

**DHS Continues to Make
Progress Meeting DATA
Act Requirements, but
Challenges Remain**





OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

November 4, 2021

MEMORANDUM FOR: Stacy Marcott
Acting Chief Financial Officer
Department of Homeland Security

FROM: Joseph V. Cuffari, Ph.D. **JOSEPH V CUFFARI**
Inspector General

SUBJECT: *DHS Continues to Make Progress Meeting DATA Act Requirements, but Challenges Remain*

Digitally signed by
JOSEPH V CUFFARI
Date: 2021.11.04
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Attached for your action is our final report, *DHS Continues to Make Progress Meeting DATA Act Requirements, but Challenges Remain*. We incorporated the formal comments provided by your office.

The report contains three recommendations aimed at improving the quality of the Department's spending data. Your office concurred with all three recommendations. Based on information provided in your response to the draft report, we consider recommendations 1 and 2 open and resolved. However, we consider recommendation 3 open and unresolved. Once your office has fully implemented the recommendations, please submit a formal closeout letter to us within 30 days so that we may close the recommendations. The memorandum should be accompanied by evidence of completion of agreed-upon corrective actions. Please send your response or closure request to OIGAuditsFollowup@oig.dhs.gov.

Consistent with our responsibility under the *Inspector General Act of 1978*, as amended, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact Bruce Miller, Deputy Inspector General for Audits, at (202) 981-6000.

Attachment

cc: Chief Procurement Officer, DHS



DHS OIG HIGHLIGHTS

DHS Continues to Make Progress Meeting DATA Act Requirements, but Challenges Remain

November 4, 2021

Why We Did This Audit

Pursuant to the DATA Act, the DHS Office of Inspector General reviewed a statistically valid sample of DHS' fiscal year 2020, fourth quarter (FY 2020/Q4) spending data posted on USAspending.gov. We assessed the data's completeness, accuracy, timeliness, and quality, and DHS' implementation and use of government-wide financial data standards.

What We Recommend

We made three recommendations aimed at strengthening DHS' controls to improve its spending data quality.

For Further Information:

Contact our Office of Public Affairs at (202) 981-6000, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov

What We Found

The Department of Homeland Security continues to make progress meeting its reporting requirements under the *Digital Accountability and Transparency Act of 2014* (DATA Act). Using the *Inspectors General Guide to Compliance under the DATA Act*, we found that the quality of the Department's DATA Act submission for FY 2020/Q4 was moderate at 84.7 of 100 points, including non-statistical and statistical testing results. When excluding third-party errors outside of DHS' control, the quality increased from moderate, which ranges from 70 to 84.99 points, to high at 85.3. DHS implemented our prior audit recommendations to improve the completeness of budgetary and award data in its DATA Act submission to make the spending information more transparent. However, system limitations hindered the Federal Emergency Management Agency's (FEMA) ability to track spending associated with the Department's response to the Coronavirus Disease 2019 (COVID-19) pandemic. Because FEMA received 98 percent (approximately \$45.4 billion) of the Department's COVID-19 funding in FY 2020, we concluded the reported spending data was not reliable.

Despite the overall moderate quality of DHS' submission, we found the quality of its spending data was high for a statistically valid sample of 103 procurement and financial assistance awards. However, system limitations continued to hamper the timeliness of FEMA's financial assistance data. FEMA did not report one-third of the sampled financial assistance award data elements within 30 days of award as required. Also, DHS needs to implement and consistently use the government-wide financial data standards to improve the accuracy of reporting for certain data elements to fully achieve the DATA Act's objective.

DHS Response

DHS concurred with all three recommendations. Appendix B contains DHS' response in its entirety.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Table of Contents

Background 2

Results of Audit 7

 DHS’ DATA Act Submission Was of Moderate Quality 8

 DHS Has Improved Completeness of Budgetary Data 10

 DHS Continued to Improve Completeness of Award Data 12

 FEMA Did Not Comply with All COVID-19 Reporting Requirements..... 14

 DHS’ Data Elements Were High Quality, but Challenges Remain..... 16

 DHS Needs to Improve Implementation and Use of Data Standards..... 19

Recommendations..... 22

Appendixes

Appendix A: Objectives, Scope, and Methodology..... 28

Appendix B: DHS Response to the Draft Report 30

Appendix C: DHS’ Results for Data Element Testing 37

Appendix D: DHS’ Comparative Results for Data Elements 39

Appendix E: DHS’ Data Element Accuracy by Award Type 41

Appendix F: Report Distribution 42

Abbreviations

| | |
|-----------|---|
| CAP | corrective action plan |
| CARES Act | <i>Coronavirus Aid, Relief, and Economic Security Act</i> |
| CIGIE | Council of the Inspectors General on Integrity and Efficiency |
| COVID-19 | Coronavirus Disease 2019 |
| DAIMS | DATA Act Information Model Schema |
| DAS | DATA Act Solution |
| DATA Act | <i>Digital Accountability and Transparency Act of 2014</i> |
| DEFC | Disaster Emergency Fund Code |
| FEMA | Federal Emergency Management Agency |
| FPDS-NG | Federal Procurement Data System-Next Generation |
| NFIP | National Flood Insurance Program |
| OIG | Office of Inspector General |
| OMB | Office of Management and Budget |
| RMT | Resource Management Transformation |
| SAO | senior accountable official |



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Background

On May 9, 2014, the President signed the *Digital Accountability and Transparency Act of 2014* (DATA Act) into law to make information about Federal spending more easy to access and transparent to the public. The DATA Act requires agencies to report spending data quarterly to USAspending.gov¹ using government-wide financial data standards established by the Department of the Treasury (Treasury) and the Office of Management and Budget (OMB). These standards specify the data elements for reporting under the DATA Act and define what each element should include to ensure data is consistent and comparable. Agencies must disclose information linking spending activity to Federal programs in the President's budget to effectively track government spending.

Office of Inspector General Responsibilities under the DATA Act

The DATA Act requires the Office of Inspector General (OIG) of each Federal agency to review a statistically valid sample of the agency's spending data submissions to USAspending.gov. Also, the DATA Act requires each OIG to submit to Congress a report that assesses the completeness, accuracy, timeliness, and quality of the data sampled, and implementation and use of government-wide financial data standards in compiling the data. This is our third mandated report on DHS' implementation of the DATA Act. This report assesses the quality of DHS' fiscal year 2020, fourth quarter (FY 2020/Q4) spending data.

The Council of the Inspectors General on Integrity and Efficiency's (CIGIE) Federal Audit Executive Council released its updated *Inspectors General Guide to Compliance under the DATA Act* (CIGIE IG Guide) on December 4, 2020. The CIGIE IG Guide provides a common methodology and reporting approach for every OIG to use in performing work mandated by the DATA Act.

Pursuant to OMB guidance,² the CIGIE IG Guide identified two additional data elements significant in promoting transparent reporting of spending related to the Coronavirus Disease 2019 (COVID-19) pandemic response and associated supplemental relief funding. These two data elements are the National Interest Action code and the Disaster Emergency Fund Code (DEFC).

¹ USAspending.gov is a searchable database of information on Federal contracts and other Government assistance such as grants and cooperative agreements.

² OMB Memorandum M-20-21, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*, April 10, 2020.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Treasury DATA Act Broker Submission

Federal agencies submit their budgetary and award data to Treasury’s DATA Act Broker (Broker). The Broker is a system that facilitates the submission, collection, validation, and certification of agencies’ spending data for publication on USAspending.gov.³ Agencies are required to upload to the Broker the files identified in Table 1, containing data from their internal financial systems.

Table 1. Agency-Created DATA Act Files

| File | Name | Description | Data Source | Required Frequency |
|-------------|-----------------------------------|---|---|---|
| File A | Appropriations Account | Fiscal year cumulative appropriations account summary data such as the amount appropriated and obligated | Agencies’ internal financial management systems | Monthly or quarterly via DATA Act Broker submission |
| File B | Object Class and Program Activity | Fiscal year cumulative appropriations account summary data such as the obligations and outlays by object class, program activity, and DEFC | | |
| File C | Award Financial | Award transaction data such as the obligation amount and DEFC for each Federal financial award made or modified during the reporting period | | |

Source: DHS OIG analysis of Treasury and OMB guidance

Starting with the June 2020 reporting period, agencies that received COVID-19 supplemental relief funding must submit spending data in DATA Act Files A, B, and C on a monthly basis. These monthly submissions must also include a cumulative, year-to-date outlay total for each award in File C funded with COVID-19 supplemental relief funds.⁴

After agencies upload their files, the Broker extracts spending data from government-wide award reporting systems containing data on Federal contracts, grants, and award recipients. Those systems include the Federal Procurement Data System-Next Generation (FPDS-NG) and the Financial Assistance Broker Submission. Agencies submit information about procurement awards to FPDS-NG and about financial assistance awards (grants, loans, insurance, and other assistance) to the Financial Assistance Broker Submission. Using the extracted data, the Broker generates the files identified in Table 2.

³ Treasury *DATA Act Information Model Schema (DAIMS) Practices and Procedures For DATA Act Broker Submissions Version 2.0*, May 6, 2020 (Treasury DAIMS).

⁴ OMB Memorandum M-20-21.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Table 2. DATA Act Broker-Generated Files⁵

| File | Name | Description | Data Source | Required Frequency |
|---------|-------------------------------|---|--|--|
| File D1 | Procurement | Award-level data for recipients of procurement awards | FPDS-NG | Within 3 business days of contract award (\$10,000 or more) ⁶ |
| File D2 | Financial Assistance | Award-level data for recipients of financial assistance awards | Financial Assistance Broker Submission | Within 30 calendar days of grant award (\$25,000 or more) |
| File E | Additional Awardee Attributes | Personnel and other information about entities receiving Federal funds | System for Award Management | Broker uploads data daily to USAspending.gov |
| File F | Subaward Attributes | Data and other information about entities receiving subawards made by recipients of Federal funds | Federal Subaward Reporting System | Broker uploads data daily to USAspending.gov |

Source: DHS OIG analysis of Treasury and OMB guidance

The Broker applies a series of validation rules to test completeness and accuracy of the data elements and linkages between budgetary and award data. OMB guidance⁷ requires agencies to link budgetary and award data across different files using unique award numbers. Through its validation process, the Broker generates data warnings and critical errors based on the application of Treasury-defined rules. For example, a data warning is generated when a unique award number exists in File C but does not exist in Files D1/D2. Errors can occur when certain data elements do not meet formatting requirements such as field length or character type. If any data in the agency submission generates critical errors, USAspending.gov will not accept that data for publication. By contrast, less severe discrepancies result in Broker-generated warnings that do not prevent this data from continuing through the publication process. Warning messages alert agencies to possible issues, which may or may not be inaccuracies in the data, worth further review. Once agency files successfully pass the Broker validations, OMB requires each agency’s senior accountable official (SAO) to provide a monthly attestation, as

⁵ The quality of the data in Files E and F is the legal responsibility of the award recipient, not DHS. Therefore, we did not audit these files.

⁶ According to the Federal Acquisition Regulation § 4.604, agencies have 30 calendar days to report contracts awarded in emergency situations or urgent and compelling situations.

⁷ OMB Management Procedures Memorandum 2016-03, *Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information*, May 3, 2016.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

applicable,⁸ and a quarterly certification,⁹ for DATA Act submissions. For agencies that receive COVID-19 funds, the monthly attestation means the monthly data submitted to Treasury in Files A to C was produced following the agency's normal practices and procedures used to certify its last quarterly submission. The quarterly certification provides reasonable assurance that the agency's internal controls support the validity and reliability of the budgetary and award data submitted to Treasury for publication on USAspending.gov. After the SAO completes the monthly attestation or quarterly certification in the Broker, Treasury will publish the spending data on USAspending.gov.

Each agency must develop a data quality plan that identifies risks to the quality of Federal spending data and implement a control structure to manage such risks.¹⁰ Quarterly certifications by the SAO should be based on considerations and internal controls documented in the agency's data quality plan.

DHS Governance for DATA Act Implementation

In FY 2015, DHS established a governance structure — an institutionalized set of policies and procedures — for the Department's implementation of the DATA Act. DHS' Deputy Chief Financial Officer serves as the Department's SAO. The SAO sets the strategic direction for DHS' approach to DATA Act implementation. DHS also created a Headquarters DATA Act Working Group with members from across its organizational units, including budget, accounting, procurement, and financial assistance.

DHS is responsible for establishing the internal control processes necessary to achieve compliance with the DATA Act. DHS component DATA Act teams submit their spending data monthly to the Resource Management Transformation (RMT) Division within the Office of the Chief Financial Officer to compose the Department's consolidated monthly submissions to USAspending.gov.¹¹ Components must document and implement internal control procedures to ensure their spending data is complete, accurate, and timely.

RMT developed an internal DATA Act Solution (DAS) system to collect and perform pre-check validations of DHS components' spending data to ensure it meets Broker submission requirements. On a monthly basis, as shown in

⁸ OMB Memorandum M-20-21.

⁹ OMB Memorandum M-17-04, *Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability*, November 4, 2016.

¹⁰ OMB Memorandum M-18-16, *Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk*, June 6, 2018.

¹¹ In FY 2020, DHS received COVID-19 supplemental relief funding under the *Coronavirus Aid, Relief, and Economic Security Act (CARES Act)*. Pursuant to OMB Memorandum M-20-21, DHS began reporting monthly DATA Act submissions starting with the June 2020 reporting period.

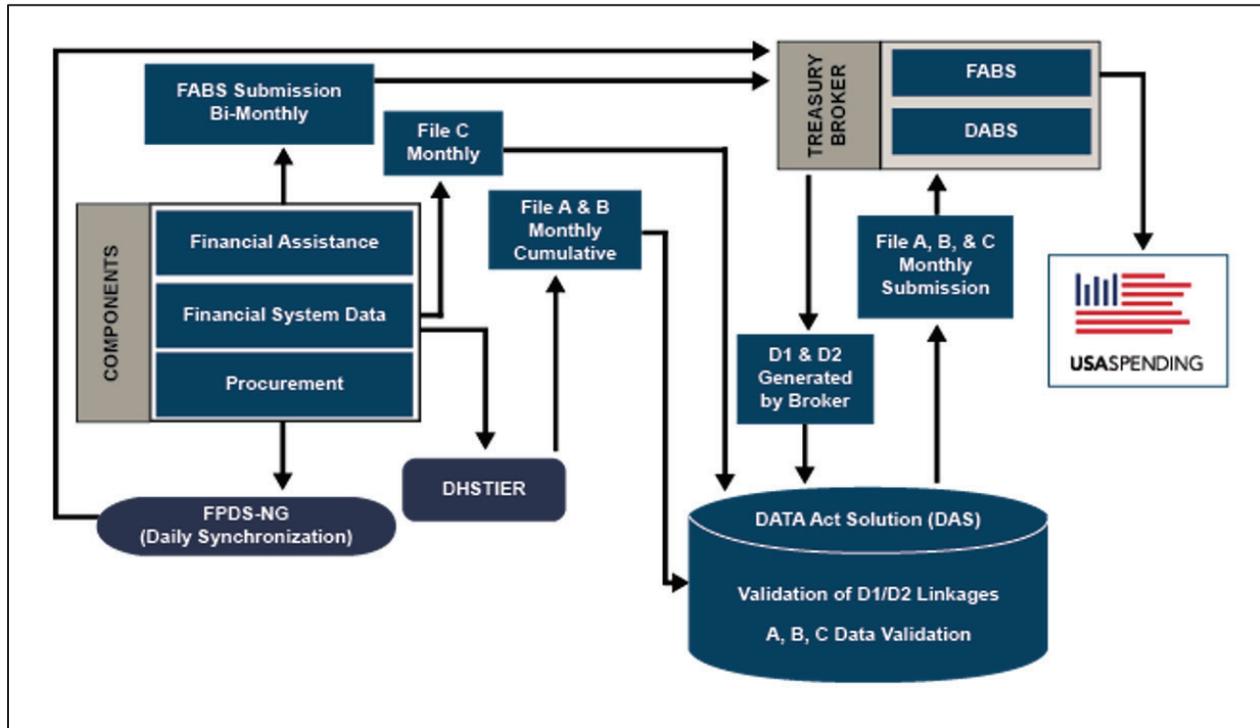


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Department of Homeland Security

Figure 1, RMT pulls the components' budgetary data (Files A and B) from DHS' Treasury Information Executive Repository and uploads it to the DAS, while components submit their award data (File C) directly to the DAS. Additionally, RMT downloads components' procurement award data (File D1) and financial assistance award data (File D2) from the Broker and uploads it to the DAS.

Figure 1. DHS DATA Act Solution Process



Source: DHS DATA Act Data Quality Plan, July 6, 2021

The DAS process mirrors the Broker's validation of the alignment between the budgetary and award files included in DHS' monthly submissions. The DAS process also includes additional tests for DHS to ensure transactions eventually align and to determine how long they take to align. On a monthly basis, DHS stakeholders work together to research and resolve Broker and DAS validation issues, such as missing financial information. Also, RMT conducts monthly Headquarters DATA Act Working Group and Component Implementation Working Group meetings to discuss guidance, processes, best practices, and data quality management efforts.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Previous DHS OIG DATA Act Audits

In August 2020, we reported¹² DHS made progress meeting its DATA Act reporting requirements since our first audit in 2017,¹³ but challenges remain. As previously reported, DHS needed to take action to accurately align budgetary data with the President's budget, reduce award misalignments across DATA Act files, improve the timeliness of financial assistance reporting, implement and use government-wide data standards, and address risks to data quality. We made a total of 11 recommendations in our first two audit reports to strengthen the Department's controls to help DHS meet its goal of achieving the highest possible data quality for submission to USAspending.gov. As of October 2021, nine recommendations were closed while two recommendations remained open.

Results of Audit

DHS continues to make progress meeting its reporting requirements under the DATA Act. Using the CIGIE IG Guide, we found that the quality of the Department's DATA Act submission for FY 2020/Q4 was moderate at 84.7 of 100 points, including non-statistical and statistical testing results. When excluding third-party errors outside of DHS' control, the quality increased from moderate, which ranges from 70 to 84.99 points, to high at 85.3. DHS implemented our prior audit recommendations to improve the completeness of budgetary and award data in its DATA Act submission to make the spending information more transparent. However, system limitations hindered the Federal Emergency Management Agency's (FEMA) ability to track spending associated with the Department's response to the COVID-19 pandemic. Because FEMA received 98 percent (approximately \$45.4 billion) of the Department's COVID-19 funding in FY 2020, we concluded the reported spending data was not reliable.

Despite the overall moderate quality of DHS' submission, we found the quality of its spending data was high for a statistically valid sample of 103 procurement and financial assistance awards. However, system limitations continued to hamper the timeliness of FEMA's financial assistance data. FEMA did not report one-third of the sampled financial assistance award data elements within 30 days of award as required. Also, DHS needs to implement and consistently use the government-wide financial data standards to improve the accuracy of reporting for certain data elements to fully achieve the DATA Act's objective.

¹² *DHS Has Made Progress in Meeting DATA Act Requirements, But Challenges Remain*, OIG-20-62, August 13, 2020.

¹³ *DHS' Implementation of the DATA Act*, OIG-18-34, December 29, 2017.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

DHS’ DATA Act Submission Was of Moderate Quality

The CIGIE IG Guide defines the quality of data in DATA Act submissions as data that is complete, accurate, and reported timely, including non-statistical and statistical testing results. These attributes are measured as follows:

- Completeness is measured as the percent of transactions and required data elements (i.e., budgetary and award data) that are reported in the proper period and in the appropriate DATA Act file.
- Accuracy is measured as the percent of properly reported data elements that match to source documentation such as contracts and grants.
- Timeliness is measured as the percent of required data elements reported in accordance with the reporting schedules defined by the financial, procurement, and financial assistance requirements. Additionally, the agency’s monthly submissions and quarterly certification must comply with the reporting schedule established by Treasury.¹⁴

Table 3 provides the criteria for determining whether the data quality level is low, moderate, high, or excellent.

Table 3. Data Quality Levels¹⁵

| Quality Range (Correctness Rate) | Quality Level |
|---|----------------------|
| 95 to 100 points | Excellent |
| 85 to 94.99 points | High |
| 70 to 84.99 points | Moderate |
| 0 to 69.99 points | Low |

Source: CIGIE IG Guide, December 4, 2020

Using the CIGIE IG Guide, we found DHS’ FY 2020/Q4 DATA Act submission was of moderate quality at 84.7 of 100 points, including non-statistical and

¹⁴ Agencies receiving COVID-19 funds must publish monthly submissions within 30 days after the end of the month. Certification must occur within 45 days after the end of the fiscal quarter.

¹⁵ For the FY 2019 DATA Act audit, the CIGIE IG Guide previously measured data quality based only on the statistical testing results using three data quality levels: high (80 to 100 points), moderate (60 to 79.99 points), and low (0 to 59.99 points). Therefore, the overall results from the FY 2019 and FY 2020 audits are not easily comparable.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

statistical testing results. Non-statistical testing included the timeliness of the submission, the completeness of the budgetary and award data, reporting of COVID-19 outlays, and the linkage of sampled award records across the different DATA Act files. Statistical testing included the completeness, accuracy, and timeliness of award data elements for a statistically valid sample of 103 procurement and financial assistance records. In the statistical sample, when we excluded errors attributed to a third party outside of DHS’ control, the quality of the DATA Act submission increased from moderate (84.7 points) to high (85.3 points). Table 4 shows a summary of the data quality determination results with third-party errors.

Table 4. Summary of Data Quality Determination Results for DHS FY 2020/Q4 DATA Act Submission (with Third-Party Errors)

| Description of Test | | Points Scored | Points Possible | Percent | Quality Level |
|------------------------|----------------------------------|---------------|-----------------|--------------|-----------------|
| NON-STATISTICAL | Timeliness of Agency Submission | 5.00 | 5 | 100% | Excellent |
| | Completeness of Budgetary Data | 10.00 | 10 | 100% | Excellent |
| | Completeness of Award Data | 10.00 | 10 | 100% | Excellent |
| | Reporting of COVID-19 Outlays | 0.00 | 8 | 0% | Low |
| | Linkage of Sampled Award Records | 6.84 | 7 | 97.8% | Excellent |
| | Subtotal | 31.84 | 40 | 79.6% | Moderate |
| STATISTICAL | Completeness of Data Elements | 14.93 | 15 | 99.5% | Excellent |
| | Accuracy of Data Elements | 25.78 | 30 | 85.9% | High |
| | Timeliness of Data Elements | 12.15 | 15 | 81.0% | Moderate |
| | Subtotal | 52.86 | 60 | 88.1% | High |
| Total Score | | 84.7 | 100 | 84.7% | Moderate |

Source: DHS OIG analysis of DHS headquarters and component records



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Statistical testing results have a higher weighted score (i.e., 60 points possible) than non-statistical testing results (i.e., 40 points possible) because the DATA Act requires a statistical sample of data submitted, and statistical results provide stakeholders with valuable insight on that data. Also, the accuracy of the data elements is valued higher (i.e., 30 points possible) than completeness and timeliness (i.e., 15 points possible for each attribute) in the statistical testing results because accuracy significantly impacts the quality of the spending data.

As shown in Table 4, six of the eight areas we reviewed had high to excellent quality in DHS' FY 2020/Q4 DATA Act submission. The two most significant factors that diminished the overall quality of DHS' submission were the low quality of the COVID-19 outlays and the moderate quality of the timeliness of data elements. Also, despite the high quality of the data element accuracy in the statistical sample, 19 of the 51 data elements tested (37 percent) had a combined accuracy error rate of 10 percent or more attributed to a lack of DHS controls. We discuss these areas in more detail throughout this report.

To track Federal spending more effectively, DHS must take action in these areas to ensure it implements and consistently uses the government-wide financial data standards. Without these actions, DHS will continue to face challenges meeting its goal of achieving the highest possible data quality for submission to USAspending.gov.

DHS Has Improved Completeness of Budgetary Data

OMB's DATA Act implementation guidance¹⁶ requires DHS to report budgetary spending, including appropriations, object class, and program activity data. Key requirements for aligning reported budgetary data with the authoritative sources the Broker uses for validation include the following:

- Appropriations account data reported in File A must match the agency's Standard Form 133, *Report of Budget Execution and Budgetary Resources*. Appropriations provide agencies budget authority to incur obligations and to make payments from the Treasury for specified purposes.
- Object class codes reported in File B must match the codes defined in Section 83 of OMB Circular A-11, *Preparation, Submission, and Execution of the Budget*. Object class codes identify obligations by the types of goods or services purchased by the U.S. Federal Government.

¹⁶ OMB Management Procedures Memorandum 2016-03 and OMB Memorandum M-17-04.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

- Program activity names and codes reported in File B must match the agency's program and financing schedule in the President's budget. To ensure the data matches the President's budget, OMB created a MAX Collect exercise for agencies to provide Treasury with their updated program activity lists.

The Broker uses the agency's Standard Form 133, OMB Circular A-11, and OMB's MAX Collect list as the authoritative sources to validate budgetary data. The Broker also performs cross-file validations to make sure agencies report the same population of appropriations account data in Files A, B, and C.¹⁷ These validations ensure users can trace Federal spending to the President's budget.

DHS has significantly improved the completeness of the budgetary data in its DATA Act submission for FY 2020/Q4 by aligning the data with authoritative sources the Broker uses for validation to ensure compliance. The budgetary data contained appropriations account and object class information matching its authoritative sources. The budgetary data also complied with the Broker's cross-file validation rules. Notably, 95 percent of DHS' program activity records matched programs identified in the President's budget. These matching program activity records represented \$159.9 billion in obligations (99.7 percent) and \$120.3 billion in outlays (99.4 percent) of DHS' total spending data reported to USAspending.gov. Previously, we reported that 84 percent of DHS' total obligations and outlays from FY 2019/Q1 contained aligned program activity data. In FY 2017/Q2, 61 percent of the Department's total obligations and 43 percent of its total outlays contained aligned program activity data.

This improvement occurred because DHS officials took action to implement our prior audit recommendation¹⁸ by strengthening DHS' internal controls for aligning the Department's FY 2020 program activity data with the OMB MAX Collect list. In December 2019, RMT added guidance to the Department's DATA Act *Data Quality Report Production Guide* to ensure DHS components properly updated the program activity data in the OMB's MAX Collect list. In addition, the DHS Office of the Chief Financial Officer's Budget and RMT divisions provided instructions and oversight throughout FY 2020 to ensure DHS components successfully completed the OMB MAX Collect exercise process.

¹⁷ The budgetary data must match between Files A and B. File C must be a subset of File B.

¹⁸ Recommendation 1 from OIG-20-62.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Specifically, RMT developed an automated tool to reconcile non-matching program activity data between the Department's DATA Act File B submission and the OMB's MAX Collect list. This reconciliation process ensured that any Broker warnings received were either explainable or within DHS' quality threshold standard of 3 percent, prior to quarterly certification. When the non-matching program activity data was not explainable or within the established threshold, the DHS Headquarters Budget and RMT divisions coordinated monthly to ensure component budget offices took corrective action. Component budget offices worked with their respective OMB Budget Examiner to make necessary updates to the OMB MAX Collect list. RMT officials also made appropriate disclosures to the SAO for any unresolved Broker warnings, prior to quarterly certification.

With strong data reconciliation controls in place, the Department is complying with the DATA Act's objective to make Federal spending information more transparent to the public. The alignment of budgetary data with authoritative sources the Broker uses for validation promotes transparency by allowing the public to track Federal spending to priorities in the President's budget.

DHS Continued to Improve Completeness of Award Data

To track Federal spending more effectively, OMB guidance¹⁹ requires agencies to link each Federal award across their different DATA Act submission files using unique award numbers. Each SAO must²⁰ provide a quarterly assurance statement that the alignments (linking unique award numbers) among the DATA Act files are valid and reliable. The SAO's statement should include explanations for misalignments and legitimate differences.

In comparison to the results of our first two audits, DHS continued to improve the completeness of its total award obligations. We determined DHS aligned²¹ almost \$70 billion (98 percent) of its total obligations in FY 2020/Q4. Therefore, DHS reduced the percent of its misalignments from 38 percent in FY 2017/Q2 to 4 percent in FY 2019/Q1 to 2 percent in FY 2020/Q4.

¹⁹ OMB Management Procedures Memorandum 2016-03.

²⁰ OMB Memorandum M-17-04.

²¹ Using the parameters of 3 months and within \$1 of the obligation amount, we compared the absolute value of the total obligation amount for each unique award number from File C to Files D1/D2. We totaled misalignments for non-matching and matching award numbers. For example, a matching award of \$2 million in File C compared to \$1.9 million in Files D1/D2 would result in a \$2 million misalignment because the difference was not within \$1.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

This improvement can be attributed to DHS' quarterly corrective action plan (CAP) process that targeted misalignments during its reviews of spending data quality. After processing components' monthly spending data in DHS' DAS system, RMT generated an automated component DATA Act checklist tool including feedback on the warnings, critical errors, and obligation dollars associated with award misalignments. Component DATA Act teams researched the misalignments and developed a CAP to address the misalignments deemed unacceptable. The CAP described reasons for the misalignments, corrective actions that would be taken to address them, and target dates for completing the actions. Components then resubmitted their corrected files as needed for reprocessing. RMT included the alignment results in the quarterly SAO Assurance Package with categorical explanations for misalignments and legitimate differences.

Additionally, DHS officials took action in FY 2020 to implement our prior audit recommendation²² by making enhancements to the Department's quarterly CAP process to better target misalignments. Specifically, RMT updated its guidance²³ to ensure DHS component DATA Act teams:

- researched and corrected obligation dollar amount misalignments greater than \$1 million for awards where the award numbers *matched* between DATA Act files (previously, components were only required to address obligation misalignments for *non-matching* award numbers between files);
- identified root causes for actionable misalignments so specific reasons and the corrective actions needed to address them were clearly understood; and
- completed and submitted CAP documentation to RMT on a monthly basis with an update on the status of actions for resolving misalignments.

Also, RMT developed a new Microsoft Excel workbook to continuously track misalignments from month to month until corrective actions were completed. As a result, the alignment of award data among DHS' DATA Act files exceeded its quality threshold standard of 90 percent for FY 2020/Q4.

Consistent implementation of strong reconciliation controls to align award data will ensure DHS effectively manages risk and continues to achieve the DATA Act reporting objective.

²² Recommendation 2 from OIG-20-62.

²³ RMT updated DHS' DATA Act *File C: Component Guidebook* on November 8, 2019, and updated DHS' DATA Act *Data Quality Report Production Guide* on December 31, 2019.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

FEMA Did Not Comply with All COVID-19 Reporting Requirements

The CARES Act, as implemented by OMB and Treasury guidance,²⁴ made changes to the DATA Act reporting requirements beginning with the June 2020 reporting period. Specifically:

- Agencies receiving COVID-19 funding must submit DATA Act Files A, B, and C on a monthly basis. Agencies without COVID-19 funding will continue to submit files on a quarterly basis until FY 2022/Q1. The certification process remains on a quarterly basis for all agencies.
- All agencies must include a funding identifier — DEFC data element — in Files B and C to provide further granularity in spending data by linking funds to emergency and disaster designated appropriations, such as COVID-19 funding under the CARES Act (i.e., DEFC “N” identifier).
- Agencies receiving COVID-19 funding must include a cumulative, year-to-date outlay total²⁵ in monthly File C submissions for each award with outlay activity containing a DEFC identifier for COVID-19 funding.

Also, OMB directed agencies to assign a National Interest Action code to all procurement actions issued in response to the COVID-19 pandemic. In March 2020, this code was established in FPDS-NG to help track procurement actions related to the COVID-19 response. This included new awards for supplies and services, as well as modifications issued to address COVID-19, irrespective of whether the contract was originally awarded to address COVID-19.

In FY 2020, DHS components received nearly \$46.2 billion²⁶ in COVID-19 funding under the CARES Act, of which FEMA received 98 percent (about \$45.4 billion). Although most DHS components complied with the new requirements to help track COVID-19 spending, we found that FEMA did not comply with the two key requirements.

²⁴ OMB Memorandum M-20-21 and Treasury DAIMS, Version 2.0.

²⁵ Prior to the June 2020 reporting period, the reporting of outlays in File C was optional. Agencies receiving COVID-19 funding are now required to provide a cumulative outlay total (i.e., “this award had this much outlaid, year to-date, this month”) for each award with COVID-19 outlay activity. In FY 2022/Q1, all agencies, including those without COVID-19 spending, must begin reporting outlay data in File C for all Treasury accounts reportable under the DATA Act.

²⁶ This amount includes an additional \$289 million transferred from the Department of Health and Human Services for medical care to U.S. Customs and Border Protection and U.S. Immigration and Customs Enforcement to remain available until September 30, 2024.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Specifically, FEMA did not have a formal process for assigning the DEFC identifier to award obligation and COVID-19 outlay records. According to DHS officials, FEMA's core financial system and award management system for public assistance grants do not have the automated capability to record or report the DEFC identifier at the award transaction level. When appropriations accounts have funding from multiple sources with different designations, FEMA uses a "first in, first out" accounting approach²⁷ to manually assign the DEFC identifier to award obligation and COVID-19 outlay records in File C. However, FEMA could not provide an auditable file for us to verify the accuracy of its DEFC assignment process for DHS' FY 2020/Q4 DATA Act submission.

Furthermore, FEMA did not report any COVID-19 outlay records at the award transaction level in DHS' FY 2020/Q4 DATA Act submission. DHS officials stated that FEMA's systems lacked the automated capability to report cumulative, year-to-date outlay totals at the award transaction level on a monthly basis. FEMA's systems could only report outlay totals occurring within a specific month.

Because FEMA received 98 percent (about \$45.4 billion) of the Department's COVID-19 funding under the CARES Act, these issues raise concerns about the completeness and accuracy of the COVID-19 spending data reported in DHS' FY 2020/Q4 DATA Act submission. The Department does not have reasonable assurance that FEMA is consistently or accurately assigning the DEFC data element to award obligation and COVID-19 outlay records. Additionally, FEMA is not reporting COVID-19 outlays at the award transaction level as required. Consequently, the COVID-19 outlay spending data in the Department's FY 2020/Q4 DATA Act submission was not reliable.

In March 2021, DHS started disclosing in its monthly attestation statement on USAspending.gov the issues regarding the inconsistency of FEMA's DEFC assignment process and FEMA's inability to report cumulative COVID-19 outlays. DHS officials stated they were working with FEMA to explore potential solutions to resolve these reporting issues. In February 2021, RMT also developed a new analysis tool to identify potential issues regarding the completeness of the DEFC and COVID-19 outlay data in File C.²⁸

²⁷ For example, FEMA's Disaster Relief Fund is a no-year fund in which funds are available until expended. The fund receives funding by annual appropriations, continuing resolutions, and supplemental appropriations with different emergency, disaster, non-emergency, and non-disaster designations. FEMA manually assigns the DEFC to award obligation and COVID-19 outlay records in File C using a "first in, first out" accounting approach, based on reporting at the appropriations account level in the DHS Treasury Information Executive Repository.

²⁸ RMT's tool compares monthly obligation and outlay amounts between Files B and C at the appropriations account level, using a combination of the Treasury Account Symbol, Direct Reimbursable Funding Source, object class, program activity, and DEFC data elements.



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Department of Homeland Security

Without complete and accurate data, the usefulness of the Department’s COVID-19 spending information to Congress, the public, and other stakeholders is limited. Developing solutions to address FEMA’s challenges will help DHS fully comply with the additional DATA Act requirements for reporting complete COVID-19 outlay data and accurately linking spending to emergency and disaster appropriations through the DEFC identifier.

DHS’ Data Elements Were High Quality, but Challenges Remain

The DATA Act requires the OIG of each Federal agency to review a statistically valid sample of the agency’s spending data. The CIGIE IG Guide defines the quality of data in agency DATA Act submissions as data that is complete, accurate, and reported timely. Within the statistical testing, completeness and timeliness are each worth up to 25 percent of the data quality score, whereas accuracy is worth up to 50 percent. Accuracy is valued higher because it significantly impacts the quality of the spending data and is likely most relevant to stakeholders. Table 5 provides the criteria for determining whether the data element quality level is low, moderate, high, or excellent.

Table 5. Data Quality Levels

| Quality Range (Correctness Rate) | Quality Level |
|---|----------------------|
| 95% – 100% | Excellent |
| 85% – 94.99% | High |
| 70% – 84.99% | Moderate |
| 0% – 69.99% | Low |

Source: CIGIE IG Guide, December 4, 2020

Using the CIGIE IG Guide, we found the quality of DHS’ spending data in its FY 2020/Q4 DATA Act submission was high for a statistically valid sample of 103 procurement and financial assistance awards.²⁹ However, system limitations continued to hamper the timeliness of FEMA’s financial assistance. Table 6 provides a breakdown of the sampled data element quality by award type and attribute.

²⁹ Refer to Appendix C and Appendix D for more detail on the error results by data element.



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Department of Homeland Security

Table 6. Sampled Data Element Quality in DHS’ FY 2020/Q4 DATA Act Submission (Including DHS Errors and Third-Party Errors)

| Attribute Description | Correctness Rates | | | Quality by Attribute Total Sample |
|------------------------------|--------------------------|-----------------------------------|----------------------------|-----------------------------------|
| | Procurement (45 Records) | Financial Assistance (58 Records) | Total Sample (103 Records) | |
| Completeness ³⁰ | 99.4% | 99.6% | 99.5% | Excellent |
| Accuracy | 89.3% | 83.3% | 85.9% | High |
| Timeliness | 99.4% | 66.7% | 81.0% | Moderate |
| Quality by Award Type | 94.4% | 83.2% | 88.1% | |
| | High | Moderate | High | |

Source: DHS OIG analysis of DHS component records for 103 statistically sampled awards

Procurement Data Elements Were of High Quality

As shown in Table 6, sampled data elements for procurement awards were of high quality considering completeness, accuracy, and timeliness. DHS had sufficient policies, procedures, and internal controls to assess the quality of the data entered into FPDS-NG. Pursuant to OMB policy,³¹ DHS conducts annual verification and validation reviews to provide assurances over the completeness, accuracy, and timeliness of procurement award data elements reported to FPDS-NG. Also, the DHS Office of the Chief Procurement Officer holds monthly meetings with component FPDS-NG experts to provide lessons learned and training.

Financial Assistance Data Elements Were of Moderate Quality

Sampled data elements for financial assistance awards, as shown in Table 6, were of moderate quality because FEMA did not report one-third of the data elements within 30 days of the award date as required. System limitations continued to adversely affect the timeliness of reporting awards associated with FEMA’s National Flood Insurance Program (NFIP), and a recurring systems integration issue created delays reporting grant awards for FEMA’s Lost Wages Assistance Program. These were the two most systemic, material issues impacting the timeliness of FEMA’s financial assistance reporting.

³⁰ For record-level linkages, we traced 101 of the 103 award records sampled from Files D1/D2 to File C using the unique award number and obligation amount. This non-statistical test resulted in a quality score of 97.8 percent (6.84 of 7 points), which is excellent quality.

³¹ OMB Office of Federal Procurement Policy Memorandum, *Improving Federal Procurement Data Quality - Guidance for Annual Verification and Validation*, May 31, 2011.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

FEMA's NFIP System Modernization Did Not Address Timeliness Challenges

FEMA's Federal Insurance and Mitigation Administration manages the NFIP program. NFIP aims to reduce the impact of flooding by providing affordable insurance to property owners, renters, and businesses. The Federal Insurance and Mitigation Administration relies on insurance contractors and private insurers to issue flood insurance policies, collect premiums, and make insurance claim payments.

We previously reported³² that FEMA's legacy NFIP system had significant capability gaps. Notably, the legacy system lacked automation, so FEMA typically took as long as 60 days to process and report NFIP award data. When we initiated our third mandated DATA Act audit in August 2020, FEMA was in the process of implementing a new, modernized NFIP system to replace its legacy system to resolve this timeliness issue. Consequently, the new NFIP system was not able to produce Files C and D2 for DATA Act reporting purposes until November 2020, just prior to the quarterly certification date for the FY 2020/Q4 submission. Although the DHS SAO disclosed this timeliness issue in the Department's quarterly DATA Act assurance statement, all of the NFIP awards exceeded the 30-day reporting standard. DHS officials estimated this timeliness issue impacted more than \$1.7 billion of NFIP awards in FY 2020.

Despite these system modernization efforts, FEMA's NFIP award data continued to exceed the 30-day reporting standard in FY 2021. During FY 2021/Q1 and FY 2021/Q2, about 81 percent of the reported NFIP award transactions were not timely. FEMA needs to take action to ensure its modernized NFIP system fully addresses the timeliness issue and becomes DATA Act compliant.

Systems Integration Issues Continue to Impact FEMA's Grant Reporting

On August 8, 2020, the President issued a memorandum³³ directing FEMA to provide up to \$44 billion from the Disaster Relief Fund to provide lost wages assistance to supplement state expenditures for unemployment compensation. These supplemental benefits payments were intended to bring continued financial relief to Americans suffering from unemployment due to the COVID-19 outbreak.

While researching misalignments as part of DHS' quarterly CAP process, FEMA discovered a systems integration issue that prevented it from reporting grant award data for FEMA's Lost Wages Assistance Program. Specifically, FEMA's

³² OIG-20-62.

³³ The White House, *Memorandum on Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease 2019*, August 8, 2020.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

data pull queries did not extract and report data on awards from the grant management system that were backdated in the financial system.³⁴ Although the CAP process enabled FEMA to identify and correct about \$1 billion in misalignments prior to the FY 2020/Q4 certification deadline, this issue still prevented FEMA from reporting the grant awards within 30 days of award date as required. We also previously reported³⁵ a similar systems integration issue impacting the timeliness of more than \$500 million of FEMA's reported grant awards in the Department's FY 2019/Q1 submission.

To address this systems integration issue, DHS officials stated that FEMA changed the frequency of its data pull queries from twice a month to once a week. Additionally, officials explained that FEMA created a query that would capture backdated transactions recorded during the current reporting period. However, we have not received documentation that FEMA has formally documented the procedures that addressed the root cause.

DATA Act submissions containing data of moderate quality can lead users to inadvertently draw inaccurate information or conclusions from the data. Although DHS mitigates this risk through its CAP process and discloses known timeliness issues in its SAO assurance statement on USAspending.gov, more needs to be done to address this recurring challenge.

DHS Needs to Improve Implementation and Use of Data Standards

Pursuant to the DATA Act, OMB and Treasury established data standards that agencies must use to produce consistent and comparable Federal spending data. Treasury used these standards to develop the DAIMS criteria, which provides technical guidance about what data elements to report in DATA Act files, including the authoritative sources and the submission format for the data elements. The standards are intended to help taxpayers and policy makers understand how Federal agencies spend taxpayer dollars and improve agencies' spending oversight and decision making.

Despite the high quality of the data element accuracy in our statistical sample, DHS needs to improve its implementation and use of certain data standards. We considered data elements to be inconsistent with the established data standards if at least 10 percent of the applicable data elements tested contained inaccuracies with errors attributed to a lack of DHS controls. Through our

³⁴ According to FEMA officials, backdating transactions to the accounting period in which the event occurred is supported by generally accepted accounting principles. However, FEMA's data pull queries did not extract new transactions that were backdated to an earlier period.

³⁵ OIG-20-62.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

statistical sample testing, we found that 19 of the 51 data elements tested (37 percent) met the criteria for inconsistency with a combined accuracy error rate of 10 percent or more attributed to a lack of DHS controls. Additionally, 12 of the 51 data elements tested (24 percent) had a combined accuracy error rate of 20 percent or more.³⁶ Through our non-statistical testing, we also found FEMA did not report outlays in File C as required to help track spending associated with COVID-19 supplemental relief funding.

This occurred because DHS components did not implement and consistently use the established data standards for reporting certain data elements. Examples of data elements that did not consistently comply with the standards include:

- DEFC Identifier. FEMA's systems did not have the automated capability to record or report the DEFC identifier at the award transaction level for any funding source. FEMA manually assigned this data element to individual award records in File C but could not provide sufficient support for us to verify the accuracy of its DEFC assignment process.
- Award Description. DHS did not use plain English language when reporting award descriptions as required.³⁷ Officials used shorthand descriptions, abbreviations, or terminology that could only be understood by officials at the Department or component that made the award. Also, for award modifications, officials described the reason for the modification (e.g., deobligate funds) instead of describing the goods or services being procured.
- Awardee or Recipient Legal Entity. Due to field limitations in FEMA's financial system, these financial assistance data elements were often truncated or combined across several fields. For instance, the address sometimes contained part of the legal entity name. FEMA also misreported the mailing address as the physical address.

³⁶ We used the midpoint error rate at the 90 percent confidence level to identify data elements that had inaccurate data at least 10 percent of the time attributed to a lack of DHS controls. Based on the individual award level results, we found that 14 procurement and 15 financial assistance data elements had inaccurate data at least 10 percent of the time attributed to a lack of DHS controls. Based on the combined sample results, 19 data elements had inaccurate data at least 10 percent of the time attributed to a lack of DHS controls. Three data elements (i.e., Legal Entity Congressional District, Funding Office Code, and Object Class) did not meet the criteria for inconsistency based on the combined results but did meet the criteria for inconsistency based on the individual award level results. Refer to Appendix D and Appendix E for more detail.

³⁷ OMB Memorandum M-18-16 and OMB Memorandum M-20-21.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

- Funding Office. Contracting officials selected an incorrect funding office code or selected a contracting office code rather than a funding office code. DHS explained that the General Services Administration, the agency responsible for managing the Federal Hierarchy that feeds contracting and funding offices to FPDS-NG, incorrectly added hundreds of offices to DHS' hierarchy and did not process DHS change requests to inactivate certain offices. Although inaccurate office codes existed in DHS' hierarchy, officials were still responsible for selecting the accurate code when reporting contract actions in FPDS-NG.
- Action Type. Due to a legacy process that was not fully coordinated with all DATA Act stakeholders, FEMA inaccurately reported the action type element for financial assistance awards. For example, FEMA reported award modification actions as if they were new awards rather than revisions to existing awards.

Inaccurately reporting data elements makes it difficult for the public and agencies to understand the data and undermines the DATA Act objective of providing quality and transparent Federal spending data on [USAspending.gov](https://www.usaspending.gov). Although the Department had actions ongoing or planned to address most of these data quality issues, more work is needed to ensure DHS components implement and use the established data standards to produce consistent and comparable Federal spending data.

Conclusion

DHS continues to make progress meeting its DATA Act reporting requirements, but challenges remain. In comparison to our FY 2019 audit, DHS improved the completeness of budgetary and award data in its FY 2020/Q4 DATA Act submission to make spending information more transparent. To track Federal spending more effectively, FEMA must comply with all of the reporting requirements for COVID-19 funding and resolve the recurring challenges that have hampered the timeliness of its financial assistance reporting. DHS also needs to implement and consistently use the government-wide financial data standards to improve the accuracy of reporting for certain data elements to fully achieve the DATA Act's objective.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Recommendations

We recommend DHS' Acting Chief Financial Officer:

Recommendation 1: Develop and apply solutions to ensure FEMA fully complies with the new DATA Act requirements in OMB Memorandum M-20-21 for reporting cumulative COVID-19 outlays on a monthly basis and linking spending to emergency and disaster appropriations through the Disaster Emergency Fund Code data element. Ensure the solutions produce complete and accurate data elements that can be independently traced and verified to an auditable file.

Recommendation 2: Develop and apply solutions to address the challenges hampering the timeliness of FEMA's financial assistance data, including any limitations in FEMA's modernized National Flood Insurance Program system and the recurring systems integration issue caused by backdating grant awards. Ensure the solutions enable FEMA to comply with the 30-day standard for reporting financial assistance awards.

Recommendation 3: Develop and apply solutions to improve the implementation and use of the government-wide financial data standards for procurement and financial assistance data elements that had an accuracy error rate of 10 percent or more.

DHS Response and OIG Analysis

DHS concurred with the three recommendations in this report. Appendix B contains a copy of the Department's response in its entirety. DHS also provided technical comments to our draft report, and we made changes to incorporate these comments, as appropriate. We consider recommendations 1 and 2 open and resolved. Recommendation 3 is open and unresolved. A summary of the Department's responses to the recommendations and our analysis follows.

Although DHS agreed with the recommendations, Department leadership expressed concern that parts of recommendation 3 within our report conflicted with existing Federal procurement policy and regulations. DHS encouraged us to work with the Council of the Inspectors General on Integrity and Efficiency (CIGIE), OMB's Office of Federal Procurement Policy, and Department of Treasury to clarify apparent misunderstandings about this guidance, to which DHS must adhere. Throughout the audit, we worked with the CIGIE Federal Audit Executive Council's DATA Act Working Group to request clarifying guidance on those areas where guidance conflicted with existing Federal procurement criteria and associated DATA Act criteria. We will address DHS' concern in the OIG Analysis section of recommendation 3.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

DHS Response to Recommendation 1: Concur. DHS stated that limitations in FEMA’s legacy financial and grant feeder systems adversely affect FEMA’s ability to fully comply with OMB’s Disaster Emergency Fund Code reporting requirements. For example, several of the grant feeder systems that process the disaster allocations, commitments, and obligations have “hard coded” reports that only accept certain elements in the line of accounting.

Accordingly, FEMA’s Office of the Chief Financial Officer will need to implement code changes to several legacy systems to fully comply with the new OMB DATA Act requirements. In addition to code changes, the field width for some table values will need to be altered to accommodate the new reporting elements. Unlike modern systems that rely on application programming interface data calls to share data between systems, FEMA’s legacy systems require physical changes to the database tables and the use of flat files for sharing information with the financial system. More specifically, the FEMA’s Office of the Chief Financial Officer will make changes to certain FEMA systems and/or modules to enable the use of multiple disaster fund codes. The estimated completion date is December 30, 2022.

OIG Analysis: The Department’s corrective action is responsive to the recommendation, which will remain open and resolved until the Department provides evidence showing that corrective actions are completed.

DHS Response to Recommendation 2: Concur. According to the Department, during FYs 2020 and 2021, FEMA submitted insurance transactions with the date on which the claim was approved by the Write Your Own company as the Action Date. Based on the NFIP’s “Financial Assistance/Subsidy Arrangement,” dated October 1, 2019, and “Write Your Own Program Financial Control Plan,” dated December 1, 2020, Write Your Own companies have until the 12th of the following month to correct any discrepancies and transmit claims to FEMA’s Pivot (an NFIP system used to manage insurance contracts and claims). All transactions are then reviewed by the NFIP’s finance team, consolidated, and provided to FEMA’s Office of the Chief Financial Officer for that month.

Beginning in FY 2022, DHS will use the date of FEMA’s Office of the Chief Financial Officer review and approval as the Action Date for insurance transactions. DHS asserted this date would align with DATA Act requirements and allow DHS insurance records to comply with the 30-day standard for reporting financial assistance awards. Accordingly, FEMA NFIP officials will update the DATA Act data pull routine in the Pivot system.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

In addition, FEMA's Office of the Chief Financial Officer will document a resolution to the recurring systems integration issue caused by backdating grant awards in FEMA's next update to the "Validation of Complete, Accurate, and Timely Award Financial Data for DATA Act Submission File C" and "Validation of Complete, Accurate, and Timely Award Financial Data for DATA Act Submission D2 file for Non-Disaster Grants, Disaster Grants, Loans and Flood Insurance" standard operating procedures. The estimated completion date is November 30, 2021.

OIG Analysis: The Department's corrective action is responsive to the recommendation, which will remain open and resolved until the Department provides evidence showing that corrective actions are completed.

DHS Response to Recommendation 3: Concur. According to the Department, DHS officials are committed to providing "High" quality spending data to Congress and the public. DHS stated it will take action for the procurement and financial assistance data elements we reported as having an error rate of 15 percent or more, which is the threshold for "High" quality data. However, DHS will not take action for data elements with error rates that were either below 15 percent, not statistically different from "Excellent" quality, or have a nominal impact to users of the data. Also, the Department will not take any action that conflicts with existing Federal procurement policy or where DHS officials believe we incorrectly attributed errors to a lack of DHS controls. Examples of data elements where DHS stated it will not take action include:

- Award Description. DHS asserted this procurement data element was reported consistent with FPDS-NG guidance, which allows the Department, for modifications, to either re-state the brief description of the goods or services or describe what the modification is doing.
- Legal Entity Address. DHS stated this procurement data element is not required to match the contractor's most recent registration in the System for Award Management, and a vendor address on a contract document reflects the vendor address at the time of the initial award.
- Funding Office. DHS contended that an FPDS-NG system issue outside of DHS' control prevented users from picking the appropriate Funding Office, and that such an issue should not adversely affect the scoring of DHS results.
- Congressional District. DHS noted that Congressional Districts are a field generated by the FPDS-NG system and are not something DHS provides or controls.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

- Federal Action Obligation. DHS explained the Federal Action Obligation data element for financial assistance awards had a total discrepancy that was insignificant when compared to the total value of the sampled award records.

DHS will issue guidance to improve the implementation and use of the data elements that have an error rate of 15 percent or more, have a significant impact to users of the data, or are statistically different from “Excellent” quality. The estimated completion date is December 31, 2021.

OIG Analysis: Although the Department concurred with this recommendation, its corrective action plan is not fully responsive to the recommendation. At our exit conference meeting on September 22, 2021, and our subsequent technical comments meeting with DHS on September 23, 2021, we explained that the scope of recommendation 3 included 14 procurement and 15 financial assistance data elements that had an accuracy error rate of at least 10 percent attributed to a lack of DHS controls.

The Department does not agree with the full scope of recommendation 3 for four reasons. First, as recommended by the CIGIE Federal Audit Executive Council’s DATA Act Working Group, we used an error rate of 10 percent to identify data elements that DHS did not report consistent with the established DATA Act data standards. However, DHS believes that an error rate of 15 percent is more appropriate because this is CIGIE’s minimum threshold for “High” quality data. DHS also asserts that using an error rate of 10 percent results in the identification of certain data elements that are not statistically different from “Excellent” quality data (i.e., an error rate of 5 percent or less). We believe our use of the CIGIE-recommended error rate of 10 percent is justified. None of the threshold standards in the DHS Office of the Chief Financial Officer’s DATA Act Data Quality Plan are greater than 10 percent. Additionally, many of these data elements also had an error rate of 10 percent for accuracy based on our statistical testing results from FY 2019/Q1.

Second, the Department asserted that its reporting of three procurement data elements — Award Description, Legal Entity Address, and Funding Office — was consistent with the established standards. Department officials believed our results conflict with requirements in the Federal Acquisition Regulation, FPDS-NG guidance, and the “Clarifying Procurement Data” document posted on OMB’s official DATA Act Data Standards website. We disagree with the Department’s assertion. We do not believe that DATA Act contradicts the Federal Acquisition Regulation, but it does increase the reporting requirements



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

for certain elements to make spending information more transparent. A summary of our analysis follows for these three procurement data elements.

- Award Description. The CIGIE DATA Act Working Group issued clarifying guidance³⁸ that DATA Act standard definitions take precedence over other criteria related to reporting data elements. CIGIE’s guidance states the Award Description must describe the goods or services in plain English whether the sampled contract action is the base award or a modification.
- Legal Entity Address. The CIGIE *Inspectors General Guide to Compliance under the DATA Act* states the Legal Entity Address must match the physical address in the System for Award Management at the time of award for transactions being reviewed. If the vendor changed its physical address in the system, the awarding agency should process a modification to update the award.
- Funding Office. OMB advised agencies to reference the white papers issued with the DATA Act data element definitions to help standardize implementation. The applicable OMB white paper states offices are the smallest organizational unit that have responsibility over the award. Also, the Funding Office should be below the Funding Sub-Tier Agency in that agency’s hierarchy.

Furthermore, the Department of the Treasury (Treasury) has not incorporated information from the “Clarifying Procurement Data” document into the *DATA Act Information Model Schema* or any other Treasury guidance. Although Treasury identified a number of issues with the document, OMB posted a link to the document on its official DATA Act Data Standards website without addressing Treasury’s input. As such, there is an apparent disagreement between the DATA Act stakeholders about the document. Additionally, despite OMB posting the document link on its DATA Act Data Standards website, OMB officials did not update any of the DATA Act element definitions. For these reasons, we do not view the “Clarifying Procurement Document” as an authoritative source for DATA Act purposes.

Third, the Department asserted that we incorrectly attributed errors for two procurement data elements — Funding Office and Primary Place of Performance Congressional District — to a lack of DHS controls. DHS officials believed these errors were the result of third-party issues outside of the Department’s control. We disagree with the Department’s assertion because these errors were within DHS’ control. Although inaccurate Funding Office codes existed in DHS’

³⁸ *FY 2021 DATA Act Audit Frequently Asked Questions*, February 23, 2021.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

FPDG-NG hierarchy due to a third-party system issue, we noted that other DHS components had the opportunity prior to the final submission to correct the faulty codes and avoid errors. Additionally, DHS users entered incorrect zip codes in the Primary Place of Performance Zip Code field, directly causing errors in the system-generated Primary Place of Performance Congressional District Code.

Fourth, the Department disagreed with our inclusion of the financial assistance Federal Action Obligation data element within the scope of the recommendation. DHS officials noted that the total discrepancy was insignificant when compared to the total value of the sampled award records. Although the data element is still considered inaccurate, we agree the impact to the users of the data is nominal. Therefore, we do not believe that DHS needs to take any further action for the financial assistance Federal Action Obligation data element.

We consider this recommendation unresolved and open pending evidence that the Department has developed and applied effective solutions to improve the implementation and use of the government-wide financial data standards for the data elements identified in Appendix E (except the financial assistance Federal Action Obligation as discussed previously).



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Appendix A

Objectives, Scope, and Methodology

The Department of Homeland Security Office of Inspector General was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*.

The objectives of this audit were to assess the completeness, accuracy, timeliness, and quality of DHS' FY 2020/Q4 spending data submitted for publication on USAspending.gov, and DHS' implementation and use of the government-wide financial data standards established by OMB and Treasury.

To answer our objectives we:

- reviewed the common methodology in the CIGIE IG Guide;
- reviewed guidance issued by OMB, Treasury, and DHS to understand the criteria for reporting budgetary and award data under the DATA Act, including the new reporting requirements for tracking COVID-19 funds;
- interviewed officials from the DHS Office of the Chief Financial Officer's Resource Management Transformation, Risk Management and Assurance, and Financial Assistance Policy and Oversight Divisions, as well as the DHS Office of the Chief Procurement Officer's Acquisition Policy and Legislation Branch to gain an understanding of DHS' implementation of the DATA Act and assess its DATA Act controls in place during FY 2020/Q4;
- performed non-statistical tests of DHS' FY 2020/Q4 DATA Act submission to assess the completeness of cumulative budgetary data in Files A and B consisting of about \$160 billion in obligations and \$121 billion in outlays, as well as about \$71 billion of award obligations in File C;
- selected a statistically valid sample of 103 procurement and financial assistance award records from DHS' FY 2020/Q4 Files D1 and D2, certified and submitted for publication on USAspending.gov;
- obtained, reviewed, and tested supporting documentation for the 103 sampled award records to assess the completeness, accuracy, timeliness, and quality of the data elements, and DHS' implementation and use of the government-wide financial data standards; and



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

- determined the quality of DHS' FY 2020/Q4 DATA Act submission using the methodology in the CIGIE IG Guide's quality scorecard considering the non-statistical and statistical testing results.

When selecting the statistical sample, the CIGIE IG Guide recommended using a confidence level of 95 percent, an expected error rate between 20 percent and 50 percent, and a sample precision of 5 percent. We deviated from these sampling parameters by using a confidence level of 90 percent, an expected error rate of 50 percent, and a sample precision of 8.1 percent. Based on the findings of our first two DATA Act audits and a risk assessment for our third mandated audit, we determined that deviating from the recommended sampling parameters in the CIGIE IG Guide did not impact our findings and conclusions.

Regarding DHS' internal controls, we limited the scope of our fieldwork to assessing the departmental and component-level controls supporting DHS' DATA Act submission for FY 2020/Q4. Specifically, we assessed the design, implementation, and operating effectiveness of the controls in place at both levels to extract, validate, and transmit the required spending data to achieve the intended outcomes of each objective. We also assessed DHS' implementation of its data quality plan to identify and manage risks to data quality in Federal spending data.

Based on an independent adverse opinion on DHS' internal controls over its FY 2020 financial reporting, our professional judgment was that the internal control environment has not materially changed. As a result, we did not assess the internal controls over DHS' or components' financial reporting, including those internal controls over the information systems from which the required spending data was derived.

We conducted this performance audit between August 2020 and August 2021 pursuant to the *Inspector General Act of 1978, as amended*, and according to 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 upon our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objectives.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix B
DHS Response to the Draft Report

U.S. Department of Homeland Security
Washington, DC 20528



**Homeland
Security**

October 13, 2021

MEMORANDUM FOR: Joseph V. Cuffari, Ph.D.
Inspector General

FROM: Jim H. Crumacker, CIA, CFE
Director
Departmental GAO-OIG Liaison Office

JIM H
CRUMPACKER

Digitally signed by JIM H
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Date: 2021.10.13 15:00:11
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SUBJECT: Management Response to Draft Report: “DHS Continues to
Make Progress Meeting DATA Act Requirements, But
Challenges Remain” (Project No. 20-042-AUD-CFO)

Thank you for the opportunity to comment on this draft report. The U.S. Department of Homeland Security (DHS or the Department) appreciates the work of the Office of Inspector General (OIG) in planning and conducting its review and issuing this report.

The Department is pleased with OIG’s recognition of DHS’s continued progress in meeting its Digital Accountability and Transparency Act of 2014 (DATA Act) reporting requirements, and the implementation of prior OIG recommendations to improve completeness of budgetary and award data in its DATA Act submission to make spending information more transparent. The OIG also acknowledged that, when excluding third-party errors outside of DHS’ control, the quality of the Department’s DATA Act submission for fiscal year (FY) 2020, fourth quarter, was “High,” and that the quality of DHS spending data was also “High.” DHS remains committed to making information on its expenditures more easily accessible and transparent to Congress and the public.

It is important to note, however, that while DHS concurs with the recommendations in this draft report, Department leadership is concerned that some of the OIG audit team’s recommended actions conflict with existing federal procurement policy and regulations. DHS encourages the OIG to work with the Council of the Inspectors General on Integrity and Efficiency, Office of Management and Budget (OMB) Office of Federal Procurement Policy, and Department of Treasury to clarify apparent misunderstandings about this guidance, to which DHS must adhere. For example:



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

- The Federal Procurement Data System (FPDS) is the database that publicly reports unclassified procurements using appropriated funds, as mandated by OMB and implemented by the General Services Administration. Related guidance identifies the permissible information that may be included in the “Award Description” data element. However, OIG marked DHS entries as errors despite DHS descriptions complying with guidance for this data field.
- A vendor name and/or address on a contract document reflects the vendor address at the time of the initial award, OMB does not require the address to match the contractor’s most recent System of Award Management (SAM) registration. Pursuant to Federal Acquisition Regulations (FAR) Subpart 43, “Contract Modifications,” only an address modification requested by a vendor can change that address, and both the vendor and the government can agree for a variety of reasons that they do not wish to pursue such a modification. DHS (1) is not aware of any procurement policy or DATA Act Information Model Schema (DAIMS) requirement to have all contract award documents match the most recent SAM entry even where the vendor has not requested the change in accordance with Federal regulation, and (2) believes requiring this information match conflicts with OMB guidance and the FAR by imposing a requirement narrower than intended by the governing authorities. In addition, DHS does not believe that implementing processes and procedures to ensure such a match represents a prudent expenditure of government funds.

The draft report contained three recommendations, with which the Department concurs. Attached find our detailed response to each recommendation. DHS previously submitted technical comments addressing several accuracy, contextual, and other issues under a separate cover for OIG’s consideration.

Again, thank you for the opportunity to review and comment on this draft report. Please feel free to contact me if you have any questions. We look forward to working with you again in the future.

Attachment



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Department of Homeland Security

**Attachment: Management Response to Recommendations
Contained in 20-042-AUD-CFO**

OIG recommended that the Acting Chief Financial Officer:

Recommendation 1: Develop and apply solutions to ensure FEMA [Federal Emergency Management Agency] fully complies with the new DATA Act requirements in OMB Memorandum M-20-21 for reporting cumulative COVID-19 outlays on a monthly basis and linking spending to emergency and disaster appropriations through the Disaster Emergency Fund Code [DEFC] data element. Ensure the solutions produce complete and accurate data elements that can be independently traced and verified to an auditable file.

Response: Concur. Limitations in FEMA’s legacy financial and grant feeder systems adversely affect FEMA’s ability to fully comply with OMB’s DEFC reporting requirements. For example, several of the grant feeder systems that process the disaster allocations, commitments, and obligations have “hard coded” reports that only accept certain elements in the Line of Accounting.

Accordingly, FEMA’s Office of the Chief Financial Officer (OCFO) will need to implement code changes to several legacy systems to fully comply with the new OMB-promulgated Data Act requirements. In addition to code changes, the field width for some table values will need to be altered to accommodate the new reporting elements. Unlike modern systems that rely on application programming interface data calls to share data between systems, FEMA’s legacy systems require physical changes to the database tables and the use of flat files for sharing information with the financial system. More specifically, the FEMA’s OCFO will make changes to the following FEMA systems and/or modules to enable the use of multiple disaster fund codes:

- Web Integrated Financial Management Information System (WebIFMIS) – the core financial system;
- Disaster Financial Support Capability – an application module to support disaster awards;
- Emergency Management Mission Integration Environment system/FEMA Application Case Tracker module– which handles public assistance grant management;
- Enterprise Coordination and Approvals Processing System – a requisition application;
- Hazard Mitigation Grant Program System – which handles hazard mitigation grant management grants;
- System Oriented Architecture Financial Service module – a central interface between WebIFMIS and grant feeder systems; and



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

- Individual Assistance System – which handles individual assistance management grants.

Estimated Completion Date (ECD): December 30, 2022.

Recommendation 2: Develop and apply solutions to address the challenges hampering the timeliness of FEMA’s financial assistance data, including any limitations in FEMA’s modernized National Flood Insurance Program [NFIP] system and the recurring systems integration issue caused by backdating grant awards. Ensure the solutions enable FEMA to comply with the 30-day standard for reporting financial assistance awards.

Response: Concur. During FYs 2020 and 2021, FEMA submitted insurance transactions with the date on which the claim was approved by the Write Your Own (WYO) company as the action date. Based on NFIP’s “Financial Assistance/Subsidy Arrangement,” dated October 1, 2019, and “Write Your Own Program Financial Control Plan,” dated December 1, 2020, WYOs have until the 12th of the following month to correct any discrepancies and transmit claims to FEMA’s Pivot (a NFIP system used to manage insurance contracts and claims). This helps ensure that WYO company financial statements exactly match Pivot, at which point all WYOs certify that the financial data provided to Pivot is complete and accurate. All transactions are then reviewed by the NFIP’s finance team, consolidated, and provided to FEMA’s OCFO for that month. Beginning in FY 2022, the date of FEMA’s OCFO’s review and approval will be used as the action date for insurance transactions, as this date still aligns with DATA Act requirements and will allow DHS insurance records to comply with the 30-day standard for reporting financial assistance awards. Accordingly, FEMA’s NFIP will update the DATA Act data pull routine in the Pivot system.

In addition, FEMA’s OCFO will document a resolution to the recurring systems integration issue caused by backdating grant awards in FEMA’s next update to the “Validation of Complete, Accurate, and Timely Award Financial Data for DATA Act Submission FILE C” and “Validation of Complete, Accurate, and Timely Award Financial Data for DATA Act Submission D2 file for Non-Disaster Grants, Disaster Grants, Loans and Flood Insurance” standard operating procedures (SOPs). Currently these SOPs do not address this occurrence; thus the resolution includes documenting updated processes to ensure that all new transactions are “pulled” for reporting in DATA Act financial assistance award data, even transactions dated prior to the current period for data that have not yet been submitted.

ECD: November 30, 2021.

Recommendation 3: Develop and apply solutions to improve the implementation and use of the government-wide financial data standards for procurement and financial assistance data elements that had an accuracy error rate of 10 percent or more.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Response: Concur. DHS financial management and procurement leadership, program officials, and subject matter experts, are committed to providing “High” quality (i.e., complete, accurate, and timely) data on Departmental spending and making it more easily accessible and transparent to Congress and the public. Along these lines, DHS will take action for procurement and financial assistance data elements OIG reported as having an error rate of 15 percent or higher, which the OIG’s draft report identified as the threshold for “High” quality data. DHS will continue to rely on current controls for the identified data elements that: (1) have error rates below 15 percent; (2) are not statistically different from “Excellent” quality; and (3) have a nominal impact to users of the data. DHS will not take any action that conflicts with existing government wide policy, processes, or procedures, such as the FAR. More specifically:

- The six procurement and financial assistance data elements of “Funding Office Name,” “NAICS [North American Industry Classification System] description,” “NAICS Code,” “Award Modification/Award Amendment,” “Primary Place of Performance Congressional District,” and “Action Date,” were listed in the OIG’s draft report in Appendix C within the “High” quality threshold, and they were not significantly statistically different from “Excellent” quality. DHS leadership disagrees with the OIG’s findings related to the data element “Funding Office” because a system issue within FPDS—outside of DHS control—prevented system users from being able to pick the appropriate office code. Such an issue should not adversely affect the scoring of DHS results. Furthermore, there is nothing stated in the DAIMS, or any other policy or regulation of which the Department is aware, that prohibits a funding office from sharing the same name as a Component. Finally, Congressional Districts are a field generated by the FPDS system, and are also not something DHS provides or controls. Consequently, DHS will continue to rely on current controls for the aforementioned data elements.
- DHS will also continue to rely on current controls for the financial assistance data element “Federal Action Obligation.” We appreciate OIG updating its final report, in response to previously-submitted DHS technical comments, to disclose that this element has an insignificant \$6.47 total discrepancy in errors out of the \$105 million absolute value tested, which equates to approximately 0.000006 percent.
- In addition, DHS will continue to rely on current controls for the procurement data elements “Period of Performance Potential End Date,” “Awardee/Recipient Legal Entity Name\Address,” “Period of Performance Current End Date,” “Period of Performance Start Date,” and “Action Type”, which were not significantly statistically different from “Excellent” quality or had findings which DHS leadership, program officials, and subject matter experts believe conflict with the



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

existing FAR procurement policy and/or other guidance. For example, a legal entity name and address are not required to match the contractor's most recent SAM registration, and a vendor address on a contract document reflects the vendor address at the time of the initial award. Pursuant to FAR Subpart 43, "Contract Modifications," only an address modification requested by a vendor can change that address, and both the vendor and the government can agree for a variety of reasons that they do not wish to pursue such a modification. DHS (1) is not aware of any procurement policy or DAIMS requirement to have all contract award documents match the most recent SAM entry, and (2) does not believe that implementing processes and procedures to ensure such a match represents a prudent expenditure of government funds.

- Similarly, DHS will continue to rely on current controls for the "Award Description" procurement data element, which is defined in the FPDS as follows:

"For the initial base award, enter a brief description of the goods or services you are buying or for an Indefinite Delivery Vehicle, a brief description of the goods or services available. **For modifications, either re-state the brief description of the goods or services or describe what the modification is doing. The description field may also contain additional information** [emphasis added]. It may not contain PII. This is a summary level field and it is not expected to restate the exact information from an award or modification."

It is also important to note that OMB has further emphasized this point in its "Clarifying Procurement Data" document included as part of the official Data Act Data Standards on the OMB\OFFM website¹. Accordingly, DHS will continue to follow acquisition regulations and the authorized source system definition, which note that the "Award Description" requirement can contain both plain English description of an award or modification as well as additional information; for example, OMB M-20-22, "Preserving the Resilience of the Federal Contracting Base in the Fight Against the Coronavirus Disease 2019 (COVID-19)," dated April 17, 2020, instructs users to input "COVID-19 3610" in the description field in certain situations.

DHS will, however, take action to improve the implementation and use of the data element "Primary Place of Performance Address" that pertains to both procurement and financial assistance, as well as the financial assistance data elements of: "Non-federal Funding Amount," "Amount of Award," "Legal Entity Address," "Award Description," "Action Type," "Period of Performance Start Date," "Disaster Emergency Fund Code,"

¹ Found at: <https://portal.max.gov/portal/assets/public/offm/DataStandardsFinal.htm>



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

“Award Identification Number,” “Period of Performance Current End Date,” and “Awardee/Recipient Legal Entity Name,”—the eleven data elements OIG found to have an error rate of 15 percent or higher, have a significant impact to users of the data (greater than 5 percent of the total tested amounts), or to be statistically different from “Excellent” quality. Within these criteria, the Department’s OCFO will distribute guidance addressing the data elements specific to financial assistance and the DHS Office of the Chief Procurement Officer will provide guidance on the “Primary Place of Performance Address” element specific to procurement data, respectively. ECD: December 31, 2021.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix C
DHS' Results for Data Element Testing

| DHS' FY2020/Q4 Results for Data Elements* (Includes Errors Attributed to DHS and Third Party) | | Sample Error Rate³⁹ | | |
|--|---|---------------------------------------|---------------------------|-------------------------|
| DAIMS Element # | Data Element Name | A Accuracy | C Completeness | T Timeliness |
| 12 | Non-Federal Funding Amount | 95.0% | 0.0% | 10.0% |
| 11 | Amount of Award | 67.2% | 0.0% | 37.9% |
| 5 | Legal Entity Address | 51.5% | 0.0% | 21.4% |
| 22 | Award Description | 44.7% | 0.0% | 21.4% |
| 36 | Action Type | 40.5% | 0.0% | 26.2% |
| 26 | Period of Performance Start Date | 40.0% | 0.0% | 4.7% |
| 430 | Disaster Emergency Fund Code | 34.4% | 2.2% | 3.3% |
| 1 | Awardee / Recipient Legal Entity Name | 30.1% | 0.0% | 21.4% |
| 4 | Ultimate Parent Legal Entity Name | 29.1% | 6.3% | 8.9% |
| 34 | Award Identification Number | 29.0% | 1.0% | 13.0% |
| 13 | Federal Action Obligation ⁴⁰ | 27.2% | 0.0% | 21.4% |
| 27 | Period of Performance Current End Date | 25.9% | 0.0% | 4.9% |
| 42 | Funding Office Name | 21.4% | 0.0% | 21.4% |
| 30 | Primary Place of Performance Address | 20.2% | 0.0% | 22.2% |
| 28 | Period of Performance Potential End Date | 19.5% | 0.0% | 0.0% |
| 17 | North American Industry Classification System Code | 17.8% | 0.0% | 0.0% |
| 18 | North American Industry Classification System Description | 17.8% | 0.0% | 0.0% |
| 48 | Awarding Office Name | 16.5% | 0.0% | 21.4% |
| 25 | Action Date | 13.6% | 0.0% | 21.4% |
| 6 | Legal Entity Congressional District | 12.7% | 1.0% | 22.5% |
| 31 | Primary Place of Performance Congressional District | 12.1% | 0.0% | 22.2% |
| 23 | Award Modification / Amendment Number | 11.8% | 0.0% | 0.0% |
| 3 | Ultimate Parent Unique Identifier | 10.1% | 5.1% | 7.6% |
| 15 | Potential Total Value of Award | 8.9% | 0.0% | 0.0% |

³⁹ These error rates do not reflect projected error rates to the population but error rates from the sample alone.

⁴⁰ Due to a rounding issue, the Federal Action Obligation amount reported in File D2 was inaccurate by an absolute value of \$6.47. In terms of materiality, this inaccuracy represented less than 0.00001 percent of the total sample, which had an absolute value of about \$105 million.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

DHS' Results for Data Element Testing (continued)

| DAIMS Element # | Data Element Name | A Accuracy | C Completeness | T Timeliness |
|------------------------|---|-------------------|-----------------------|---------------------|
| 43 | Funding Office Code | 7.8% | 0.0% | 21.4% |
| 37 | Business Types | 6.9% | 0.0% | 37.9% |
| 50 | Object Class | 5.6% | 2.2% | 3.3% |
| 19 | Catalog of Federal Domestic Assistance Number | 5.2% | 0.0% | 37.9% |
| 14 | Current Total Value of Award | 4.9% | 0.0% | 0.0% |
| 24 | Parent Award Identification Number | 4.5% | 2.3% | 2.3% |
| 53 | Obligation | 4.4% | 2.2% | 3.3% |
| 16 | Award Type | 3.9% | 0.0% | 21.4% |
| 2 | Awardee / Recipient Unique Identifier | 2.4% | 0.0% | 4.7% |
| 51 | Appropriations Account | 2.2% | 2.2% | 3.3% |
| 163 | National Interest Action | 2.2% | 0.0% | 0.0% |
| 7 | Legal Entity Country Code | 0.0% | 0.0% | 21.4% |
| 8 | Legal Entity Country Name | 0.0% | 0.0% | 21.4% |
| 20 | Catalog of Federal Domestic Assistance Title | 0.0% | 0.0% | 37.9% |
| 29 | Ordering Period End Date | 0.0% | 0.0% | 0.0% |
| 32 | Primary Place of Performance Country Code | 0.0% | 0.0% | 22.2% |
| 33 | Primary Place of Performance Country Name | 0.0% | 0.0% | 22.2% |
| 35 | Record Type | 0.0% | 0.0% | 37.9% |
| 38 | Funding Agency Name | 0.0% | 0.0% | 21.4% |
| 39 | Funding Agency Code | 0.0% | 0.0% | 21.4% |
| 40 | Funding Sub Tier Agency Name | 0.0% | 0.0% | 21.4% |
| 41 | Funding Sub Tier Agency Code | 0.0% | 0.0% | 21.4% |
| 44 | Awarding Agency Name | 0.0% | 0.0% | 21.4% |
| 45 | Awarding Agency Code | 0.0% | 0.0% | 21.4% |
| 46 | Awarding Sub Tier Agency Name | 0.0% | 0.0% | 21.4% |
| 47 | Awarding Sub Tier Agency Code | 0.0% | 0.0% | 21.4% |
| 49 | Awarding Office Code | 0.0% | 0.0% | 21.4% |

Source: DHS OIG analysis of DHS component records for 103 statistically sampled awards
* in descending order by accuracy error rate



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix D
DHS' Comparative Results for Data Elements

The table below identifies DHS' accuracy error rate by data element from the FY 2019/Q1 and FY 2020/Q4 audit results. The information is being provided for illustrative purposes only and may not necessarily be indicative of actual percent change based on differences in testing procedures such as population size, sample methodology, quarter tested, file tested, and changes to data definition standards.

| DHS' Comparative Results for Data Elements* (Includes Errors Attributed to DHS Only) | | Sample Error Rate for Accuracy | | |
|---|---|---|-------------|---------------------------|
| DAIMS Element # | Data Element Name | 2020 | 2019 | Percent Change |
| 12 | Non-Federal Funding Amount | 95.0% | n/a | n/a |
| 11 | Amount of Award | 67.2% | 83.8% | -16.5% |
| 5 | Legal Entity Address | 50.5% | 50.1% | 0.4% |
| 22 | Award Description | 44.7% | 20.8% | 23.9% |
| 36 | Action Type | 40.5% | 12.8% | 27.6% |
| 26 | Period of Performance Start Date | 40.0% | 17.1% | 22.9% |
| 430 | Disaster Emergency Fund Code | 34.4% | n/a | n/a |
| 13 | Federal Action Obligation ⁴¹ | 27.2% | 44.0% | -16.8% |
| 34 | Award Identification Number | 26.4% | 14.5% | 11.9% |
| 27 | Period of Performance Current End Date | 25.9% | 20.1% | 5.9% |
| 1 | Awardee / Recipient Legal Entity Name | 24.3% | 25.1% | -0.8% |
| 30 | Primary Place of Performance Address | 20.2% | 29.5% | -9.3% |
| 28 | Period of Performance Potential End Date | 19.5% | 14.2% | 5.3% |
| 25 | Action Date | 13.6% | 13.1% | 0.5% |
| 31 | Primary Place of Performance Congressional District | 12.1% | 29.0% | -16.9% |
| 23 | Award Modification / Amendment Number | 11.8% | 0.5% | 11.2% |
| 17 | North American Industry Classification System Code | 11.1% | 4.9% | 6.2% |
| 18 | North American Industry Classification System Description | 11.1% | 4.9% | 6.2% |
| 42 | Funding Office Name | 10.7% | 0.0% | 10.7% |
| 6 | Legal Entity Congressional District | 9.8% | 19.2% | -9.4% |
| 15 | Potential Total Value of Award | 8.9% | 9.2% | -0.4% |
| 43 | Funding Office Code | 7.8% | 0.0% | 7.8% |

⁴¹ Due to a rounding issue, the Federal Action Obligation amount reported in File D2 was inaccurate by an absolute value of \$6.47. In terms of materiality, this inaccuracy represented less than 0.00001 percent of the total sample, which had an absolute value of about \$105 million.



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DHS' Comparative Results for Data Elements (continued)

| DAIMS Element # | Data Element Name | 2021 | 2019 | Percent Change |
|--------------------|---|------|-------|-------------------|
| 37 | Business Types | 6.9% | 27.2% | -20.3% |
| 50 | Object Class | 5.6% | 14.4% | -8.8% |
| 19 | Catalog of Federal Domestic Assistance Number | 5.2% | 17.3% | -12.1% |
| 14 | Current Total Value of Award | 4.9% | 4.4% | 0.5% |
| 24 | Parent Award Identification Number | 4.5% | 3.1% | 1.4% |
| 53 | Obligation | 4.4% | 12.8% | -8.3% |
| 16 | Award Type | 3.9% | 10.7% | -6.8% |
| 48 | Awarding Office Name | 2.9% | 0.0% | 2.9% |
| 51 | Appropriations Account | 2.2% | 11.4% | -9.2% |
| 163 | National Interest Action | 2.2% | n/a | n/a |
| 2 | Awardee / Recipient Unique Identifier | 1.2% | 8.5% | -7.4% |
| 3 | Ultimate Parent Unique Identifier | 0.0% | 8.5% | -8.5% |
| 4 | Ultimate Parent Legal Entity Name | 0.0% | 8.5% | -8.5% |
| 7 | Legal Entity Country Code | 0.0% | 0.0% | 0.0% |
| 8 | Legal Entity Country Name | 0.0% | 0.0% | 0.0% |
| 20 | Catalog of Federal Domestic Assistance Title | 0.0% | 16.8% | -16.8% |
| 29 | Ordering Period End Date | 0.0% | 100% | -100% |
| 32 | Primary Place of Performance Country Code | 0.0% | 0.0% | 0.0% |
| 33 | Primary Place of Performance Country Name | 0.0% | 0.0% | 0.0% |
| 35 | Record Type | 0.0% | 16.8% | -16.8% |
| 38 | Funding Agency Name | 0.0% | 0.0% | 0.0% |
| 39 | Funding Agency Code | 0.0% | 0.0% | 0.0% |
| 40 | Funding Sub Tier Agency Name | 0.0% | 0.0% | 0.0% |
| 41 | Funding Sub Tier Agency Code | 0.0% | 0.0% | 0.0% |
| 44 | Awarding Agency Name | 0.0% | 0.0% | 0.0% |
| 45 | Awarding Agency Code | 0.0% | 0.0% | 0.0% |
| 46 | Awarding Sub Tier Agency Name | 0.0% | 0.0% | 0.0% |
| 47 | Awarding Sub Tier Agency Code | 0.0% | 0.0% | 0.0% |
| 49 | Awarding Office Code | 0.0% | 0.0% | 0.0% |

Source: DHS OIG analysis of DHS component records
 * in descending order by accuracy error rate
 Results may vary due to rounding



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix E
DHS' Data Element Accuracy by Award Type

The table below identifies the 14 procurement and 15 financial assistance data elements that had inaccurate data at least 10 percent of the time⁴² attributed to a lack of DHS controls. Based on the combined results, 19 data elements had inaccurate data at least 10 percent of the time attributed to a lack of DHS controls.

| Data Element | File D1 Procurement | File D2 Financial Assistance | Combined Results |
|---|--------------------------------|---|-----------------------------|
| Awardee / Recipient Legal Entity Name | | ✓ | ✓ |
| Legal Entity Address | ✓ | ✓ | ✓ |
| Legal Entity Congressional District | | ✓ | * |
| Amount of Award | | ✓ | ✓ |
| Non-Federal Funding Amount | | ✓ | ✓ |
| Federal Action Obligation ⁴³ | | ✓ | ✓ |
| North American Industry Classification System Code | ✓ | | ✓ |
| North American Industry Classification System Description | ✓ | | ✓ |
| Award Description | ✓ | ✓ | ✓ |
| Award Modification / Amendment Number | | ✓ | ✓ |
| Action Date | ✓ | ✓ | ✓ |
| Period of Performance Start Date | ✓ | ✓ | ✓ |
| Period of Performance Current End Date | ✓ | ✓ | ✓ |
| Period of Performance Potential End Date | ✓ | | ✓ |
| Primary Place of Performance Address | ✓ | ✓ | ✓ |
| Primary Place of Performance Congressional District | ✓ | | ✓ |
| Award Identification Number | | ✓ | ✓ |
| Action Type | ✓ | ✓ | ✓ |
| Funding Office Name | ✓ | | ✓ |
| Funding Office Code | ✓ | | * |
| Object Class | ✓ | | * |
| Disaster Emergency Fund Code | | ✓ | ✓ |

Source: DHS OIG analysis of agency records for 103 statistically sampled awards (45 procurement and 58 financial assistance) from DHS' FY 2020/Q4 DATA Act submission

* Based on the combined results, these data elements did not have inaccurate data at least 10 percent of the time attributed to a lack of DHS controls

⁴² We used the midpoint error rate at the 90 percent confidence level to identify data elements by award type that had inaccurate data at least 10 percent of the time attributed to a lack of DHS controls. These figures exclude inaccurate data attributed to a third party.

⁴³ Due to a rounding issue, the Federal Action Obligation amount reported in File D2 was inaccurate by an absolute value of \$6.47.



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Appendix F
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