



OFFICE OF INSPECTOR GENERAL
U.S. Agency for International Development

USAID Complied in Fiscal Year 2019 With the Digital Accountability and Transparency Act of 2014

AUDIT REPORT 0-000-20-001-C
NOVEMBER 8, 2019

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MEMORANDUM

DATE: November 8, 2019

TO: USAID, Chief Financial Officer, Reginald W. Mitchell

FROM: Deputy Assistant Inspector General for Audit, Alvin Brown /s/

SUBJECT: USAID Complied in Fiscal Year 2019 With the Digital Accountability and Transparency Act of 2014 (0-000-20-001-C)

Enclosed is the final audit report on USAID's compliance in fiscal year 2019 with the Digital Accountability and Transparency Act of 2014 (DATA Act). The Office of Inspector General (OIG) contracted with the independent certified public accounting firm of Brown & Company CPAs and Management Consultants, PLLC (Brown & Company), to conduct the audit. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Federal Audit Executive Council (FAEC) Inspectors General Guide to Compliance under the DATA Act.

In carrying out its oversight responsibilities, OIG reviewed the audit firm's report and related audit documentation and inquired of its representatives. The audit firm is responsible for the enclosed auditor's report and the conclusions expressed in it. We found no instances in which Brown & Company did not comply, in all material respects, with applicable standards.

The audit objectives were to (1) assess the completeness, timeliness, quality, and accuracy of USAID's fiscal year 2019, first quarter (December 31, 2018) financial and award data submitted to the U.S. Department of the Treasury for publication on USASpending.gov; and (2) assess USAID's implementation and use of the Governmentwide financial data standards established by the Office of Management and Budget (OMB) and the Department of the Treasury as applicable. To answer the audit objectives, Brown & Company analyzed a statistically valid sample of 222 out of 2,197 records. Brown & Company matched the sampled records to 57 data definitions standards established by OMB and Treasury from the first quarter of fiscal year 2019 financial and award data submitted to the Treasury for publication on USASpending.gov.

The audit firm concluded that (1) USAID complied with the requirements of the DATA Act and (2) the data reported for the first quarter of fiscal year 2019 for publication on

USASpending.gov were complete, timely, accurate, and of good quality. The auditors made two recommendations to help strengthen USAID's internal controls over its DATA Act reporting.

To address the weaknesses identified in the report, we recommend that USAID's chief financial officer:

Recommendation 1. Implement procedures to ensure Agency award documentation includes applicable data elements to support implementation of the DATA Act.

Recommendation 2. Implement procedures to ensure Agency award documentation is readily available to support the DATA Act audit.

In finalizing the report, we reviewed USAID's responses to the recommendations. We consider both recommendations to be resolved but open pending the audit firm's evaluation of documentation supporting the completion of planned activities. We appreciate the assistance extended to our staff and the audit firm's employees during the engagement.

**United States Agency for International
Development
Complied with the Digital Accountability and
Transparency Act of 2014 (DATA Act)
Fiscal Year 2019**



November 6, 2019

Prepared by:

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Independent Auditor's Report

Office of Inspector General for
United States Agency for International
Development
Washington, DC

The Office of Inspector General for United States Agency for International Development (USAID) contracted Brown & Company CPAs and Management Consultants, PLLC, to conduct a performance audit of USAID's first quarter financial and award data as of December 31, 2018, in accordance with the Digital Accountability and Transparency Act of 2014 (DATA Act). To clarify the reporting requirements under the DATA Act, the Office of Management and Budget (OMB) and Department of Treasury (Treasury) published 57 data definition standards and required Federal agencies to report financial and award data on USASpending.gov.

The audit objectives were to assess (1) completeness, timeliness, quality, and accuracy of USAID's fiscal year (FY) 2019 first quarter financial and award data submitted to Treasury for publication on USASpending.gov and (2) USAID's implementation and use of the Government-wide financial data standards established by OMB and Treasury. USAID's management is responsible for reporting financial and award data in accordance with these standards, as applicable.

We conducted our performance audit in accordance with generally accepted government auditing standards (GAGAS). 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. Our performance audit involves performing procedures to obtain evidence about the FY 2019 first quarter financial and award data. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the FY 2019 first quarter financial and award data, whether due to fraud or error. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We found that the FY 2019 first quarter financial and award data of USAID for the quarter ended December 31, 2018, is presented in accordance with OMB and Treasury published 57 data definition standards, as applicable, for DATA Act reporting in all material respects. We found that the data USAID submitted complied with the requirements for completeness, timeliness, quality, and accuracy. To help strengthen USAID's internal controls over its DATA Act reporting, we identified one internal controls weakness regarding the completeness, accuracy and timeliness of reported data and made two recommendations.

The purpose of this report is solely to describe the scope of our testing and the results of that testing. Accordingly, the report is not suitable for any other purpose.

This report is intended for the information and use of the USAID management, OIG and the U.S. Congress, and is made available to the public.

Brown & Company

Greenbelt, Maryland
November 6, 2019

**United States Agency for International Development
Complied with the Digital Accountability and Transparency Act of 2014
(DATA Act)**

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BROWN & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS, PLLC

United States Agency for International Development - Audit Report

Independent Auditors' Report on the Compliance with the Digital Accountability and Transparency Act of 2014 Submission Requirements for Fiscal Year 2019

Executive Summary

For FY 2019, the United States Agency for International Development's (USAID's) Office of Inspector General (OIG) contracted with Brown & Company CPAs and Management Consultants, PLLC (Brown & Company) to conduct an independent assessment of USAID's compliance with the provisions of the Digital Accountability and Transparency Act of 2014 (DATA Act). The DATA Act requires the OIG of each federal agency to audit a statistically valid sample of the certified spending data submitted by the 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.

Our audit was conducted in accordance with generally accepted government auditing standards. Our audit approach measured completeness, accuracy and timeliness of 57 data elements, as applicable to USAID. USAID's submission is considered complete when transactions and events that should have been recorded are recorded in the proper period. USAID's data elements are considered accurate when amounts and other data relating to recorded transactions have been recorded in accordance with the DATA Act Information Model Schema (DAIMS) v 1.3 Reporting Submission Specification (RSS), Interface Definition Document (IDD), and the online data dictionary; and agree with the authoritative source records. USAID's submission is considered timely when the submission by the USAID to the DATA Act Broker is in accordance with the reporting schedules established by the Treasury DATA Act Project Management Office, no later than March 20, 2019. USAID's data elements are considered timely when reported in accordance with the reporting schedules defined by the financial, procurement and financial assistance requirements. Based on the results of our testing, we determined the quality of the data.

Our statistical sample size was 222 of 2,197 records, consisting of 166 contracts and 56 grants. Our assessment included testing compliance with the OMB and Treasury published 57 data definition standards, as applicable. We concluded that USAID complied with the DATA Act reporting requirements. Based on the audit procedures performed, we determined that the completeness error rate is 2.45%, accuracy error rate is 10.85% and timeliness error rate is 9.84%. We determined that USAID's data was generally of good quality – that is, significant amounts of the data were complete, timely, and accurate.

Background

United States Agency for International Development

The U.S. Agency for International Development Office of Inspector General (USAID OIG) was established on December 16, 1980, by Public Law 96-533, which amended the Foreign Assistance Act of 1961. On December 29, 1981, the President signed the International Security and Development Cooperation Act of 1981, bringing the USAID Inspector General under the purview of the Inspector General Act of 1978.

The Mission of the OIG is to contribute to and support integrity, efficiency, and effectiveness in all activities of USAID, the Millennium Challenge Corporation (MCC), the African Development Foundation (USADF), the Overseas Private Investment Corporation (OPIC) and the Inter-American Foundation (IAF).

USAID is an independent Federal Agency that receives overall foreign-policy guidance from the Secretary of State. With an official presence in 87 countries and programs in 32 others, the Agency accelerates human progress in developing countries by reducing poverty, advancing democracy, empowering women, building market economies, promoting security, responding to crises, and improving quality of life through investments in health and education. USAID is headed by an Administrator and Deputy Administrator, both appointed by the President and confirmed by the Senate. As the U.S. Government's lead international development and humanitarian-assistance agency, USAID helps societies realize their full potential on their Journey to Self-Reliance. The following organization chart summarizes the complexity of the USAID organization structure.

As stated in the Agency's annual financial report¹, the Agency fully implemented the requirements of the DATA Act, which requires Federal Departments and Agencies to report their spending on procurement and financial assistance in a more standardized manner. The Department of the Treasury (Treasury) has recognized USAID as a lead Agency in DATA Act implementation.

The Phoenix financial system is the accounting system of record for the Agency and the core of USAID's financial management systems framework. Phoenix enables the Agency's staff to analyze, manage, and report on foreign-assistance funds. USAID uses data from Phoenix to guide decision-making and provide an accurate picture of the Agency's activity worldwide. The Treasury recognized USAID as a lead Agency in the implementation of the Digital Accountability and Transparency Act of 2014 (DATA Act). This Act requires Federal Departments and Agencies to report on procurement and financial-assistance spending in a more-standardized manner. FY 2018 marked the first full year of the implementation of the DATA Act, and USAID successfully submitted certified DATA Act files to Treasury on time and on budget each quarter, which provided increased transparency into the Agency's finances and procurement activity. Detailed budget and spending data from Phoenix are also a vital input into the public Foreign Assistance Dashboard (<https://www.foreignassistance.gov/>), a tool that shows stakeholders how U.S. taxpayer funds achieve international development results, and explains how the U.S. Government invests in countries around the world.

¹ USAID FY 2018 Agency Financial Report, A Message From the Chief Financial Officer

The Digital Accountability and Transparency Act of 2014 (DATA Act)

In 2006, Congress passed, and the President signed the Federal Funding Accountability and Transparency Act of 2006 (FFATA)². The purpose of FFATA was to increase transparency and accountability surrounding federal contracts and financial assistance awards. In accordance with FFATA, in December 2007, OMB established a federal government website, USAspending.gov that contains obligation data on federal awards and sub awards.

The DATA Act was enacted May 9, 2014, to expand the reporting requirements pursuant to FFATA³. The DATA Act, in part, requires Federal agencies to report financial and award data in accordance with the established government wide financial data standards. In May 2015, OMB and Treasury published 57 data definition standards (commonly referred to as data elements) and required Federal agencies to report financial and award data in accordance with these standards for DATA Act reporting in January 2017. Subsequently, and in accordance with the DATA Act, Treasury began displaying Federal agencies' data on USAspending.gov for taxpayers and policymakers in May 2017.

The DATA Act also requires Inspectors General to issue a report to Congress assessing the completeness, timeliness, accuracy, and quality of a statistical sample of spending data submitted by the agency and the agency's implementation and use of the data standards. The Council of the Inspectors General on Integrity and Efficiency (CIGIE) identified a timing anomaly with the oversight requirements contained in the DATA Act. That is, the first Inspector General 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, Inspectors General provided Congress with their first required reports in November 2017, a 1-year delay from the statutory due date, with two subsequent reports, each following on a 2-year cycle. On December 22, 2015, CIGIE's chair issued a letter memorializing the strategy for dealing with the reporting date anomaly and communicated it to the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform.

Purpose

The DATA Act, in part, requires federal agencies to report financial and award data in accordance with the established government wide financial data standards.

Objectives

The objectives of the performance audit of the USAID's compliance with the DATA Act audit were to assess the (1) completeness, timeliness, accuracy, and quality of the USAID's Fiscal Year (FY) 2019 first quarter financial and award data submitted to the U.S. Department of Treasury (Treasury) for publication on USAspending.gov, and (2) USAID's implementation and use of the government wide financial data standards established by the Office of Management and Budget (OMB) and Treasury.

Scope and Methodology

We followed guidance from CIGIE's Federal Audit Executive Council (FAEC)⁴. The FAEC guide documents a common methodological framework, developed in consultation with the U.S. Government Accountability Office (GAO), for Inspectors General to conduct required DATA Act reviews. We also

² Public Law 109-282 (September 2, 2006)

³ Public Law 113-101 (May 9, 2014)

⁴ CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act, February 14, 2019.

reviewed applicable laws, regulations, USAID policies and procedures, and other documentation related to the DATA Act. We selected and analyzed a statistically valid sample of the USAID’s FY 2019 first quarter spending data submitted by the agency for publication on USAspending.gov. Our sample size was 222 out of 2,197 records.

We conducted our fieldwork from August 19, 2019 through October 23, 2019 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 obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Additional details on our scope and methodology are outlined in Appendix A.

Assessment of Internal Control

We reviewed the USAID’s control environment, risk assessment, control activities, information and communication, and monitoring controls. We determined that internal and information system controls as it relates to the extraction of data from the source systems and the reporting of the data to the DATA Act Broker have been properly designed and implemented and are operating effectively to allow the audit team to assess audit risk and design audit procedures. Based on our audit procedures performed, we made two recommendations for improvement that USAID should consider.

Audit Finding

The USAID Needs To Improve In Its Government-wide DATA Act Implementation Efforts

We determined that USAID’s internal and information system controls as it relates to the extraction of data from the source systems and the reporting of data to the DATA Act Broker has been properly designed and implemented, and are operating effectively. We determined that data within our sample that USAID reported for the first quarter FY 19 for publication on USAspending.gov were complete, timely, accurate, and of good quality. We assessed these characteristics using the framework provided in the FAEC guide. However, during our audit we identified areas of improvement in USAID’s internal controls and made two recommendations, as noted below.

Finding 1 – USAID Should Improve the Accuracy, Completeness and Timeliness of Data

OMB Circular No. A-130, Managing Information as a Strategic Resource, Policy – Record Management, requires USAID to ensure the ability to access, retrieve, and manage records throughout their life cycle regardless of form or medium.

CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act, February 14, 2019, defines Accuracy for the DATA Act as:

“Amounts and other data relating to recorded transactions have been recorded in accordance with the DAIMS, Reporting Submission Specification (RSS), Interface Definition Document (IDD), and the online data dictionary, and agree with the authoritative source records.”

The guide states “to assess the timeliness of the data elements:

- Procurement award data elements within File D1 should be reported in FPDS-NG within 3 business days after contract award in accordance with the FAR Part 4.604.

- Financial assistance award data elements within File D2 should be reported no later than 30 days after award, in accordance with FFATA.

To test the accuracy and timeliness of the USAID’s award-level transactions, we selected a statistical sample of 222 records from a population of 2,197 records. For accuracy of each of the required data elements that should have been reported, the data element was reported in the appropriate Files A through D2, with exceptions as noted below.

We compared each DATA Act data element to the source of support, however, there were instances of missing support because USAID did not maintain the supporting documents in the USAID’s electronic filing system of record, known as ASIST.

For procurement award data, we noted exceptions for completeness due to 3 missing contract documents. We noted exceptions for accuracy due to lack of documentation to validate the data elements. We noted 154 procurement award records that had accuracy errors.

We also found exceptions with timeliness due to 22 award documents not having signatures and dates required to validate the action dates.

For financial assistance award data, we noted exceptions for completeness due to 31 missing financial assistance award documents. We noted exceptions for accuracy due to lack of documentation to validate the data elements. We noted 56 financial assistance award records that had accuracy errors. We also found exceptions with timeliness due to 3 missing financial assistance award documents or data not reported timely.

These conditions yield the following errors rate. See Appendix D for details.

Results of PIID and FAIN Statistical Sample Testing

222 record	9078 DEs	# Incomplete	# Inaccurate	# Untimely
Total Errors		198	1018	949
Error Rate		2.45%	10.85%	9.84%

Results of Procurement Award Statistical Sample Testing

166 record	7510 DEs	# Incomplete	# Inaccurate	# Untimely
Total Errors		120	901	880
Error Rate		1.60%	12.00%	11.72%

Results of Financial Assistance Statistical Sample Testing

56 record	1568 DEs	# Incomplete	# Inaccurate	# Untimely
Total Errors		78	117	69
Error Rate		4.97%	7.46%	4.40%

USAID’s lack of quality control procedures led to errors in the completeness, accuracy and timeliness of data reported. The effect is a risk that inaccurate and/or untimely data will be uploaded to USAspending.gov decreasing the reliability and usefulness of the data.

Recommendation 1: We recommend USAID’s management implement procedures to ensure agency award documentation includes applicable data elements to support implementation of the DATA Act.

Recommendation 2: We recommend USAID’s management implement procedures to ensure agency award documentation is readily available to support the DATA Act audit.

Audit Results

The USAID DATA Act Quality Plan (DQP), March 2019, identified the data elements considered key to meeting the DATA Act reporting objectives. These fields are considered accurate within the reported record when the value provided for DATA Act submissions matches to the authoritative source. The results are consistent with the risks identified in the USAID’s DQP.

Analysis of the Accuracy of Dollar Value-related Data Elements

The following table displays the results of the accuracy of the data elements that are associated with a dollar value. The absolute value of errors by data element are not projected to the population.

Table 1: Accuracy of Dollar-Value Related Data Elements

Accuracy of Dollar-Value Related Data Elements									
PIID	Data Element			Accurate	Not Accurate	Not Applicable	Total Tested	Error Rate	Absolute Value of Errors
PIID	DE	11	Federal Action Obligation	161	5	0	166	3%	\$30,200,638.19
PIID	DE	14	Current Total Value of Award	148	18	0	166	11%	\$353,616,915.97
PIID	DE	15	Potential Total Value of Award	147	19	0	166	11%	\$366,710,022.16
PIID	DE	53	Obligation	54	112	0	166	67%	\$42,532,893.00
FAIN	DE	11	Federal Action Obligation	53	3	0	56	5%	\$1,450,000.00
FAIN	DE	12	Non-Federal Funding Amount	0	0	56	56	0%	0
FAIN	DE	13	Amount of Award	0	0	56	56	0%	0
FAIN		14	Current Total				56	0%	

Accuracy of Dollar-Value Related Data Elements									
	DE		Value of Amount	0	0	56			0
FAIN	DE	53	Obligation	27	29	0	56	52%	\$22,976,066.00
			Total	590	186	168	944	150%	\$817,486,535.32

Analysis of Errors in Data Elements Non-Attributable to USAID

USAID reconciles the financial system data to FPDS-NG and USA Spending to ensure the agency's data is accurate, transparent and agrees to the SF-133, Report on Budgetary Execution and Budgetary Resources, USAID enters post-award information into Federal Procurement Data System – Next Generation (FPDS NG). For completion of data, FPDS-NG also extracts data from SAM and DUN.

Based on our testing, the DE 3 Ultimate Parent Unique Identifier was not located in SAM for 7 of 222 samples, and the DE 6 legal entity congressional district in File D1 was different from the congressional district in SAM for 11 of 222 samples. Below are the results for the errors in data elements that are not attributed to USAID.

Table 2: Errors in Data Elements Not Attributable to USAID

Errors in Data Elements Not Attributable to USAID			
PIID	Data Element		Attribute to
PIID	DE 3	Ultimate Parent Unique Identifier	FPDS-NG Extracting from SAM or DUN and Bradstreet
PIID	DE 6	Legal Entity Congressional District	FPDS-NG Extracting from SAM

DATA Act Date Anomaly

The CIGIE identified a timing anomaly with the oversight requirements contained in the Digital Accountability and Transparency Act of 2014. That is, the first Inspector General (IG) reports were due to Congress on 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, 1-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.

Assessment of DATA Act Submission

Completeness and Timeliness of the Agency Submission

Submission was Complete and Timely

We evaluated the USAID's DATA Act submission to Treasury's DATA Act Broker and determined that the submission was complete and submitted timely. To be considered a complete submission, we evaluated Files A, B and C to determine that all transactions and events that should have been recorded were recorded in the proper period.

Summary-Level Data and Linkages for Files A, B, and C

We reconciled Files A and B to determine if they were accurate. Through our test work, we noted that Files A and B were accurate. Additionally, we reconciled the linkages between Files A, B and C to determine if the linkages were valid and to identify any significant variances between the files. Our test work did not identify any significant variances between Files A, B, and C.

Record-Level Data and Linkages for Files C and D

We selected a statistically valid sample of 222 of 2197 records and tested 45 data elements for completeness, accuracy and timeliness.

Completeness of the Data Elements

The projected error rate for the completeness of the data elements is 2.45%⁵. A data element was considered complete if the required data element that should have been reported was reported.

We noted that 120 required data elements for 3 of 222 sampled records were not reported.

Accuracy

The projected error rate for the accuracy of the data elements is 10.85%⁶. A data element was considered accurate when amounts and other data relating to recorded transactions were recorded in accordance with the DAIMS RSS, IDD, and the online data dictionary, and agree with the authoritative source records.

We noted errors within the data that the USAID was required to submit for publication. These errors included missing or mismatched data elements in File C and D1. We also noted that some data element errors are derived from SAM and the accuracy of the data is outside of USAID's control. Therefore, the errors are not attributable to USAID.

Timeliness of the Data

The projected error rate for the timeliness of the data elements is 9.84%⁷. The timeliness of data elements was based on the reporting schedules defined by the procurement and financial assistance requirements (FFATA, FAR, FPDS-NG, FABS and DAIMS). We noted that 22 of 222 award sampled records were not submitted in FPDS-NG within 3 business days after contract award. We also noted that 3 of 222 financial assistance records were not submitted timely.

Quality of the Data

All data were generally of good quality – that is, data were complete, timely, and accurate, and the USAID's internal controls over source systems and the data submission gave us reasonable assurance that controls were designed, implemented, and operating effectively.

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

⁵ Based on a 95% confidence level, the projected error rate for the completeness of the data elements is between 0% and 20%.

⁶ Based on a 95% confidence level, the projected error rate for the completeness of the data elements is between 0% and 20%.

⁷ same

as the determining factor of quality. The following table provides the range of error in determining the quality of the data elements.

Highest Error Rate	Quality Level
0% - 20%	Higher
21% -40%	Moderate
41% and above	Lower

Based on our test work and the highest error rate of 10.85%, we determined that the quality of USAID’s data is considered Higher.

Implementation and Use of the Data Standards

We have evaluated USAID’s implementation and use of the government-wide financial data standards for spending information as developed by OMB and Treasury. USAID has fully implemented and is using those data standards as defined by OMB and Treasury. USAID has identified, linked by common identifiers (e.g. PIID, FAIN), all of the data elements in the agency’s procurement, financial, and grants systems, as applicable. For the broker files tested, we generally found that the required elements were present in the file and that the record values were presented in accordance with the standards.

Auditor’s Response to Agency Comments

We provided our draft report to USAID on October 29, 2019, and on November 6, 2019, received its response, which is included as Appendix B. The report includes two 2 recommendations. USAID concurred with our recommendations. USAID request a closure of recommendation 2, however recommendation 2 remains open until the next evaluation.

Appendix A - Objectives, Scope, Methodology and Criteria

Objectives

The objectives of the audit of the USAID's compliance with the DATA Act audit were to assess the (1) completeness, timeliness, accuracy, and quality of the USAID's FY 2019 first quarter financial and award data submitted to Treasury for publication on USASpending.gov and (2) USAID's implementation and use of the government wide financial data standards established by OMB and Treasury.

Scope

The scope of this engagement is the USAID's FY 2019 first quarter financial and award data submitted for publication on USASpending.gov. Work performed was in accordance with generally accepted government auditing standards, relevant DATA Act guidance and policies issued by the GAO, OMB, and CIGIE, including the *Inspectors General Guide to Compliance under the DATA Act*, dated February 14, 2019.

The scope includes examining DATA Act information reported in the USAID's FY 2019 first quarter financial and award data files listed below, as applicable:

- File A: Appropriations Account,
- File B: Object Class and Program Activity,
- File C: Award Financial,
- File D1: Award (Procurement)
- File D2: Award (Financial Assistance),
- File E: Additional Awardee Attributes, and
- File F: Sub-award Attributes.

Files A, B, and C are submitted by the federal agency's internal financial system(s). Files A and B are summary-level financial data. File C is reportable award-level data. Files D1 through F contain detailed demographic information for award-level records reported in File C. Files D1 through F are submitted by external award reporting systems to Treasury's DATA Act Broker. The senior accountable official for the USAID is required to certify these seven data files for its agency's financial and award data to be published on USASpending.gov.

Testing Methodology

To accomplish our objectives, we:

- obtained an understanding of any regulatory criteria related to the USAID's responsibilities to report financial and award data under the DATA Act. (See table 5 List of Criteria);
- assessed 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;
- assessed internal controls over financial reporting for the DATA Act;
- reviewed and reconciled the FY 2019, first quarter summary-level data submitted by the USAID for publication on USASpending.gov;
- assessed the USAID's implementation and use of the 57 data elements/standards established by OMB and Treasury; and

- assessed the completeness, timeliness, accuracy, and quality of the financial and award data sampled; this included testing the USAID's submission of Files A through D.

To test the USAID's DATA Act submission of Files A through D, we:

- reviewed the USAID's certification and submission process,
- determined the timeliness of the USAID's submission,
- determined completeness of summary level data for Files A and B,
- determine whether File C is complete and suitable for sampling,
- selected and examined a statistically valid sample of 222 records from a population of 2,197 total records in the USAID's FY 2019 first quarter certified spending data reported in File C,
- tested detailed record-level linkages for Files C and D,
- tested detailed record-level data elements for Files C and D for completeness, accuracy, timeliness, and quality, and
- analyzed results.

Criteria

During our audit, we obtained an understanding of the following criteria as applicable to the USAID.

Table 3: List of Criteria

	Criteria Title
1	Digital Accountability and Transparency Act of 2014
2	Federal Funding Accountability and Transparency Act of 2006
3	The Federal Financial Management Improvement Act of 1996
4	The Federal Managers' Financial Integrity Act of 1982
5	OMB Circular No. A-123
6	OMB Circular No. A-123, Appendix A
7	OMB 's Management Procedures Memorandum No. 2016-03
8	OMB M-17-04 Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring DATA Reliability
9	OMB M 10-06, Open Government Directive
10	OMB's Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility, and Integrity of Information Disseminated by Federal Agencies
11	OMB: Open Government Directive – Framework for the Quality of Federal Spending Information
12	DATA Act Information Model Schema (DAIMS) v 1.3 (includes Reporting Submission Specification & Interface Definition Document)
13	DAIMS v 1.3 Practices and Procedures
14	The DATA Act Online Data Dictionary
15	The Data Exchange Standard
16	Data Quality Playbook
17	Federal Spending Transparency Data Standards
18	DATA Act Broker Validation Rules
19	DATA Act Broker Submission Practices and Procedures
20	U. S. Digital Services Playbook
21	GAO Financial Audit Manual, Volumes 1, 2, and 3
22	Government Auditing Standards

	Criteria Title
23	Electronic Government: Implementation of the Federal Funding Accountability and Transparency Act of 2006

Appendix B – Management Response



Chief Financial Officer

November 6, 2019

MEMORANDUM

TO: Damian Wilson, Office of the Inspector General

FROM: Chief Financial Officer, Reginald W. Mitchell

SUBJECT: Management Comments to the Digital Accountability and Transparency Act (DATA Act.)

Recommendation 1: We recommend USAID management implement procedures to ensure Agency award documentation includes applicable data elements to support implementation of the DATA Act.

Management Comments:

USAID agrees with the recommendation that award documentation should include all applicable DATA Act data elements, and will undertake the following actions to improve the Agency's overall compliance:

- **Communication with Users:** M/OAA will distribute an Agency wide GLAAS Notice which stresses the importance of entering valid data in all required AND optional fields within GLAAS. This will result in a system generated document containing applicable DATA Act data elements. Our outreach will also include a notice within the weekly OAA Director's *At A Glance* email and the M/OAA director will emphasize this at the weekly Sr. Staff meeting.
- **Develop and Implement Quarterly Independent Verification and Validation (IV&V) Process:** M/OAA will work over the next several months to create and implement an IV&V process, which will incorporate existing data quality procedures. The Agency's objectives are as follows:
 - o Generate random sampling every quarter

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1300 Pennsylvania Avenue, NW
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o Execute IV&V process to determine whether contracts have been (a) uploaded to ASIST, (b) signed, DATA Act data elements exist on contract and (c) DATA Act data elements contain valid values

- Develop Web Based Dashboard of IV&V Results: M/OAA will create an online dashboard utilizing Tableau. This tool provides greater transparency for users and senior leadership to track and measure the Agency's overall success rates each quarter.

Due date: 1/31/2020

Recommendation 2: We recommend USAID's management implement procedures to ensure Agency award documentation is readily available to support the DATA Act audit.

Management Comments:

USAID agrees with the recommendation that award documentation be readily available within the system of record (ASIST) in support of any future DATA Act audits. The Agency is currently undertaking a series of actions and related communication and training on the GLAAS and the ASIST systems to ensure staff uploads the required documentation at time of award:

o Incorporate Certification Field within GLAAS: On October 12, 2018, the Office of the Chief Information Officer (M/CIO) in the Bureau for Management and M/OAA created a new field in GLAAS that requires each CO or AO to self-certify every base award and subsequent modification. This ensures that COs and AOs are aware of the status of required documents in the ASIST file for the awards in their portfolio.

- Implement a Blocking Capability for GLAAS Obligations: M/CIO and M/OAA developed a plan to modify GLAAS and ASIST to add an automated capability to block the obligation of funds if the required documents are not in ASIST.

o The initial obligation block was instituted for new contracts, grants, and cooperative agreements on October 19, 2019;

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- Communication and Training of Users: M/CIO and M/OAA held training for the blocking capability for GLAAS obligation on June 20, 2019, and provided the slides and recording to all staff via its newsletter on June 27, 2019. The training is also available on the M/OAA ASIST page. Other communications, including additional training (in-person and online), to address the blocking capability for GLAAS obligation will follow. GLAAS user notices and M/OAA communications published in August and September 2019 continued to reiterate the changes.

Due Date: Close upon issuance of the report

Appendix C - USAID's Results Listed in Descending Order by Accuracy

USAID's results listed in <u>descending</u> order by accuracy error rate percentage.				
Accuracy (A), Completeness (C), Timeliness (T)				
Data Element No.	Data Element Name	Error Rate		
		A	C	T
53	Obligation	64%	0%	0%
26	Period of Performance Start Date	46%	2%	11%
28	Period of Performance Potential End Date	41%	2%	13%
17	NAICS Code	39%	2%	13%
18	NAICS Description	36%	2%	13%
27	Period of Performance Current End Date	34%	2%	11%
16	Award Type	19%	1%	10%
49	Awarding Office Code	18%	1%	10%
25	Action Date	16%	2%	11%
39	Funding Agency Code	16%	1%	10%
15	Potential Total Value of Award	15%	2%	13%
5	Legal Entity Address	12%	2%	11%
14	Current Total Value of Award	11%	1%	10%
22	Award Description	8%	2%	11%
36	Action Type	8%	2%	11%
24	Parent Award ID Number	6%	2%	13%
32	Primary Place of Performance Country Code	6%	2%	11%
6	Legal Entity Congressional District	5%	0%	0%
7	Legal Entity Country Code	5%	2%	11%
8	Legal Entity Country Name	5%	2%	11%
29	Ordering Period End Date	5%	2%	13%
1	Awardee/Recipient Legal Entity Name	4%	2%	11%
2	Awardee/Recipient Unique Identifier	4%	2%	11%
4	Ultimate Parent Legal Entity Name	4%	1%	10%
11	Federal Action Obligation	4%	2%	11%
33	Primary Place of Performance Country Name	4%	2%	11%
48	Awarding Office Name	4%	1%	10%

USAID's results listed in <u>descending</u> order by accuracy error rate percentage.				
Accuracy (A), Completeness (C), Timeliness (T)				
Data Element	Data Element Name	Error Rate		
3	Ultimate Parent Unique Identifier	3%	1%	10%
31	Primary Place of Performance Congressional District	3%	2%	11%
34	Award ID Number (PIID/FAIN)	3%	2%	11%
41	Funding Sub Tier Agency Code	3%	1%	10%
19	Catalog of Federal Domestic Assistance (CFDA) Number	2%	2%	5%
20	Catalog of Federal Domestic Assistance (CFDA) Title	2%	2%	5%
23	Award Modification / Amendment Number	2%	2%	11%
30	Primary Place of Performance Address	2%	2%	11%
35	Record Type	2%	2%	5%
37	Business Types	2%	2%	5%
38	Funding Agency Name	2%	1%	10%
40	Funding Sub Tier Agency Name	2%	1%	10%
42	Funding Office Name	1%	3%	10%
43	Funding Office Code	1%	1%	10%
44	Awarding Agency Name	1%	1%	10%
45	Awarding Agency Code	1%	1%	10%
46	Awarding Sub Tier Agency Name	1%	1%	10%
47	Awarding Sub Tier Agency Code	1%	1%	10%
12	Non-Federal Funding Amount	0%	0%	0%
13	Amount of Award	0%	0%	0%
50	Object Class	0%	0%	0%
51	Appropriations Account	0%	0%	0%
56	Program Activity	0%	0%	0%

Appendix D - Detail Results of PIID and FAIN Testing

<i>Results of PIID and FAIN Statistical Sample Testing</i>							
Sample Record #	Total # DEs	# Incomplete		# Inaccurate		# Untimely	
1	45	0	0.00%	0	0.00%	0	0.00%
2	45	0	0.00%	6	13.33%	40	88.89%
3	46	0	0.00%	9	19.57%	0	0.00%
4	46	0	0.00%	5	10.87%	0	0.00%
5	46	0	0.00%	9	19.57%	0	0.00%
6	45	0	0.00%	13	28.89%	0	0.00%
7	45	0	0.00%	5	11.11%	0	0.00%
10	45	0	0.00%	6	13.33%	0	0.00%
11	45	0	0.00%	3	6.67%	0	0.00%
13	45	0	0.00%	11	24.44%	0	0.00%
14	45	0	0.00%	17	37.78%	0	0.00%
15	45	0	0.00%	2	4.44%	0	0.00%
18	45	0	0.00%	7	15.56%	0	0.00%
19	45	0	0.00%	10	22.22%	0	0.00%
20	46	0	0.00%	6	13.04%	0	0.00%
21	45	0	0.00%	8	17.78%	40	88.89%
22	46	0	0.00%	8	17.39%	0	0.00%
23	45	0	0.00%	3	6.67%	0	0.00%
24	45	0	0.00%	5	11.11%	0	0.00%
25	45	0	0.00%	9	20.00%	0	0.00%
26	46	0	0.00%	4	8.70%	0	0.00%
28	45	0	0.00%	9	20.00%	0	0.00%
29	45	0	0.00%	6	13.33%	0	0.00%
30	45	0	0.00%	2	4.44%	0	0.00%
33	45	0	0.00%	8	17.78%	0	0.00%
34	45	0	0.00%	4	8.89%	0	0.00%
35	46	0	0.00%	5	10.87%	0	0.00%
36	45	0	0.00%	4	8.89%	0	0.00%
40	45	0	0.00%	3	6.67%	0	0.00%
41	45	0	0.00%	7	15.56%	0	0.00%
42	45	0	0.00%	5	11.11%	0	0.00%
43	45	0	0.00%	0	0.00%	0	0.00%
44	45	0	0.00%	3	6.67%	0	0.00%
50	46	0	0.00%	7	15.22%	0	0.00%

Results of PIID and FAIN Statistical Sample Testing

Sample Record #	Total # DEs	# Incomplete		# Inaccurate		# Untimely	
54	45	0	0.00%	8	17.78%	0	0.00%
55	45	0	0.00%	5	11.11%	0	0.00%
56	45	0	0.00%	3	6.67%	0	0.00%
63	45	0	0.00%	1	2.22%	0	0.00%
65	46	0	0.00%	8	17.39%	0	0.00%
66	46	0	0.00%	10	21.74%	0	0.00%
67	46	0	0.00%	5	10.87%	0	0.00%
68	45	0	0.00%	4	8.89%	0	0.00%
69	45	0	0.00%	4	8.89%	0	0.00%
70	46	0	0.00%	4	8.70%	0	0.00%
73	45	0	0.00%	4	8.89%	0	0.00%
74	45	0	0.00%	2	4.44%	0	0.00%
75	45	0	0.00%	4	8.89%	40	88.89%
77	46	0	0.00%	7	15.22%	0	0.00%
80	45	0	0.00%	3	6.67%	0	0.00%
81	45	0	0.00%	1	2.22%	0	0.00%
82	46	0	0.00%	7	15.22%	40	86.96%
83	46	0	0.00%	3	6.52%	0	0.00%
86	45	0	0.00%	1	2.22%	0	0.00%
87	45	0	0.00%	7	15.56%	0	0.00%
90	45	0	0.00%	5	11.11%	0	0.00%
91	45	0	0.00%	5	11.11%	0	0.00%
92	45	0	0.00%	5	11.11%	0	0.00%
93	45	0	0.00%	3	6.67%	0	0.00%
94	46	0	0.00%	6	13.04%	0	0.00%
95	46	0	0.00%	4	8.70%	0	0.00%
97	46	0	0.00%	1	2.17%	40	86.96%
98	45	0	0.00%	9	20.00%	0	0.00%
99	45	0	0.00%	5	11.11%	40	88.89%
100	45	0	0.00%	9	20.00%	0	0.00%

Results of PIID and FAIN Statistical Sample Testing

Sample Record #	Total # DEs	# Incomplete		# Inaccurate		# Untimely	
101	45	40	88.89%	41	91.11%	40	88.89%
102	45	0	0.00%	5	11.11%	0	0.00%
103	45	0	0.00%	4	8.89%	0	0.00%
104	45	0	0.00%	3	6.67%	40	88.89%
105	45	0	0.00%	5	11.11%	0	0.00%
106	45	0	0.00%	2	4.44%	0	0.00%
107	45	0	0.00%	7	15.56%	0	0.00%
108	46	0	0.00%	3	6.52%	40	86.96%
109	45	0	0.00%	3	6.67%	0	0.00%
110	45	0	0.00%	4	8.89%	0	0.00%
111	45	0	0.00%	5	11.11%	0	0.00%
112	45	0	0.00%	6	13.33%	0	0.00%
113	45	0	0.00%	6	13.33%	0	0.00%
114	46	0	0.00%	8	17.39%	0	0.00%
117	45	0	0.00%	7	15.56%	0	0.00%
118	46	0	0.00%	3	6.52%	40	86.96%
120	45	0	0.00%	4	8.89%	0	0.00%
121	45	0	0.00%	5	11.11%	0	0.00%
122	45	0	0.00%	6	13.33%	0	0.00%
123	46	0	0.00%	11	23.91%	0	0.00%
124	45	0	0.00%	3	6.67%	0	0.00%
125	46	0	0.00%	0	0.00%	0	0.00%
126	45	0	0.00%	3	6.67%	0	0.00%
127	46	0	0.00%	1	2.17%	0	0.00%
128	45	0	0.00%	6	13.33%	0	0.00%
129	45	0	0.00%	8	17.78%	0	0.00%
130	45	0	0.00%	6	13.33%	0	0.00%
131	45	0	0.00%	1	2.22%	0	0.00%
132	45	0	0.00%	5	11.11%	0	0.00%
133	45	0	0.00%	4	8.89%	0	0.00%
134	46	0	0.00%	7	15.22%	0	0.00%
135	46	0	0.00%	4	8.70%	0	0.00%
136	46	0	0.00%	0	0.00%	0	0.00%
137	46	0	0.00%	3	6.52%	0	0.00%
138	45	0	0.00%	13	28.89%	0	0.00%
139	46	0	0.00%	1	2.17%	40	86.96%
140	46	0	0.00%	7	15.22%	0	0.00%
141	45	0	0.00%	4	8.89%	40	88.89%
142	45	0	0.00%	6	13.33%	0	0.00%
149	45	0	0.00%	5	11.11%	0	0.00%
150	45	0	0.00%	8	17.78%	0	0.00%

Results of PIID and FAIN Statistical Sample Testing

Sample Record #	Total # DEs	# Incomplete		# Inaccurate		# Untimely	
151	45	0	0.00%	4	8.89%	0	0.00%
152	45	0	0.00%	2	4.44%	0	0.00%
153	46	0	0.00%	0	0.00%	0	0.00%
159	45	0	0.00%	3	6.67%	0	0.00%
160	45	0	0.00%	4	8.89%	0	0.00%
161	45	0	0.00%	1	2.22%	40	88.89%
162	45	0	0.00%	4	8.89%	0	0.00%
163	45	0	0.00%	3	6.67%	0	0.00%
164	45	0	0.00%	0	0.00%	0	0.00%
165	45	0	0.00%	0	0.00%	0	0.00%
166	45	0	0.00%	9	20.00%	0	0.00%
167	45	0	0.00%	1	2.22%	0	0.00%
168	45	0	0.00%	5	11.11%	0	0.00%
169	45	0	0.00%	11	24.44%	0	0.00%
170	45	0	0.00%	1	2.22%	0	0.00%
171	45	0	0.00%	0	0.00%	40	88.89%
172	45	0	0.00%	11	24.44%	0	0.00%
173	45	0	0.00%	7	15.56%	0	0.00%
174	45	0	0.00%	0	0.00%	0	0.00%
175	46	0	0.00%	6	13.04%	40	86.96%
176	46	0	0.00%	5	10.87%	40	86.96%
177	46	0	0.00%	4	8.70%	0	0.00%
178	46	0	0.00%	0	0.00%	0	0.00%
179	45	0	0.00%	5	11.11%	0	0.00%
180	45	0	0.00%	0	0.00%	0	0.00%
181	46	0	0.00%	5	10.87%	40	86.96%
182	45	0	0.00%	5	11.11%	0	0.00%
183	45	0	0.00%	5	11.11%	0	0.00%
184	45	0	0.00%	3	6.67%	0	0.00%
185	45	0	0.00%	9	20.00%	0	0.00%
186	45	0	0.00%	1	2.22%	0	0.00%
187	46	40	86.96%	40	86.96%	40	86.96%
188	46	0	0.00%	10	21.74%	0	0.00%
189	45	0	0.00%	3	6.67%	0	0.00%
190	45	0	0.00%	4	8.89%	0	0.00%

Results of PIID and FAIN Statistical Sample Testing

Sample Record #	Total # DEs	# Incomplete		# Inaccurate		# Untimely	
		#	%	#	%	#	%
190	45	0	0.00%	4	8.89%	0	0.00%
191	45	0	0.00%	4	8.89%	0	0.00%
192	45	0	0.00%	3	6.67%	0	0.00%
193	45	0	0.00%	3	6.67%	0	0.00%
194	45	0	0.00%	3	6.67%	0	0.00%
195	45	0	0.00%	4	8.89%	0	0.00%
196	45	40	88.89%	41	91.11%	40	88.89%
197	45	0	0.00%	3	6.67%	0	0.00%
198	45	0	0.00%	5	11.11%	40	88.89%
199	45	0	0.00%	4	8.89%	40	88.89%
200	45	0	0.00%	2	4.44%	0	0.00%
201	45	0	0.00%	5	11.11%	0	0.00%
202	45	0	0.00%	7	15.56%	0	0.00%
203	45	0	0.00%	5	11.11%	0	0.00%
204	45	0	0.00%	5	11.11%	0	0.00%
205	45	0	0.00%	1	2.22%	0	0.00%
206	45	0	0.00%	1	2.22%	0	0.00%
207	46	0	0.00%	3	6.52%	0	0.00%
208	45	0	0.00%	6	13.33%	0	0.00%
209	45	0	0.00%	7	15.56%	0	0.00%
210	45	0	0.00%	8	17.78%	0	0.00%
211	45	0	0.00%	4	8.89%	0	0.00%
212	45	0	0.00%	1	2.22%	0	0.00%
213	45	0	0.00%	6	13.33%	40	88.89%
214	45	0	0.00%	9	20.00%	0	0.00%
220	45	0	0.00%	0	0.00%	0	0.00%
221	46	0	0.00%	5	10.87%	0	0.00%

The following list represents FAIN

Results of PIID and FAIN Statistical Sample Testing							
Sample Record #	Total # DEs	# Incomplete		# Inaccurate		# Untimely	
8	28	1	3.57%	1	3.57%	0	0.00%
9	28	1	3.57%	2	7.14%	0	0.00%
12	28	1	3.57%	2	7.14%	0	0.00%
16	28	1	3.57%	2	7.14%	0	0.00%
17	28	1	3.57%	2	7.14%	0	0.00%
27	28	1	3.57%	2	7.14%	0	0.00%
31	28	1	3.57%	2	7.14%	0	0.00%
32	28	1	3.57%	2	7.14%	0	0.00%
37	28	1	3.57%	1	3.57%	0	0.00%
38	28	1	3.57%	1	3.57%	0	0.00%
39	28	1	3.57%	1	3.57%	0	0.00%
45	28	1	3.57%	2	7.14%	0	0.00%
46	28	1	3.57%	1	3.57%	0	0.00%
47	28	1	3.57%	1	3.57%	0	0.00%
48	28	1	3.57%	2	7.14%	0	0.00%
49	28	1	3.57%	2	7.14%	0	0.00%
51	28	1	3.57%	2	7.14%	0	0.00%
52	28	1	3.57%	2	7.14%	0	0.00%
53	28	1	3.57%	2	7.14%	0	0.00%
57	28	1	3.57%	1	3.57%	0	0.00%
58	28	1	3.57%	1	3.57%	0	0.00%
59	28	1	3.57%	1	3.57%	0	0.00%
60	28	1	3.57%	1	3.57%	0	0.00%
61	28	1	3.57%	1	3.57%	0	0.00%
62	28	1	3.57%	1	3.57%	0	0.00%
64	28	1	3.57%	2	7.14%	0	0.00%
71	28	1	3.57%	2	7.14%	0	0.00%
72	28	1	3.57%	2	7.14%	0	0.00%
76	28	1	3.57%	2	7.14%	0	0.00%
78	28	1	3.57%	2	7.14%	0	0.00%
79	28	1	3.57%	1	3.57%	0	0.00%

Results of PIID and FAIN Statistical Sample Testing

Sample Record #	Total # DEs	# Incomplete		# Inaccurate		# Untimely	
84	28	1	3.57%	1	3.57%	0	0.00%
85	28	1	3.57%	5	17.86%	0	0.00%
88	28	1	3.57%	2	7.14%	0	0.00%
89	28	1	3.57%	2	7.14%	0	0.00%
96	28	1	3.57%	3	10.71%	0	0.00%
115	28	1	3.57%	1	3.57%	0	0.00%
116	28	1	3.57%	2	7.14%	0	0.00%
119	28	1	3.57%	2	7.14%	0	0.00%
143	28	1	3.57%	2	7.14%	0	0.00%
144	28	1	3.57%	2	7.14%	23	82.14%
145	28	1	3.57%	1	3.57%	0	0.00%
146	28	1	3.57%	2	7.14%	0	0.00%
147	28	1	3.57%	2	7.14%	0	0.00%
148	28	1	3.57%	2	7.14%	0	0.00%
154	28	1	3.57%	1	3.57%	0	0.00%
155	28	23	82.14%	23	82.14%	23	82.14%
156	28	1	3.57%	2	7.14%	0	0.00%
157	28	1	3.57%	1	3.57%	0	0.00%
158	28	1	3.57%	2	7.14%	0	0.00%
215	28	1	3.57%	2	7.14%	0	0.00%
216	28	1	3.57%	2	7.14%	0	0.00%
217	28	1	3.57%	2	7.14%	0	0.00%
218	28	1	3.57%	2	7.14%	23	82.14%
219	28	1	3.57%	1	3.57%	0	0.00%
222	28	1	3.57%	1	3.57%	0	0.00%
Total Errors		198		1018		949	
Error Rate		2.45%		10.85%		9.84%	

Appendix E - CIGIE's DATA Act 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,



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

Appendix F - Glossary of Abbreviations and Acronyms

CIGIE	The Council of the Inspectors General on Integrity and Efficiency
Civil Penalty Fund	Consumer Financial Civil Penalty Fund
DAIMS	DATA Act Information Model Schema
DATA Act	The Digital Accountability and Transparency Act of 2014
Data elements	Data definition standards
DQP	Data Quality Plan
FAEC	Federal Audit Executive Council
FFATA	Federal Funding Accountability and Transparency Act of 2006
FY	Fiscal Year
GAO	Government Accountability Office
IDD	Interface Definition Document
USAID	United States Agency for International Development
OMB	Office of Management and Budget
RSS	Reporting Submission Specification
Treasury	The United States Department of the Treasury