



October 28, 2021

MEMORANDUM TO: Daniel H. Dorman
Executive Director for Operations

Cherish K. Johnson
Chief Financial Officer

FROM: Eric Rivera **/RA/**
Acting Assistant Inspector General for Audit

SUBJECT: AUDIT OF THE NRC'S COMPLIANCE WITH THE DIGITAL
ACCOUNTABILITY AND TRANSPARENCY ACT OF 2014
(OIG-22-A-02)

The Office of the Inspector General (OIG) contracted CliftonLarsonAllen (CLA) to conduct an independent audit of the NRC's implementation of the DATA Act of 2014 (DATA Act). Attached is CLA's audit report titled *Audit of the NRC's Compliance with the Digital Accountability and Transparency Act of 2014*. The audit objectives were to assess (1) the completeness, accuracy, timeliness, and quality of the fiscal year (FY) 2020 quarter 3 financial and award data submitted for publication on USASpending.gov, and (2) the NRC's implementation and use of the Government-wide financial data standards established by the Office of Management and Budget and the U.S. Department of the Treasury.

The findings and conclusions presented in this report are the responsibility of CLA. The OIG's responsibility is to provide adequate oversight of the contractor's work in accordance with *Generally Accepted Government Auditing Standards*.

The report presents the results of the audit. Following the exit conference, agency staff indicated that they had no formal comments for inclusion in this report.

CLA found that the NRC's FY 2020, quarter 3 submission was generally complete, accurate, and timely. Although CLA noted some minor errors in record-level data linkages between Files C and D1, which were also identified by the NRC, and some accuracy errors in record-level data elements tested for completeness, accuracy, and

timeliness, CLA determined that the quality of the NRC's data was of excellent quality overall.

Please provide information on actions taken or planned on each of the recommendation(s) within 30 calendar days of the date of this memorandum. Actions taken or planned are subject to OIG follow-up as stated in Management Directive 6.1. We appreciate the cooperation extended to us by members of your staff during the audit. If you have any question or comments about our report, please contact me at (301) 415-5915 or Terri Cooper, Team Leader, at (301) 415-5965.



CliftonLarsonAllen LLP
CLAconnect.com

Nuclear Regulatory Commission (NRC)

Performance Audit Report The NRC's Compliance under the Digital Accountability and Transparency (DATA) Act of 2014

Fiscal Year 2020, Quarter 3, DATA Act Submission

**Prepared by:
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October 8, 2021

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INDEPENDENT AUDITORS' REPORT

Inspector General
United States Nuclear Regulatory Commission

CliftonLarsonAllen LLP (CLA), an independent certified public accounting firm, was contracted by the United States Nuclear Regulatory Commission (NRC) Office of the Inspector General (OIG) to conduct a performance audit on the NRC's compliance under the Digital Accountability and Transparency Act (DATA Act). This report represents the results of our performance audit of the NRC's compliance under the DATA Act, the objectives of which are to assess (1) the completeness, accuracy, timeliness and quality of NRC's fiscal year (FY) 2020 quarter 3 financial and award data submitted for publication on USASpending.gov, and (2) NRC's implementation and use of the Government-wide financial data standards established by Office of Management and Budget (OMB) and the U.S. Department of the Treasury (Treasury).

We conducted our performance audit in accordance with auditing standards generally accepted in the United States of America, as applicable to performance audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform our 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 obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit found that NRC's FY 2020 quarter 3 submission was generally complete, accurate and timely. Although we noted some minor errors in record-level data linkages between Files C and D1 which were also identified by NRC and some accuracy errors in record-level data elements tested for completeness, accuracy, and timeliness, we determined that the quality of NRC's data was of excellent quality¹ overall. We also found that NRC implemented and used the Government-wide financial data standards established by OMB and Treasury.

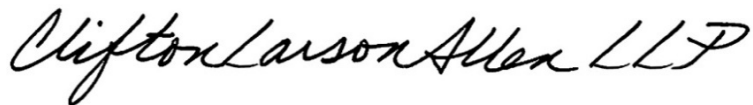
We provided a discussion draft report to NRC on October 19, 2021. An exit conference was held subsequently with NRC on October 26, 2021. After reviewing the discussion draft, NRC management provided comments that have been incorporated into this report, as appropriate. NRC management stated their agreement with the results and recommendation in this report and opted not to provide formal comments for inclusion in this report.

¹ The IG Guide includes a scorecard spreadsheet that calculates the quality of the data based on the answers to questions and data input by auditors. Quality of data is categorized as low, moderate, higher, and excellent based on points range.

Our work did not include an assessment of the sufficiency of internal control over financial reporting or other matters not specifically outlined in the enclosed report. CLA cautions that projecting the results of our performance audit to future periods is subject to the risks that conditions may materially change from their current status. The information included in this report was obtained from NRC on or before October 8, 2021. We have no obligation to update our report or to revise the information contained herein to reflect events and transactions occurring subsequent to October 8, 2021.

The purpose of this audit report is to report on NRC's FY 2020 quarter 3 financial and award data for publication on USASpending.gov in compliance with the DATA Act, and is not suitable for any other purpose.

CliftonLarsonAllen LLP

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

Arlington, VA
October 8, 2021

ABBREVIATIONS AND SHORT REFERENCES

ADM	Office of Administration
Award ID	Award Identification
CIGIE	Council of the Inspectors General on Integrity and Efficiency
CLA	CliftonLarsonAllen LLP
COVID-19	Coronavirus Disease 2019
DAIMS	DATA Act Information Model Schema
DATA Act	Digital Accountability and Transparency Act of 2014
DE	Data Element
FABS	Financial Assistance Broker Submission
FAEC	Federal Audit Executive Council
FAIMIS	Financial Accounting and Integrated Management Information System
FAIN	Financial Assistance Identifier Number
FAR	Federal Acquisition Regulation
FFATA	Federal Funding Accountability and Transparency Act of 2006
FPDS-NG	Federal Procurement Data System – Next Generation
FSRS	FFATA Subaward Reporting System
FY	Fiscal Year
GAO	Government Accountability Office
GTAS	Government-wide Treasury Account Symbol
IDD	Interface Definition Document
IDV	Indefinite Delivery Vehicles
IG	Inspector General
NRC	Nuclear Regulatory Commission
OCFO	Office of the Chief Financial Officer
OIG	Office of the Inspector General
OMB	Office of Management and Budget
PIID	Procurement Instrument Identifier Number
RSS	Reporting Submission Specification
SAM	System for Award Management
SAO	Senior Accountable Official
STAQS	Strategic Acquisition System
TAS	Treasury Account Symbol
Treasury	Department of the Treasury
Working Group	FAEC DATA Act Working Group

I. OBJECTIVES

The objectives of our performance audit were to assess the:

- (1) completeness, accuracy, timeliness and quality of the FY 2020 quarter 3 financial and award data submitted by NRC for publication on USASpending.gov, and
- (2) NRC's implementation and use of the Government-wide financial data standards established by the OMB and the Treasury.

II. BACKGROUND

The DATA Act requires Federal agencies to report financial and award data in accordance with the established Government-wide financial data standards. In May 2015, the OMB and Treasury published 57 data definition standards (commonly referred to as data elements or DEs) and required Federal agencies to report financial and award data in accordance with these standards for DATA Act reporting starting in January 2017. Subsequently, and in accordance with the DATA Act, Treasury began displaying Federal agencies' data on USASpending.gov for taxpayers and policy makers in May 2017.

In April 2020, OMB issued M-20-21, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease (COVID-19)*, which made changes to DATA Act reporting. Agencies that received COVID-19 supplemental relief funding must submit DATA Act files A, B, and C on a monthly basis starting with the June 2020 reporting period. These monthly submissions must also include a running total of outlays for each award in File C funded with COVID-19 supplemental relief funds.

The DATA Act also requires the Inspector General (IG) of each Federal agency to audit a statistically valid sample (for non-covid obligations) and non-statistically valid sample (for COVID outlays) of the spending data submitted by its Federal agency and to submit to Congress a publicly available report assessing the completeness, accuracy, timeliness, and quality of the data sampled, and the implementation and use of the Government-wide financial data standards by the Federal agency.

The Council of the Inspectors General on Integrity and Efficiency (CIGIE) identified a timing anomaly with the oversight requirement contained in the DATA Act. That is, the first IG reports were due to Congress in November 2016; however, Federal agencies were not required to report spending data until May 2017. To address this reporting date anomaly, the IGs provided Congress with their first required reports by November 8, 2017, one year after the statutory due date, with two subsequent reports to be submitted following on a 2-year cycle. On December 22, 2015, CIGIE's chair issued a letter detailing the strategy for dealing with the IG reporting date anomaly and communicated the strategy to the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform. The CIGIE's date anomaly letter memorializing this strategy can be found in Appendix VIII.

Following the results of the 2017 and 2019 audits, the CIGIE Federal Audit Executive Council (FAEC) Working Group compiled a listing of lessons learned and incorporated this feedback into the *CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act*, referred to as the IG Guide. In consultation with the Government Accountability Office (GAO), as required by the DATA Act, the Working Group developed the IG Guide to set a baseline framework for the required reviews performed by the IG community and to foster a common methodology for performing these mandates. The IG Guide was updated for the third required report, due November 8, 2021, based on feedback from the IG community, GAO, and other stakeholders.

III. ANALYSIS OF RESULTS AND QUALITY ASSESSMENT

Our audit found that NRC's FY 2020 quarter 3 submission was generally complete, accurate and timely. Although we noted some minor errors in record-level data linkages between Files C and D1 which were also identified by NRC, and accuracy errors in record-level data elements tested for completeness, accuracy, and timeliness, we determined that the quality of NRC's data was of excellent quality overall. In addition, NRC implemented and used the Government-wide financial data standards in accordance with the standards established by OMB and Treasury.

III.1 NON-STATISTICAL RESULTS

A. Timeliness of the Agency Submission

We evaluated NRC's DATA Act submission to Treasury DATA Act Broker and determined that the submission was timely. We verified that NRC's Senior Accountable Official (SAO) certified its submission in the Treasury DATA Act Broker on August 14, 2020, which was the submission due date.

B. Completeness of Summary-Level Data for Files A and B

We performed reconciliation of summary-level data and linkages for Files A and B and found NRC's submission to be complete. Completeness of the agency submission is defined as transactions and events that should have been recorded are recorded in the proper period.

To assess the completeness of File A, we verified that File A included all Treasury Account Symbols (TAS) from which funds were obligated as reflected in the Government-wide TAS (GTAS) SF-133 without error. All summary-level data from File A matched the GTAS SF-133 data elements.

To assess the completeness of File B, we compared the data in File B to the TASs listed in File A and verified that all TASs in File A are accounted for in File B without error. We verified that the totals of File A and B were equal, and all object class codes from File B match the codes defined in Section 83 of OMB Circular A-11.²

² OMB A-11, Preparation, Submission, and Execution of the Budget (July 1, 2016); Section 83 of OMB A-11 can be found at https://obamawhitehouse.archives.gov/sites/default/files/omb/assets/a11_current_year/s83.pdf

C. Suitability of File C for Sample Selection

File C links to File B through the TAS, object class, and program activity data elements. We assessed this linkage by tracing these elements from File C to File B to ensure they exist in File B. We found that File C is complete and was suitable for sampling.

D. Record-Level Linkages for Files C and D1/D2

File C links to File D1 by the Award Identification (Award ID) Number. We assessed the linkage between the File C and File D1 to ensure that all Award ID Numbers that exist in File C, exist in File D1 and vice-versa.

CLA was not able to test the linkages between File C and File D1 by matching the Procurement Instrument Identifier Numbers (PIIDs)³ and Parent Award IDs, as the formatting differs between the files. CLA materially agreed the "TransactionObligatedAmount" in File C to "FederalActionObligation" in file D1. We determined the variance would not have an adverse impact on the overall quality of the DATA Act submission as it represents an insignificant portion of the overall population. As such, we also determined that it did not have an impact on the suitability of File C for testing.

We assessed the linkage between File C and File D2 to ensure that all Award ID Numbers that exist in File C, exist in File D2 and vice-versa.

E. COVID-19 Outlay Testing and Results

We selected a non-statistical sample of 8 records out of 41 File C outlay records from the third month of the FY 2020 quarter 3 DATA Act submission. We utilized similar parameters to the statistical sample in order to determine an appropriate sample size, and then selected a random sample of outlays for testing. Our testing included assessing the Parent Award ID number, PIID, object class, appropriations account, obligation, program activity, outlay, and File C outlays data elements for completeness, accuracy, and timeliness. Based on our testing, we found that File C outlays for our sample of 8 records were complete, accurate, and timely. This non-statistical sample design did not allow projection of the test results to the universe from which the sample were selected.

³ PIIDs are the Award ID for procurement awards

III.2 STATISTICAL RESULTS

Data Element (DE) Analysis

We selected a sample of 60 records from the population in File C and tested 2,744 data elements for completeness, accuracy, and timeliness. One of the 60 samples related to a grant (sample 13). See Appendix V Scope and Methodology for description of the sampling methodology. The test results are consistent with the risks identified in the agency's data quality plan. The summary result of PIID/Financial Assistance Identifier Number (FAIN) testing is shown in Table 1:

Sample Record #	Total # DEs	# Incomplete		# Inaccurate		# Untimely	
1	45	0	0.00%	0	0.00%	0	0.00%
2	45	0	0.00%	0	0.00%	0	0.00%
3	45	0	0.00%	0	0.00%	0	0.00%
4	46	0	0.00%	0	0.00%	0	0.00%
5	45	0	0.00%	0	0.00%	0	0.00%
6	47	0	0.00%	0	0.00%	0	0.00%
7	47	0	0.00%	0	0.00%	0	0.00%
8	47	0	0.00%	0	0.00%	0	0.00%
9	45	0	0.00%	0	0.00%	0	0.00%
10	44	0	0.00%	0	0.00%	0	0.00%
11	45	0	0.00%	0	0.00%	0	0.00%
12	47	0	0.00%	0	0.00%	0	0.00%
13	39	0	0.00%	0	0.00%	0	0.00%
14	47	0	0.00%	0	0.00%	0	0.00%
15	45	0	0.00%	0	0.00%	0	0.00%
16	47	0	0.00%	0	0.00%	0	0.00%
17	47	0	0.00%	0	0.00%	0	0.00%
18	45	0	0.00%	0	0.00%	0	0.00%
19	47	0	0.00%	0	0.00%	0	0.00%
20	47	0	0.00%	0	0.00%	0	0.00%
21	45	0	0.00%	0	0.00%	0	0.00%
22	47	0	0.00%	0	0.00%	0	0.00%
23	45	0	0.00%	0	0.00%	0	0.00%
24	47	0	0.00%	0	0.00%	0	0.00%
25	45	0	0.00%	0	0.00%	0	0.00%
26	44	0	0.00%	0	0.00%	0	0.00%
27	45	0	0.00%	0	0.00%	0	0.00%
28	45	0	0.00%	0	0.00%	0	0.00%
29	46	0	0.00%	2	4.35%	0	0.00%
30	46	0	0.00%	0	0.00%	0	0.00%

Sample Record #	Total # DEs	# Incomplete		# Inaccurate		# Untimely	
31	47	0	0.00%	0	0.00%	0	0.00%
32	45	0	0.00%	0	0.00%	0	0.00%
33	45	0	0.00%	0	0.00%	0	0.00%
34	47	0	0.00%	1	2.13%	0	0.00%
35	47	0	0.00%	0	0.00%	0	0.00%
36	47	0	0.00%	0	0.00%	0	0.00%
37	46	0	0.00%	2	4.35%	0	0.00%
38	47	0	0.00%	0	0.00%	0	0.00%
39	47	0	0.00%	2	4.26%	0	0.00%
40	47	0	0.00%	0	0.00%	0	0.00%
41	45	0	0.00%	0	0.00%	0	0.00%
42	45	0	0.00%	0	0.00%	0	0.00%
43	47	0	0.00%	0	0.00%	0	0.00%
44	47	0	0.00%	1	2.13%	0	0.00%
45	47	0	0.00%	0	0.00%	0	0.00%
46	45	0	0.00%	0	0.00%	0	0.00%
47	44	0	0.00%	0	0.00%	0	0.00%
48	47	0	0.00%	1	2.13%	0	0.00%
49	45	0	0.00%	0	0.00%	0	0.00%
50	45	0	0.00%	1	2.22%	0	0.00%
51	45	0	0.00%	0	0.00%	0	0.00%
52	44	0	0.00%	0	0.00%	0	0.00%
53	45	0	0.00%	0	0.00%	0	0.00%
54	45	0	0.00%	0	0.00%	0	0.00%
55	45	0	0.00%	0	0.00%	0	0.00%
56	45	0	0.00%	0	0.00%	0	0.00%
57	47	0	0.00%	0	0.00%	0	0.00%
58	45	0	0.00%	0	0.00%	0	0.00%
59	47	0	0.00%	0	0.00%	0	0.00%
60	47	0	0.00%	1	2.13%	0	0.00%
Total DEs Tested	2,744						
Total Errors		0		11		0	
Error Rate		0.0%		0.4%		0.0%	

Table 1: Summary Results of PIID/FAIN Testing for Completeness, Accuracy, Timeliness

See Appendix II for the NRC's Results of the Data Element Test.

Completeness – Actual Error Rate

The actual overall error rate for the completeness of the data elements tested is 0.0%. A data element was considered complete if the required data element that should have been reported was reported.

Accuracy – Actual Error Rate

The actual overall error rate for the accuracy of the data elements tested is 0.4%⁴. A data element was considered accurate when amounts and other data relating to recorded transactions were recorded in accordance with the DATA Act Information Model Schema (DAIMS), Reporting Submission Specification (RSS), Interface Definition Document (IDD), and the online data dictionary, and agree with the originating award documentation/contract file. See Description of Errors below for description of root cause of the error.

Timeliness – Actual Error Rate

The actual overall error rate for the timeliness of the data elements tested is 0.0%. The timeliness of data elements was based on the reporting schedules defined by the financial, 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 (FABS), and DAIMS).

Descriptions of Errors

The following errors were identified during the test of the detailed record-level data elements.

Error 1: For three (3) records, the NAICS code per File D1 did not agree to the NAICS code per the STAQS procurement system.

Per NRC's Analysis of the exceptions, the NAICS codes per Strategic Acquisition System (STAQS) is correct. The NAICS code in File D1 is being populated from the master (IDV) award. Since these task orders are created from an IDV award, FPDS-NG references the code from the master contract. The NAICS code cannot be changed on the task order under the IDV. IDV contracts are large contracts that include large scopes of work that can cover several NAICS codes. The NAICS code selected covers the majority of the work in the IDV, and a task order may have a different one. This is a known issue with FPDS-NG.

Error 2: For four (4) records, the Period of Performance Start Date per File D1 did not agree to the Period of Performance Start Date per STAQS.

Per NRC's Analysis of the exceptions related to samples 34, 44, and 48, STAQS is sending over the STAQS System Award Date to FPDS-NG because the Effective Date was not completed. This is an NRC oversight and will be addressed by NRC via continuous training.

⁴ Based on a 95% (exact) confidence level, the confidence interval is between 0.17%-0.79%.

Per NRC's Analysis of the exception related to sample 60, there was a typo made when NRC personnel entered the summary level period of performance start date information in STAQS. This is an NRC error which NRC will correct.

Error 3: For one (1) record, the Period of Performance Current End Date per File D1 did not agree to the Period of Performance Current End Date per STAQS.

Per NRC's Analysis of the exception related to sample 50, the STAQS date is correct; however, there appears to be a typo in the Override Date section in STAQS, which was transmitted to FPDS-NG for the Current End Date appearing in D1. The End Date per D1 should be 2021 not 2020. This was an NRC error which NRC will correct.

Analysis of the Accuracy of the Dollar Value-Related Data Elements

We did not find errors in our analysis of the accuracy of the dollar value-related data elements.

Analysis of Errors in Data Elements Not Attributable to NRC

Table 2 shows errors that were caused by an entity other than NRC. See Error 1 above.

PIID/FAIN	DATA Element		Attributed To
PIID	DE 17	NAICS Code	FPDS-NG extracting from master contract instead of individual task order
PIID	DE 18	NAIC Description	FPDS-NG extracting from master contract instead of individual task order

Table 2: Analysis of Errors in Data Elements Not Attributable to NRC

NRC explained the NAICS codes per the STAQS procurement system is correct. The NAICS code in File D1 is being populated from the master (IDV) award by FPDS-NG rather than the task order. See explanation in Error 1.

III.3 OVERALL DETERMINATION OF QUALITY

Based on the results of our statistical and non-statistical testing, NRC scored 99.88 points, which is a quality rating of excellent⁵. The quality of the data elements was determined using the midpoint of the range of the proportion of errors (error rate) for completeness, accuracy and timeliness. The highest of the three error rates was used as the determining factor of quality. Table 3 provides the range in determining the quality of the data elements.

Quality Level		
Range		Level
0	69.999	Lower
70	84.999	Moderate
85	94.999	Higher
95	100	Excellent

Table 3: Range of Quality Level⁶

III.4 IMPLEMENTATION AND USE OF THE DATA STANDARDS

We have evaluated and determined that NRC fully implemented and use the government-wide financial standards for spending information as developed by OMB and Treasury. This is evidenced through NRC's use of common identifiers to link all of the data elements in their procurement, financial, and grants systems.

III.5 ASSESSMENT OF INTERNAL CONTROLS

Assessment of Internal Control over Source Systems

The NRC uses the STAQS and the Financial Accounting and Integrated Management Information System (FAIMIS) for processing and recording its procurement and financial award activities. The STAQS is a procurement system that supports NRC's purchase requisition and contract award processes. FAIMIS is the financial system used to record the accounting transactions related to the contract award and contract modification activities. Transactions entered through STAQS interface real-time with FAIMIS. Collectively, these systems are the sources of information used to report the FY 2020 quarter 3 financial data as required by the DATA Act.

In performing NRC's FY 2020 financial statements audit, CLA assessed the internal controls over the STAQS and FAIMIS and determined that the controls were properly designed, implemented, and operating effectively. We relied on this assessment of internal controls over source systems for the DATA Act.

⁵ A scorecard spreadsheet is included in the IG Guide which is used to calculate the quality of the data based on the answers to questions and data input by auditors.

⁶ Source of table 3 and quality rating determinations is the IG Guide, Section 820, Quality Assessment - Scorecard

Assessment of Internal Control over the Data Management and Processes (DATA Act Submission)

Through review of NRC's DATA Act process narratives, review of NRC's DATA Act Desk Guide and discussions with management, CLA obtained an understanding of NRC's processes for reconciling data variances, identifying root causes of errors, and certifying the data submitted to the DATA Act broker.

CLA obtained read-only access to the Treasury's DATA Act Broker submission portal for purposes of reviewing NRC's Files A-F for FY 2020 quarter 3 DATA Act submission. Additionally, NRC provided their final Broker warnings and Final DATA Act reconciliation for the same period. We reviewed NRC's final Broker warnings files and the reconciliations they performed to evaluate NRC's performance of internal control over the data quality, accuracy, timeliness and completeness prior to the final data certification.

We assessed internal controls and compliance with laws and regulations necessary to satisfy the audit objective. In particular, we assessed whether NRC has sufficient controls in place to ensure that the FY 2020 quarter 3 DATA Act submission was complete, accurate and timely in accordance with applicable OMB and Treasury guidance.

Our review was limited to these internal controls relevant to our performance objectives and will not disclosed all internal control deficiencies that may have existed at the time of this audit.

III.6 RECOMMENDATION

1. NRC should improve controls around information in STAQS to ensure data in file D1 included in USAspending.gov is accurate. The control should ensure contract information agrees to STAQS summary information submitted to FPDS-NG.

IV. REPORT DISTRIBUTION

NRC Distribution

Executive Director for Operations
Office of the Chief Financial Officer
Office of the General Counsel

Non-NRC Distribution

United States Senate Committee on Homeland Security and Governmental Affairs
The Honorable Gary C. Peters, Chairman
The Honorable Robert J. Portman, Ranking Member

United States House Committee on Oversight and Reform
The Honorable Carolyn B. Maloney, Chairwoman
The Honorable, James R. Comer, Ranking Member

United States Senate Committee on the Budget
The Honorable Bernard Sanders, Chairman
The Honorable Lindsey O. Graham, Ranking Member

United States House Committee on the Budget
The Honorable John A. Yarmuth, Chairman
The Honorable Jason T. Smith, Ranking Member

United States Senate Committee on Finance
The Honorable Ronald Lee Wyden, Chairman
The Honorable Michael D. Crapo, Ranking Member

United States House Committee on Financial Services
The Honorable Maxine Waters, Chairman
The Honorable Patrick T. McHenry, Ranking Member

GAO - Report electronically submitted to DATAActImplementation@gao.gov
Treasury OIG - Report electronically submitted to DATAAct@oig.treas.gov

APPENDICES

APPENDIX I – NRC’s MANAGEMENT COMMENT

We provided a discussion draft report to NRC on October 19, 2021. An exit conference was held subsequently with NRC on October 26, 2021. After reviewing the discussion draft, NRC management provided comments that have been incorporated into this report, as appropriate. NRC management stated their agreement with the results and recommendation in this report and opted not to provide formal comments for inclusion in this report.

APPENDIX II – NRC’s RESULTS OF THE DATA ELEMENTS TEST

NRC results of the data elements test listed in descending order by accuracy error rate percentage.

File	Data Element Number	Data Element Name	Error Rate		
			A	C	T
D1	DE 26	Period of Performance Start Date	7%	0%	0%
D1	DE 17	NAICS Code	5%	0%	0%
D1	DE 18	NAICS Description	5%	0%	0%
D1	DE 27	Period of Performance Current End Date	2%	0%	0%

APPENDIX III – COMPARATIVE RESULTS

File	Data Element Number	Data Element Name	Error Rate 2021	Error Rate 2019	% Change
D1	DE 26	Period of Performance Start Date	2%	28%	-26%
D1	DE 5	Legal Entity Address	0%	17%	-17%
D1	DE 4	Ultimate Parent Legal Entity Name	0%	15%	-15%
D1	DE 17	NAICS Code	2%	17%	-15%
D1	DE 18	NAICS Description	2%	15%	-13%
D1	DE 6	Legal Entity Congressional District	0%	5%	-5%
D1	DE 3	Ultimate Parent Unique Identifier	0%	4%	-4%
D1	DE 1	Awardee/Recipient Legal Entity Name	0%	4%	-4%
D1	DE 2	Awardee/Recipient Unique Identifier	0%	4%	-4%
D1	DE 24	Parent Award ID Number	0%	4%	-4%
D1	DE 30	Primary Place of Performance Address	0%	3%	-3%
D1	DE 31	Primary Place of Performance Congressional District	0%	3%	-3%
D1	DE 14	Current Total Value of Award	0%	3%	-3%
D1	DE 15	Potential Total Value of Award	0%	3%	-3%
D1	DE 11	Federal Action Obligation	0%	3%	-3%
D1	DE 16	Award Type	0%	3%	-3%
D1	DE 22	Award Description	0%	3%	-3%
D1	DE 23	Award Modification / Amendment Number	0%	3%	-3%
D1	DE 25	Action Date	0%	3%	-3%
D1	DE 28	Period of Performance Potential End Date	0%	3%	-3%
D1	DE 29	Ordering Period End Date	0%	3%	-3%
D1	DE 32	Primary Place of Performance Country Code	0%	3%	-3%
D1	DE 33	Primary Place of Performance Country Name	0%	3%	-3%
D1	DE 34	Award ID Number	0%	3%	-3%
D1	DE 36	Action Type	0%	3%	-3%
D1	DE 38	Funding Agency Name	0%	3%	-3%
D1	DE 39	Funding Agency Code	0%	3%	-3%
D1	DE 40	Funding Sub Tier Agency Name	0%	3%	-3%
D1	DE 41	Funding Sub Tier Agency Code	0%	3%	-3%
D1	DE 42	Funding Office Name	0%	3%	-3%
D1	DE 43	Funding Office Code	0%	3%	-3%
D1	DE 44	Awarding Agency Name	0%	3%	-3%
D1	DE 45	Awarding Agency Code	0%	3%	-3%

File	Data Element Number	Data Element Name	Error Rate 2021	Error Rate 2019	% Change
D1	DE 46	Awarding Sub Tier Agency Name	0%	3%	-3%
D1	DE 47	Awarding Sub Tier Agency Code	0%	3%	-3%
D1	DE 48	Awarding Office Name	0%	3%	-3%
D1	DE 49	Awarding Office Code	0%	3%	-3%
D1	DE 7	Legal Entity Country Code	0%	3%	-3%
D1	DE 8	Legal Entity Country Name	0%	3%	-3%
D1	DE 27	Period of Performance Current End Date	1%	3%	-2%
C	DE 53	Obligation	0%	1%	-1%
C	DE 24	Parent Award ID Number	0%	0%	0%
D1	DE 163	National Interest Action	0%	0%	0%
C	DE 430	Disaster Emergency Code	0%	0%	0%
C	DE 34	Award ID Number (PIID)	0%	0%	0%
C	DE 50	Object Class	0%	0%	0%
C	DE 51	Appropriations Account	0%	0%	0%
C	DE 56	Program Activity	0%	0%	0%

APPENDIX IV – STATUS OF FISCAL YEAR 2019 DATA ACT FINDINGS

We reviewed FY 2019 recommendations to evaluate NRC’s implementation of the corrective actions. NRC has implemented the recommendations made in FY 2019 Data Act report; however, as shown in the errors we noted in the 2021 testing, additional corrective actions are still needed.

FY 2019 Finding	Corrective Action	Status of Finding
1. We recommend that NRC enhance its internal control and detective procedures surrounding DATA Act submissions. Procedures should include reviewing all records in File C and verifying that they have corresponding transactions in Files D1 and D2. Additionally, NRC should consider increasing the size of samples selected for record level testing between Files C, D1, and D2.	The Office of Administration (ADM) worked with the Office of the Chief Financial Officer (OCFO) to enhance internal controls and detective procedures surrounding DATA Act submissions. Procedures included reviewing all records in File C and verifying they have corresponding transaction in Files D1 and D2. NRC considered increasing the size of samples selected for record level testing between Files C, D1, and D2. In 2021, CLA noted improvements in NRC’s DATA Act controls and DATA act submission accuracy, timeliness, and completeness.	Closed

APPENDIX V – SCOPE AND METHODOLOGY

Scope

The scope of this performance audit is NRC's FY 2020 Quarter 3 financial and award data submitted to the DATA Act Broker system.

File E of the DAIMS contains additional awardee attribute information the Treasury DATA Act Broker software extracts from the System of Award Management (SAM). File F contains sub-award attribute information the Broker software extracts from the FFATA Subaward Reporting System (FSRS). Files E and F data remain the responsibility of the awardee in accordance with the terms and conditions of the Federal agreements, and the quality of these data remains the legal responsibility of the recipient. Therefore, agency SAOs 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.

Methodology

Our audit methodology is prescribed in the CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act (IG Guide) dated December 4, 2020. We performed our audit in accordance with the Government Audit Standards. A general summary of audit procedures consistent with the IG Guide include:

- Obtaining an understanding of any regulatory criteria related to NRC's responsibilities to report financial and award data under the DATA Act;
- Reviewing NRC's data quality plan;
- Assessing the internal and information system controls in place as they relate to the extraction of data from the source systems and the reporting of data to Treasury's DATA Act Broker, in order to assess audit risk and design audit procedures;
- Reviewing and reconciling the FY 2020 quarter 3 summary-level data submitted by the agency for publication on USASpending.gov;
- Reviewing a statically valid sample the records from FY 2020, quarter 3 financial and award data submitted by the agency for publication on USASpending.gov;
- Assessing the completeness, accuracy, timeliness, and quality of the financial and award data sampled;
- Assessing NRC's implementation and use of the 59 data elements/standards established by OMB and Treasury; and
- Obtaining the SAO certification to determine whether the quarterly assurance on NRC's controls supporting the reliability and validity of the agency's summary-level and award-level data reported for publication on USASpending.gov is supported.

Sampling Methodology

Our sampling methodology was based on the guidance in Appendix 5, Technical Statistical Sampling Technique, of the IG Guide. The IG Guide (Section 720) indicated that the estimated percentage of error rate in the population to be sampled will be determined based on the results of the November 2019 and subsequent testing of the DATA Act information, and additional information that the IG has accumulated related to the agency's internal controls and corrective actions from previous audits. If all error rates are less than 20%, then a 20% expected error rate should be used. CLA used the expected error rate of 20% based on the results of November 2019 DATA Act audit report. We statistically selected 60 records reported in File C out of 625 records using the following parameters to calculate our randomly selected sample size:

- Population size of 625 records
- Confidence level of 95%
- Expected error rate of 20%
- Sample precision of 5%

APPENDIX VI – FEDERAL SPENDING TRANSPARENCY DATA STANDARDS

(59 standards)

Number ⁷	Data Element	Data Standards ⁸⁹
1	Appropriations Account	Account Level
2	Budget Authority Appropriated	Account Level
3	Object Class	Account Level
4	Obligation	Account Level
5	Other Budgetary Resources	Account Level
6	Outlay	Account Level
7	Program Activity	Account Level
8	Treasury Account Symbol (excluding sub-account)	Account Level
9	Unobligated Balance	Account Level
10	Action Date	Award Characteristic
11	Action Type	Award Characteristic
12	Award Description	Award Characteristic
13	Award Identification (ID) Number	Award Characteristic
14	Award Modification/Amendment Number	Award Characteristic
15	Award Type	Award Characteristic
16*	Business Types	Award Characteristic
17	CFDA Number	Award Characteristic
18	CFDA Title	Award Characteristic
19	NAICs Code	Award Characteristic
20	NAICS Description	Award Characteristic
21	Ordering Period End Date	Award Characteristic
22	Parent Award Identification (ID) Number	Award Characteristic
23	Period of Performance Current End Date	Award Characteristic
24	Period of Performance Potential End Date	Award Characteristic
25	Period of Performance Start Date	Award Characteristic
26	Primary Place of Performance Address	Award Characteristic
27	Primary Place of Performance Congressional District	Award Characteristic
28	Primary Place of Performance Country Code	Award Characteristic
29	Primary Place of Performance Country Name	Award Characteristic
30	Record Type	Award Characteristic

⁷ This is a sequential numbering and does not correspond to the data element number in test results. This information is presented to show the data standards by group.

⁸ Source: <https://fedspendingtransparency.github.io/data-elements/>. All federal agencies are required to report financial and award data for these 59 data elements in accordance with the published data standards.

⁹ The National Interest Action and Disaster Emergency Fund Code were required as part of the DATA Act submissions for FY21; however, they are not included as part of the Federal Spending Transparency Data Standards

Number⁷	Data Element	Data Standards⁸⁹
31	Amount of Award	Award Amount
32	Current Total Value of Award	Award Amount
33	Federal Action Obligation	Award Amount
34	Non-Federal Funding Amount	Award Amount
35	Potential Total Value of Award	Award Amount
36	Awardee/Recipient Legal Entity Name	Awardee and Recipient
37	Awardee/Recipient Unique Identifier	Awardee and Recipient
38	Highly Compensated Officer Name	Awardee and Recipient
39	Highly Compensated officer Total Compensation	Awardee and Recipient
40	Legal Entity Address	Awardee and Recipient
41	Legal Entity Congressional District	Awardee and Recipient
42	Legal Entity Country Code	Awardee and Recipient
43	Legal Entity Country Name	Awardee and Recipient
44	Ultimate Parent Legal Entity Name	Awardee and Recipient
45	Ultimate Parent Unique Identifier	Awardee and Recipient
46	Awarding Agency Code	Awarding Entity
47	Awarding Agency Name	Awarding Entity
48	Awarding Office Code	Awarding Entity
49	Awarding Office Name	Awarding Entity
50	Awarding Sub Tier Agency Code	Awarding Entity
51	Awarding Sub Tier Agency Name	Awarding Entity
52	Funding Agency Code	Funding Entity
53	Funding Agency Name	Funding Entity
54	Funding Office Code	Funding Entity
55	Funding Office Name	Funding Entity
56	Funding Sub Tier Agency Code	Funding Entity
57	Funding Sub Tier Agency Name	Funding Entity
163	National Interest Action	NA
430	Disaster Emergency Fund Code	NA

APPENDIX VII – DATA ACT SUBMISSION REQUIREMENTS

Data Standards, Schema, and Submission

The DATA Act requires Treasury and OMB to:

- Establish Government-wide financial data standards for any Federal funds made available to or expended by Federal agencies and entities receiving Federal funds
- Include common data elements for financial and payment information to be reported

The DATA Act Information Model Schema V.2.0 (DAIMS, Schema), dated May 6, 2020, guides agencies in the production and submission of the required data. Appendix VI lists the 59 data standards. Federal agencies are required to submit their financial data to Treasury using the DATA Act Broker¹⁰ (broker) software. The broker also pulls procurement and financial assistance award and sub-award information from government-wide systems, as agencies are already required to submit such data. Those systems are:

- *Federal Procurement Data System - Next Generation (FPDS-NG)* – Repository for Federal procurement award data operated by the General Services Administration
- *Financial Assistance Broker Submission (FABS)* – Repository for financial assistance transactions on awards of more than \$25,000 operated by Treasury
- *Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS)* – Reporting tool prime awardees use to capture and report sub-award and executive compensation data operated by the General Services Administration
- *Federal Acquisition Regulations (FAR)* – Primary regulation for use by all Federal Executive agencies in their acquisition of supplies and services with appropriated funds.
- *System for Award Management (SAM)* – System that collects registration information from entities doing business with the Federal government.

Reporting Submission Specification (RSS) and the Interface Definition Document (IDD)

The DATA Act schema includes two documents that contain specifications for reporting required data — the RSS and the IDD.

This includes appropriations account, object class, program activity, and award financial data. Federal agencies must generate and submit three files to the broker:

- *File A – “Appropriations Account Detail”* – Contains appropriation summary level data that are aligned with OMB Standard Form 133, “Report on Budget Execution and Budgetary Resources” (SF-133) reporting.
- *File B – “Object Class and Program Activity Detail”* – Includes obligation and outlay information at the program activity and object class level.

¹⁰ The broker is a virtual data layer developed by the U.S. Department of Treasury that maps, ingests, transforms, validates, and submits agency data into a format consistent with the DATA Act Schema (i.e., data exchange standards).

- File C – “Award Financial Detail” – Reports the obligation and outlay information at the award level.

The IDD provides detail on data that will be extracted by the broker from other government-wide systems pertaining to procurement and financial assistance data, recipient attributes, and sub-award information. The following four files are generated by this process:

- File D1 – Award and Awardee Attributes for Procurement (from FPDS-NG) – Award and awardee details are to be linked to File C
- File D2 – Award and Awardee Attributes for Financial Assistance (i.e., direct loans, loan guarantees, grants, etc.) (from Financial Assistance Broker Submission) – Award and awardee details are to be linked to File C
- File E – Additional Awardee Attributes (from SAM) – Includes additional prime awardee attributes
- File F – Subaward Attributes (from Federal Funding Accountability and Transparency Act Subaward Reporting System) – Includes sub-award information

CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act (IG GUIDE)

The IG Guide requires auditors to perform procedures in the following areas:

- **Internal and information system control over agency source systems** – Auditors are to determine the extent to which agency systems can be relied on as authoritative sources for the information reported in accordance with the DATA Act.
- **Internal control over DATA Act submission** – Auditors are to assess the effectiveness of the internal controls implemented to reasonably assure that the data submitted are complete, accurate, timely, and of quality.
- **Detail testing of data submitted to the broker:** Auditors are to select a quarter within the prescribed range and test an agency’s submission, which is used to populate USASpending.gov.
 - *Summary level financial data* –test summary level data for Files A and B.
 - *Record level linkages* – test whether record-level linkages for Files C and D.
 - *Record level data elements* –test a statistically valid sample at the record data element level to determine the completeness, accuracy, timeliness, and overall quality of the data submitted.
 - *COVID-19 outlays* – for those agencies that received COVID-19 funds, test a non-statistical sample at the record data element level to determine the completeness, accuracy, timeliness, and overall quality of the data submitted.
- **Implementation and use of the data standards** – review the agency’s data inventory/mapping for Files A, B, C, D1 and D2 to ensure that the standardized data elements and OMB and Treasury definitions per the DAIMS are used across agency processes, systems, and applications.

APPENDIX VIII – CIGIE’s DATE ANOMALY LETTER



December 22, 2015

The Honorable Ron Johnson
Chairman
The Honorable Thomas Carper
Ranking Member
Committee on Homeland Security
and Governmental Affairs
United States Senate
Washington, D.C.

The Honorable Jason Chaffetz
Chairman
The Honorable Elijah Cummings
Ranking Member
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, D.C.

Dear Mr. Chairmen and Ranking Members:

The Council of the Inspectors General on Integrity and Efficiency (CIGIE) recognizes and appreciates your leadership on issues of Government transparency and accountability. In particular, we believe the enactment last year of the Digital Accountability and Transparency Act of 2014 (DATA Act) will significantly improve the quality of Federal spending data available to Congress, the public, and the accountability community if properly implemented. To make sure this happens, the DATA Act provides for strong oversight by way of the Federal Inspectors General and the Government Accountability Office (GAO). In particular, the DATA Act requires a series of reports from each to include, among other things, an assessment of the completeness, timeliness, quality, and accuracy of data submitted by agencies under the DATA Act.

I am writing this letter on behalf of CIGIE to inform you of an important timing anomaly with the oversight requirement for Inspectors General in the DATA Act. Your staffs have been briefed on this timing anomaly, which affects the first Inspector General reports required by the DATA Act. Specifically, the first Inspector General reports are due to Congress in November 2016. However, the agencies we oversee are not required to submit spending data in compliance with the DATA Act until May 2017. As a result, Inspectors General would be unable to report on the spending data submitted under the Act, as this data will not exist until the following year. This anomaly would cause the body of reports submitted by the Inspectors General in November 2016 to be of minimal use to the public, the Congress, the Executive Branch, and others.

To address this reporting date anomaly, the Inspectors General plan to provide Congress with their first required reports in November 2017, a one-year delay from the due date in statute, with subsequent reports following on a two-year cycle, in November 2019 and November 2021. We believe that moving the due dates back one year will enable the Inspectors General to meet the

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intent of the oversight provisions in the DATA Act and provide useful reports for the public, the Congress, the Executive Branch, and others.

Although we think the best course of action is to delay the Inspector General reports, CIGIE is encouraging the Federal Inspector General Community to undertake DATA Act “readiness reviews” at their respective agencies well in advance of the first November 2017 report. Through a working group, CIGIE has developed guidance for these reviews. I am pleased to report that several Inspectors General have already begun reviews at their respective agencies, and many Inspectors General are planning to begin reviews in the near future. We believe that these reviews, which are in addition to the specific oversight requirements of the Act, will assist all parties in helping to ensure the success of the DATA Act implementation. We have kept GAO officials informed about our plan to delay the first Inspector General reports for one year, which they are comfortable with, and our ongoing efforts to help ensure early engagement through Inspector General readiness reviews.

Should you or your staffs have any questions about our approach or other aspects of our collective DATA Act oversight activities, please do not hesitate to contact me at (202) 514-3435.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael E. Horowitz".

Michael E. Horowitz
Chair, Council of the Inspectors General on Integrity and Efficiency
Inspector General, U.S. Department of Justice

cc: The Honorable David Mader, Controller, OMB
The Honorable Gene Dodaro, Comptroller General, GAO