



**U.S. OFFICE OF PERSONNEL MANAGEMENT
OFFICE OF THE INSPECTOR GENERAL
OFFICE OF AUDITS**

Final Audit Report

**AUDIT OF THE U.S. OFFICE OF PERSONNEL
MANAGEMENT'S DATA SUBMISSION AND
COMPLIANCE WITH THE DIGITAL
ACCOUNTABILITY AND TRANSPARENCY ACT
OF 2014**

**Report Number 4A-CF-00-19-025
November 6, 2019**

EXECUTIVE SUMMARY

Audit of the U.S. Office Of Personnel Management's Data Submission and Compliance with the Digital Accountability and Transparency Act of 2014

Report No. 4A-CF-00-19-025

November 6, 2019

Why Did We Conduct The Audit?

The objectives of our audit were to assess (1) the completeness, accuracy, timeliness, and quality of fiscal year (FY) 2019, first quarter, financial and award data submitted for publication on USASpending.gov and (2) the U.S. Office of Personnel Management's (OPM) implementation and use of the Government-wide financial data standards established by the U.S. Office of Management and Budget (OMB) and the U.S. Department of Treasury (Treasury).

What Did We Audit?

The Office of the Inspector General completed a performance audit of OPM's Digital Accountability and Transparency Act (DATA Act) process and submission for FY 2019, first quarter. Our audit fieldwork was conducted from July 17 through October 3, 2019, at OPM headquarters, located in Washington, D.C.



Michael R. Esser
Assistant Inspector General for Audits

What Did We Find?

1. DATA Act Reporting Requirements

- OPM's FY 2019, first quarter, financial and award data submitted for publication on USASpending.gov was complete, accurate, and timely. Specifically, the following error rates, that we identified and projected to the population, are in compliance with DATA Act reporting requirements.

Component	Error Rate	Margin of Error
Completeness	11.2%	2.5%
Accuracy	12.6%	2.6%
Timeliness	9.7%	2.5%

With respect to the overall data quality, OPM's data is considered **Higher** (see Error Rate Table on page 13), because the highest error rate of 12.6 percent is less than 20 percent, as prescribed in the DATA Act Compliance Guide.

- OPM effectively implemented and used the Government-wide financial data standards established by OMB and Treasury.
2. We identified one area where OPM needs to strengthen controls over its DATA Act submission process to ensure that no discrepancies exist in the linkages between Files C and D1. Specifically, 23* out of 199 transactions tested were identified in File C (award financial) and not in File D1 (award procurement).

*All errors are included in the statistical sample projections, whether the error was caused by OPM or a third party system, such as the Treasury DATA Act Broker.

ABBREVIATIONS

CBIS	Consolidated Business Information System
CIGIE	Council of the Inspectors General on Integrity and Efficiency
DAIMS	DATA Act Information Model Schema
DAIW	The DATA Act Implementation Working Group
DATA Act	Digital Accountability and Transparency Act of 2014
FAEC	Federal Audit Executive Council
FPDS-NG	Federal Procurement Data System-Next Generation
FY	Fiscal Year
IDD	Interface Definition Document
IG	Inspectors General
IT	Information Technology
OCFO	Office of the Chief Financial Officer
OIG	Office of the Inspector General
OMB	U.S. Office of Management and Budget
OPM	U.S. Office of Personnel Management
OPO	Office of Procurement Operations
PRISM	Procurement Information System for Management
RSS	Reporting Submission Specification
SAM	System for Award Management
SAO	Senior Accountable Official
Treasury	U.S. Department of Treasury

TABLE OF CONTENTS

	<u>Page</u>
EXECUTIVE SUMMARY	i
ABBREVIATIONS	ii
I. BACKGROUND	1
II. OBJECTIVES, SCOPE, AND METHODOLOGY	9
III. AUDIT FINDINGS AND RECOMMENDATIONS	13
1. DATA Act Reporting Requirements	13
2. Linkage Discrepancies between Files C and D1.....	15
 APPENDIX The Chief Financial Officer’s response to the draft report, dated October 22, 2019.	
 REPORT FRAUD, WASTE, AND MISMANAGEMENT	

I. BACKGROUND

This final audit report details the findings, conclusions, and recommendations resulting from our performance audit of the U.S. Office of Personnel Management's (OPM) Data Submission and Compliance with the Digital and Transparency Act (DATA Act) of 2014. The audit was performed by OPM's Office of the Inspector General (OIG), as authorized by the Inspector General Act of 1978, as amended.

The DATA Act was enacted on May 9, 2014¹, to expand the reporting requirements pursuant to the Federal Funding Accountability and Transparency Act of 2006². The DATA Act, in part, requires Federal agencies to report financial and award data in accordance with established Government-wide financial data standards. In May 2015, the U.S. Office of Management and Budget (OMB) and the U.S. Department of Treasury (Treasury) published 57³ data definition standards and required Federal agencies to report financial and award data in accordance with these standards for DATA Act reporting, beginning in January 2017. Beginning in May 2017, in accordance with the DATA Act, Treasury began displaying Federal agencies' data on USASpending.gov so that taxpayers and policy makers could review and use the information.

OMB issued the following guidance to Federal agencies to ensure reporting requirements are met:

OMB *Memorandum M-10-06, Open Government Directive*, dated December 8, 2009, directs executive departments and agencies to take specific actions to implement the principles of transparency, participation, and collaboration. Within 45 days of issuance of this memorandum, agencies were required to identify and publish online in an open format at least three high-value data sets and register those data sets via Data.gov. Furthermore, agencies must designate a high-level senior official to be accountable for the quality and objectivity of, and internal controls over, the Federal spending information in USASpending.gov. Within 60 days, each agency was required to create an open government webpage to function as the gateway for agency activities.

OMB guidance in *Open Government Directive, Federal Spending Transparency*, dated April 6, 2010, focuses on three areas:

- Implementation of a policy to require the collection and reporting on sub-award data. Under this guidance, sub-award information is required to be collected and reported.

¹ Public Law 113-101 (May 9, 2014)

² Public Law 109-282 (September 26, 2006)

³ Under the Federal Funding Accountability and Transparency Act of 2006, Federal agencies report 259 data elements to USASpending.gov. However, Treasury and OMB identified 49 existing elements, deemed controversial in nature, and 8 new data elements requiring standardization.

- Improvement of Federal agencies’ timeliness, completeness, and accuracy of Federal spending information⁴. Quarterly data quality metrics will be displayed publicly on the Federal government’s spending website, USASpending.gov.
- Enhancement of the technological capabilities of USASpending.gov, by OMB, for users to view and analyze Federal spending data.

OMB Memorandum M-15-12, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*, issued May 8, 2015, provides guidance to Federal agencies on current reporting requirements pursuant to the Federal Funding Accountability and Transparency Act of 2006, as amended by the DATA Act, and requires agencies to develop DATA Act implementation plans. In addition, the DATA Act Implementation Playbook (Version 1.0) was issued concurrently with OMB M-15-12 as informational guidance to assist agencies with fulfilling the requirements of the DATA Act. Treasury’s DATA Act Implementation Playbook (Version 2.0) was issued in June 2016.

OMB Management Procedures Memorandum 2016-03, *Additional Guidance for DATA Act Implementation: Data-Centric Approach for Reporting Federal Spending Information*, dated May 3, 2016, states “the authoritative source for entity information of Financial Assistance Awardees remains Agency Systems, validated against the System for Award Management (SAM) for awardees required to register in SAM.” The authoritative source for sub-award information remains the Federal Funding Accountability and Transparency Act⁵ Sub-award Reporting System. Data will continue to flow directly from the Federal Funding Accountability and Transparency Act Sub-award Reporting System to USASpending.gov with no additional actions required of agencies.

OMB Memorandum M-17-04, *Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability*, dated November 4, 2016, further specifies:

- responsibilities for reporting financial information for awards involving Intragovernmental Transfers,
- guidance for reporting financial assistance award records containing Personally Identifiable Information, and

⁴ Generally, timeliness is the percentage of transactions reported within 30 days, completeness is the percentage of transactions containing all data elements required by the Transparency Act, and accuracy is the percentage of complete transactions that do not have inconsistencies with systems of record or other authoritative sources.

⁵ Federal Funding Accountability and Transparency Act of 2006, Public Law No. 109-282, 31 U.S.C. § 6101, see footnote.

- guidance for agencies to provide the Senior Accountable Official (SAO) assurance over quarterly submissions to USASpending.gov. Agencies are required to comply with the record keeping and reporting requirements for the first DATA Act reporting (May 2017) and for every quarter thereafter.

For all allocation transfer related data included in DATA Act Files A through C, the awarding agency must provide assurance of the accuracy and reliability of the data to the funding agency. The funding agency, in turn, will be responsible for assuring the submission of the information in Files A through C for display on USASpending.gov.

When a funding agency funds a service through an awarding agency, both the awarding and funding agency are responsible for submitting appropriations data, program activity, and object class data (Files A and B). In addition, the awarding agency will submit the financial award data (File C) and will continue to report award-level information (Files D1 and D2).

The agency's SAO assurance will be submitted quarterly through Treasury's DATA Act Broker⁶ process. The quarterly process will require the SAO to assure that alignment among Files A through F is valid and reliable and the data in each DATA Act file submitted for display on USASpending.gov is valid and reliable.

OMB Memorandum M-18-16, Appendix A to OMB Circular No. A-123, *Management of Reporting and Data Integrity Risk*, dated June 6, 2018, requires DATA Act reporting agencies to implement a Data Quality Plan effective for fiscal years 2019 through 2021, at a minimum, to achieve the objectives of the DATA Act. The Data Quality Plan should cover significant milestones and major decisions pertaining to:

- The organizational structure and key processes providing internal controls for spending reporting.
- Management's responsibility to supply quality data to meet DATA Act reporting objectives in accordance with OMB Circular No. A-123.
- Testing plan and identification of high-risk reported data, including specific data the agency determines to be high-risk that are explicitly referenced by the DATA Act, confirmation that these data are linked through the inclusion of the award identifier in the agency's financial system, and reported with plain English award descriptions.

⁶ The DATA Act Broker enables Federal agencies to upload, validate, and certify quarterly financial data. Agencies can also test monthly financial data, generate award files, and view DATA Act submissions.

- Actions taken in managing identified risks.

The DATA Act requires that the Inspectors General (IG) of each Federal agency review a statistically valid sample of the spending data submitted by its Federal agency and submit a publicly available report to Congress assessing the completeness, timeliness, quality, and accuracy of the data sampled, and the implementation and use of the Government-wide financial data standards by the Federal agency. The DATA Act defines completeness, timeliness, quality and accuracy in the following ways:

- **Completeness** - Defined in two ways: (1) agency submission - all transactions and events that should be recorded are recorded in the proper reporting period and (2) data elements - for each of the required data elements that should be reported, the data element was reported in the appropriate Files A through D2.
- **Timeliness** - Defined in two ways: (1) agency submission - reporting of the agency's DATA Act submission to the DATA Act Broker is in accordance with the schedule established by the Treasury DATA Act Project Management Office and (2) data elements - for each of the required data elements that should be reported, the data elements were reported in accordance with the reporting schedules defined by the financial, procurement, and financial assistance requirements.
- **Accuracy** - Amounts and other data relating to recorded transactions are recorded in accordance with the DATA Act Information Model Schema (DAIMS), Reporting Submission Specification⁷ (RSS), Interface Definition Document⁸ (IDD), and the online data dictionary, and agree with the authoritative source records.
- **Quality** - Defined as data that is complete, accurate, and reported on a timely basis.

As written in the DATA Act, the first set of IG reports were due to Congress in November 2016. However, Federal agencies were not required to display spending data in compliance with the DATA Act until May 2017. To address this reporting anomaly, the Council of the Inspectors General on Integrity and Efficiency's (CIGIE) chair issued a letter, dated December 22, 2015, 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. As a result, the IGs provided

⁷ The RSS provides detail on specific data that is submitted from an agency's financial system.

⁸ The IDD contains a listing of the elements, with supporting metadata, to understand which data will be pulled from government-wide systems for procurement and from agency's financial assistance systems.

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 two-year cycle.

To meet the needs of the IG community, the CIGIE Federal Audit Executive Council (FAEC) established the DATA Act Working Group. In consultation with the U.S. Government Accountability Office (GAO), as required by the DATA Act, the FAEC DATA Act Working Group developed the *CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act*. The guide sets a baseline framework for the required reviews performed by the IG community and fosters a common methodology for performing these mandates. The guide is updated, as necessary, based on feedback from the IG community, GAO, and other stakeholders. The most recent update to the CIGIE FAEC compliance guide was in February 2019.

OPM'S DATA ACT PROCESS

OPM's Office of the Chief Financial Officer (OCFO) is responsible for ensuring that OPM complies with DATA Act requirements. Specifically, the OCFO's Financial Operations Management:

- Populates the RSS, Files A through C, by utilizing OPM's Data Element Components, which consist of representatives from the offices of Procurement, Budget, Financial System, and Accounting. The Consolidated Business Information System (CBIS) generates File B, object class and program activity detail information, and File C, award financial detail information, per the RSS. The DATA Act Broker generates File A, appropriations account detail information, as a starting point for agencies' quarterly submission to USASpending.gov.
- Collects and reconciles data from the Data Element Components prior to the SAO certifying within the DATA Act Broker. The DATA Act Broker facilitates reconciliation between all applicable files, A through D, via validation, cross-file validation, and finally upon submission as certified by the SAO.
- Utilizes the DATA Act Broker as a checks and balances mechanism to ensure that Files A through F are valid. The DATA Act Broker displays separate error and warning messages as a result of each file validation. OPM is unable to submit data until any errors are corrected.

SUBJECT MATTER EXPERTS

OPM has aligned knowledgeable personnel within its DATA Act Implementation Working Group (DAIW) to provide a vision for a successful implementation of the DATA Act and its requirements. The DAIW has an effective management structure with clearly defined roles and responsibilities, which include, but are not limited to the:

Senior Accountable Official, who for the DATA Act implementation is also OPM's Chief Financial Officer, or designee. The SAO assumes responsibility for coordinating and collaborating OPM's efforts to develop and implement the DATA Act and data quality framework for reporting OPM Federal spending information, which includes such things as: (1) ensuring that all activities surrounding the implementation of the DATA Act are completed efficiently, effectively, and on time, (2) communicating roles and responsibilities to DAIW team members, and (3) ensuring that the financial information reported is reliable and in compliance with applicable laws and regulations, including the completion of annual assurance statements.

Chief Acquisition Officer, who is also OPM's Senior Procurement Executive, (1) develops and monitors a process to ensure timely and accurate reporting of contractual actions to the Federal Procurement Data System-Next Generation (FPDS-NG) and USASpending.gov, (2) makes necessary adjustments to policies, procedures, and training, (3) provides an annual statement certifying the completeness and accuracy of OPM procurement data, including the verification and validation results, and (4) a description of activities to assure data input accuracy.

Chief Information Officer, who is responsible for endorsing and providing input on OPM's DATA Act implementation and serves as the lead information technologist in creating the vision of the DATA Act within OPM's infrastructure and architecture, which includes developing the agency's information technology (IT) architecture and establishing agency IT policies, standards, and processes.

Executive Advisor to the DATA Act Working Group, who is also OPM's Deputy Chief Financial Officer, provides input to help guide the project's direction, strategic direction, and guidance to users and other stakeholders on CBIS activities and system requirements. The Executive Advisor also validates high-level business functionality of the system through testing and deployment.

INFORMATION TECHNOLOGY SYSTEMS UNDER THE DATA ACT

OPM uses three separate source systems, from which the DATA Act Broker retrieves financial data, to comply with DATA Act reporting standards: (1) CBIS, an Oracle application, for its Salaries & Expenses and Revolving Fund business operations used by the OCFO, (2) the Federal Financial System, a Consultants to Government and Industries - American Management System mainframe solution used for its Trust Funds processing by the OCFO, and (3) the Procurement Information System for Management (PRISM), a contract writing system used by OPM's Office of Procurement Operations (OPO), that resides within CBIS. CBIS and PRISM are older, or legacy, systems that do not communicate with one another, which requires the manual input of data by the OCFO and OPO.

The DATA Act Information Model Schema (DAIMS) provides a standardized definition and conceptual model for the information relevant to the domain and public reporting of U.S. Federal spending. The DAIMS, version 1.3⁹ (or current version at the time of agency submission) is comprised of two components: (1) RSS and (2) IDD. The data files included in the DAIMS are:

Files A through C represent OPM's RSS submission:

- File A – appropriations account
- File B – object class and program activity
- File C –award financial

Files D through F represent the IDD extracts from existing systems:

- File D1 – award (procurement)
- File D2 – award (financial assistance)
- File E – additional awardee attributes
- File F – sub-award attributes

Consistent with Federal award terms and conditions, entities receiving awards are required to submit accurate data to the SAM and the Federal Funding Accountability and Transparency Act

⁹ For the first quarter FY 2019 data submission, the DAIMS version 1.3 is the current version.

Sub-Award Reporting System maintained by the General Services Administration. The quality of this data is the legal responsibility of the recipient. File E and F data remains the awardee's responsibility, in accordance with the terms and conditions of Federal agreements. Agencies are responsible for assuring controls are in place to verify current recipient registration in SAM, at the time of the financial assistance award, and resolving audit findings which may indicate if recipients are not complying with requirements to register or report sub-awards.

Data reported from these two award-reporting systems is generated in the DATA Act Broker for display on USASpending.gov. As outlined in OMB's Management Procedures Memorandum 2016-03, the authoritative sources for the data reported in Files E and F are SAM and the Federal Funding Accountability and Transparency Act Sub-award Reporting System, respectively, with no additional action required of Federal agencies. It is optional for IGs to assess Files E and F as the quality of this data is the legal responsibility of the recipient and agencies are not responsible for certifying the quality of data reported by awardees.

PREVIOUS OFFICE OF THE INSPECTOR GENERAL REPORTS

In FY 2018, the OIG conducted an audit of the *U.S. Office of Personnel Management's Data Submission and Compliance with the Digital Accountability and Transparency Act*, and issued Report Number 4A-CF-00-17-033 on November 9, 2017, in which we identified three areas of improvement that, when addressed, could have a positive impact on OPM's DATA Act reporting. Based on testing performed during this year's audit, we determined that all three recommendations and the audit can be closed.

In FY 2017, the OIG conducted a DATA Act Readiness Review and issued *Management Advisory Report – Digital Accountability and Transparency Act Readiness Review*, Audit Report Number 4A-CF-00-16-038, on February 16, 2017, in which we reported that OPM's implementation process was on track to meet the DATA Act requirements. There were no recommendations in the report.

II. OBJECTIVES, SCOPE AND METHODOLOGY

OBJECTIVES

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

The recommendations included in this final report address our objectives.

SCOPE AND METHODOLOGY

We conducted this performance audit in accordance with generally accepted government auditing standards as established by the Comptroller General of the United States. These 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.

The scope of our audit covered FY 2019, first quarter, financial and award data submitted for publication by OPM on USASpending.gov, and applicable procedures, certifications, documentation, and controls related to this process. A total population of 410 transactions were identified for File C in the first quarter of FY 2019. We performed our audit fieldwork from July 17 through October 3, 2019, at OPM Headquarters, located in Washington, D.C.

To accomplish our audit objectives noted above, we:

- Interviewed OCFO and OPO personnel;
- Obtained an understanding of regulatory criteria related to OPM's responsibilities to report financial and award data under the DATA Act;
- Reviewed OPM's Data Quality Plan;
- Assessed OPM's 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;
- Reviewed and reconciled the FY 2019, first quarter, summary-level data submitted by OPM for publication on USASpending.gov;

- Reviewed a statistically valid sample from the FY 2019 first quarter, financial and award data submitted by OPM for publication on USASpending.gov;
- Assessed the completeness, accuracy, timeliness, and quality of the financial and award data sampled; and
- Assessed OPM's implementation and use of the 57 data elements/standards established by OMB and Treasury.

In addition, the OIG conducted three information technology audits in FY 2019 in support of our DATA Act responsibilities. Specifically, we:

- Assessed OPM's financial and award systems, processes, and internal controls in place over data management under the DATA Act;
- Assessed the general and application controls pertaining to financial management systems (e.g., grants, loans, procurement) from which the data elements were derived and linked; and
- Assessed OPM's internal controls in place over the financial and award data reported to USASpending.gov per OMB Circular A-123.

In planning our work and gaining an understanding of the regulatory criteria, OPM's Data Quality Plan, systems, processes, and internal and information system controls put in place to facilitate reporting of financial and award data to the DATA Act Broker, we considered, but did not rely on, OPM's internal control structure to the extent necessary to develop our audit procedures and achieve our audit objectives. These procedures were analytical and substantive in nature. The purpose of this audit is not to provide an opinion on internal controls but merely to evaluate controls over the data submitted by OPM for publication on USASpending.gov.

Our audit included such tests and analysis of the data OPM's DAIW submitted to ensure compliance with the DATA Act and reporting processes, including documented policies and procedures, numerical data and narratives as reported in USASpending.gov, and other applicable information as we considered necessary under the circumstances. The results of our testing indicate that, with respect to the items tested, the financial and award data submitted by

OPM in USAspending.gov for the first quarter of FY 2019 was complete, timely, accurate, and in the “higher quality” category. However, OPM needs to strengthen controls over its DATA Act submission process to ensure that no discrepancies exist in the linkages between Files C and D1.

In conducting our audit, we relied to varying degrees on computer-generated data. We performed tests to evaluate OPM’s systems, processes, and internal controls in place over financial data management as required by the DATA Act. While generally compliant, with respect to the items tested, OPM was not in complete compliance with all standards. Due to time constraints, we did not verify the reliability of the data generated by the various information systems. However, nothing came to our attention during audit testing utilizing the computer-generated data to cause us to doubt its reliability. In conclusion, the recommendations identified were primarily administrative in nature and we have no reason to believe that the system generated data from the Federal Financial System or CBIS is not sufficient to achieve the audit objectives outlined in this DATA Act audit. We reported the results of this work in the following reports, which will be made available on the OIG’s website:

- Federal Information Security Modernization Act Audit – FY 2019 (Report Number 4A-CI-00-19-029, issued on October 29, 2019);
- Audit of the IT Security Controls of the U.S. Office of Personnel Management's Federal Financial System (Report Number 4A-CF-00-19-027, issued on October 8, 2019); and
- Audit of the IT Security Controls of OPM’s Consolidated Business Information System (Report Number 4A-CF-00-19-026, issued on October 3, 2019).

We used IDEA Data Analytics software to select a statistically random sample from File C to test the accuracy, completeness, timeliness, and quality of OPM’s FY 2019, first quarter, financial and award data submitted for publication on USAspending.gov. CIGIE Working Group guidance specified that the OIG should select a sample size of 385; however, agencies with smaller transaction populations, such as OPM, where the 385 represented 5 percent or more of the population, were guided to apply a finite correction factor using the formula $385/[1+(385/N)]$, where "N" represents the transaction population size. Using the finite correction for OPM, we statistically selected a random sample of 199 of the 410 first quarter File C transactions to review.

We consulted with a statistician to perform statistical projections, based on the results of our statistical sample testing, for each of the three overall error rates: completeness is 11.2 percent,

accuracy is 12.6 percent, and timeliness is 9.7 percent. The results from our statistical sample testing were projected to the universe.

III. AUDIT FINDINGS AND RECOMMENDATIONS

We determined that with respect to the items tested, while the financial and award data submitted by OPM to USASpending.gov for the first quarter of fiscal year 2019 was complete, timely, accurate, and of higher quality, OPM needs to strengthen controls over its DATA Act submission process to ensure that no discrepancies exist in the linkages between Files C and D1.

1. DATA Act Reporting Requirements

Based on our review of OPM's FY 2019, first quarter, financial and award data submission to USASpending.gov, and other documentation provided by the agency, we determined that OPM is in compliance with the reporting requirements of the DATA Act as stated below:

A. **Completeness and Timeliness of OPM's Submission**

We evaluated OPM'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.

B. **Accuracy of Summary-Level Data and Linkages for Files A, B, and C**

We reconciled Files A and B to determine the accuracy of Files A and B. 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.

C. **Record-Level Data and Linkages for Files C and D1**

We selected a sample of 199 out of 410 transactions and tested 44 data elements for completeness, accuracy, and timeliness.

- **Completeness of the Data Elements** - The projected error rate for the completeness of the data elements is 11.2 percent¹⁰. A data element was considered complete if the required data element that should have been reported was reported.
- **Accuracy** - The projected error rate for the accuracy of the data elements is 12.6

¹⁰ Based on a 95 percent confidence level, the projected error rate for the completeness of the data elements is between 8.7 percent and 13.7 percent.

percent¹¹. 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 dictionary¹², and agreed with the authoritative source records.

- **Timeliness of the Data Elements** - The projected error rate for the timeliness of the data elements is 9.7 percent¹³. The timeliness of the data elements was based on the reporting schedules defined by the procurement and financial assistance requirements in the Federal Funding Accountability and Transparency Act of 2006, Federal Acquisition Regulation¹⁴, FPDS-NG, Financial Assistance Broker Submission¹⁵, and the DAIMS.
- **Quality** - 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. 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 12.6 percent, we determined that the quality of OPM’s data is considered **Higher**.

D. Implementation and Use of the Data Standards

We evaluated OPM’s implementation and use of the government-wide financial data standards for spending information as developed by OMB and Treasury. Based on our

¹¹ Based on a 95 percent confidence level, the projected error rate for the accuracy of the data elements is between 10.0 percent and 15.2 percent.
¹² Online Data Dictionary contains a comprehensive list of data elements with definitions and associated metadata.
¹³ Based on a 95 percent confidence level, the projected error rate for the timeliness of the data elements is between 7.2 percent and 12.2 percent.
¹⁴ The Federal Acquisition Regulation is a regulation, codified in Parts 1 through 53 of Title 48 of the *Code of Federal Regulations*, which governs acquisitions of goods and services by executive branch agencies. It addresses the various aspects of the acquisition process, from acquisition planning to contract formation to contract management.
¹⁵ The Financial Assistance Broker Submission file includes the complete set of elements required for submitting financial assistance award data.

test work, OPM has fully implemented and is using those data standards; however, there were some linkage issues between Files C and D1 as discussed below.

2. Linkage Discrepancies between Files C and D1

During our audit, we determined that OPM needs to strengthen controls over its DATA Act submission process to ensure that no discrepancies exist in the linkages between Files C and D1.

We reviewed a statistically random sample of 199 out of 410 transactions identified in File C, to verify linkages to File D1, using data elements such as the Procurement Instrument Identifier Numbers, Transaction Obligation Amount, and Parent Award Identifier, and determined that 23¹⁶ out of the 199 sample transactions identified in File C are not in D1. Specifically;

- 6 of the 23 transactions were entered into PRISM, which is a component of CBIS, and FPDS-NG, but were not identified in File D1, and
- 17 of the 23 transactions were not entered into either PRISM or FPDS-NG, or sometimes both systems, and also were not identified in File D1.

The total for the 23 transactions missing from File D1 is \$19,135,445 out of 199 transactions sampled, totaling \$420,678,096. Details of our review were provided to the OCFO separately from this report.

The linkage discrepancies between Files C and D1 appear to be attributed to Treasury's DATA Act Broker extraction and OPM's legacy systems, which require the manual input of data into PRISM and FPDS-NG. OPM certified that the accuracy of the data populated in Files C and D1 submitted for the first quarter of FY 2019 was validated in the DATA Act Broker. However, the OCFO's validation process did not ensure the linkage of all data across Files C and D1.

The *Inspectors General Guide to Compliance Under the DATA Act*, dated February 14, 2019, states that the "awards reported in File C should be linked to awards reported in Files D1 and D2. ... Any variances identified ... between Files C and D1 should be clearly explained and documented"

¹⁶ All errors are included in the statistical sampling projections, whether the error was caused by the agency or a third party system, such as the Treasury DATA Act Broker.

OMB's M-17-04, *Memorandum for Agency Senior Accountable Officials*, dated November 4, 2016, states that "[s]ince a DATA Act submission contains a combination of many data sets, the SAO will be required to attest to the validity and reliability of the complete DATA Act submission, including the interconnectivity/linkages (e.g., award ID linkage) across all the data in files A, B, C, D, E, and F. Where there are legitimate differences between files, the SAO should have categorical explanations for misalignments. To provide this assurance, agencies should have internal controls in place over all of the data reported for display [on] USASpending.gov per A-123."

As a result of the linkage discrepancies, the data submitted for publication on USASpending.gov includes some inaccuracies.

Recommendation 1

We recommend that the OCFO address system linkage discrepancies between PRISM, FPDS-NG, and CBIS.

OCFO's Response

The OCFO concurs with the recommendation and stated that the "OCFO received approval from the Office of Management and Budget (OMB) to proceed with migrating CBIS and PRISM to the Department of Transportation (DOT), Enterprise Service Center's (ESC) infrastructure and platform to allow for the elimination of dual manual entry of procurement transactions. This change will introduce fully integrated procurement capabilities to support acquisition operations and fulfill the DATA Act reporting requirements."

Recommendation 2

We recommend that the OCFO work with OPO to strengthen controls to ensure Files C and D1 are valid, accurate, and complete as required by OMB-17-04. Controls at a minimum should include a review of Procurement Instrument Identifier Numbers, Transaction Obligation Amount, and Parent Award Identifier, and/or Data elements to ensure linkages across PRISM, FPDS-NG, and CBIS.

OCFO’s Response (to Draft Recommendation):

The OCFO concurs with the recommendation and stated that “as referenced [in the OCFO’s response to Recommendation 1] above, this issue will be resolved by the planned migration of CBIS and PRISM to the DOT ESC infrastructure which is scheduled for deployment in late FY2021 Q2. However during the interim, [the] OCFO does not have the ability to ensure procurement data is consistently entered into PRISM to produce File C data, and FPDS-NG to produce File DI data, and to ensure the proper linkages occur across these systems. This process is controlled by the Office of Procurement Operations (OPO). Therefore, OPO should fulfill the recommendation of ensuring these controls are strengthened.”

OIG Comment:

While we understand that the process of ensuring that procurement data is consistently entered into PRISM to produce File C data and FPDS-NG to produce File DI data, as well as ensuring that proper linkages occur across these systems, is controlled by OPO, the OCFO is responsible for attesting to the validity and reliability of the complete DATA Act submission, including the data linkages. To provide this assurance, agencies should have internal controls in place over all of the data reported for display on USASpending.gov.

We have marginally revised our recommendation based on the OCFO’s response to our draft report.

APPENDIX




Office of the
Chief Financial
Officer

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

OCT 22 2019

MEMORANDUM FOR [REDACTED]
Chief, Internal Audits Group

FROM: DENNIS D. COLEMAN 
Chief Financial Officer

SUBJECT: Management Response to the Draft Report on the Audit of the U.S. Office of Personnel Management's Data Submission and Compliance with the Digital Accountability and Transparency Act of 2014 - Report No. 4A-CF-00-19-025

Thank you for providing OPM the opportunity to respond to the Office of the Inspector General (OIG) draft report, Audit of the U.S. Office of Personnel Management's Data Submission and Compliance with the Digital Accountability and Transparency Act of 2014 - Report No. 4A-CF-00-19-025.

Responses to your recommendations including planned corrective actions, as appropriate, are provided below.

Recommendation #1: OIG recommended that the OCFO address system linkage discrepancies between PRISM, FPDS-NG, and CBIS.

Management Response: We concur with OIG's recommendation to address the system linkage discrepancies between PRISM, FPDS-NG, and CBIS. As such, OCFO received approval from the Office of Management and Budget (OMB) to proceed with migrating CBIS and PRISM to the Department of Transportation (DOT), Enterprise Service Center's (ESC) infrastructure and platform to allow for the elimination of dual manual entry of procurement transactions. This change will introduce fully integrated procurement capabilities to support acquisition operations and fulfill the DATA Act reporting requirements.

Recommendation #2: OIG recommended that OCFO strengthen controls to ensure Files C and D1 are valid, accurate, and complete as required by OMB-17-04. Controls at a minimum should include a review of Procurement Instrument Identifier Numbers, Transaction Obligation Amount, and Parent Award Identifier, and/or Data elements to ensure linkages across PRISM, FPDS-NG, and CBIS. -NG, and CBIS.

1

Management Response: We concur with the recommendation that controls should be strengthened to ensure Files C and D1 are valid, accurate, and complete as required by OMB-17-04, and as referenced above, this issue will be resolved by the planned migration of CBIS and PRISM to the DOT ESC infrastructure which is scheduled for deployment in late FY2021 Q2. However, during the interim, OCFO does not have the ability to ensure procurement data is consistently entered into PRISM to produce File C data, and FPDS-NG to produce File D1 data, and to ensure the proper linkages occur across these systems. This process is controlled by the Office of Procurement Operations (OPO). Therefore, OPO should fulfill the recommendation of ensuring these controls are strengthened.

I appreciate the opportunity to respond to this draft report. If you have any questions regarding our response, please contact [REDACTED] on (202) [REDACTED] or [REDACTED] @opm.gov.



Report Fraud, Waste, and Mismanagement

Fraud, waste, and mismanagement in Government concerns everyone: Office of the Inspector General staff, agency employees, and the general public. We actively solicit allegations of any inefficient and wasteful practices, fraud, and mismanagement related to OPM programs and operations. You can report allegations to us in several ways:

By Internet: <http://www.opm.gov/our-inspector-general/hotline-to-report-fraud-waste-or-abuse>

By Phone: Toll Free Number: (877) 499-7295
Washington Metro Area: (202) 606-2423

By Mail: Office of the Inspector General
U.S. Office of Personnel Management
1900 E Street, NW
Room 6400
Washington, DC 20415-1100