - Responsible Official: BIO Director/PGM Director

- Recommendation #3 - Update the FBMS to align with the OMB PA descriptions or contact the OMB to update its descriptions
 - RESPONSE: DOI concurs with the recommendation. In collaboration with the Office of Budget (POB), the BIO will evaluate the "warnings" to determine appropriate adjustment(s) to existing processes, including OMB's quarterly BDR process to capture updates in OMB MAX.
 - Target Completion Date: December 31, 2021
 - Responsible Official: BIO Director/POB Director

DOI places a high priority on providing high-quality, transparent Federal spending information to the public and using this data to achieve a more effective and efficient allocation of resources to meet mission needs and improve overall agency performance. We are proud of the efficiency and timeliness of Interior's DATA Act implementation and ongoing efforts to support quarterly submissions. Thank you for your interest in this important endeavor.

Appendix 5: Status of Recommendations

In response to our findings, the DOI concurred with all 3 recommendations.

Recommendations	Status	Action Required
1. Issue guidance to contracting officers on determining accurate obligation dates	Resolved but not implemented	We will refer this recommendation to the Assistant Secretary for Policy, Management and Budget for implementation tracking.
2. Issue guidance to grant officers on determining accurate obligation dates	Resolved but not implemented	We will refer this recommendation to the Assistant Secretary for Policy, Management and Budget for implementation tracking.
3. Update the FBMS to align with the OMB PA descriptions or contact OMB to update its descriptions	Resolved but not implemented	We will refer this recommendation to the Assistant Secretary for Policy, Management and Budget for implementation tracking.

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