



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

The U.S. Department of the Interior's DATA Act Submission for the First Quarter of Fiscal Year 2021



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Memorandum

NOV 08 2021

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

From: Mark Lee Greenblatt 
Inspector General

Subject: Final Audit Report – *The U.S. Department of the Interior's DATA Act Submission for the First Quarter of Fiscal Year 2021*
Report No. 2021-FIN-025

This memorandum transmits the results of our final audit of the U.S. Department of the Interior's (DOI's) fiscal year (FY) 2021 first quarter financial and award data submission in accordance with the Digital Accountability and Transparency Act of 2014 (DATA Act) and submission standards developed by the U.S. Department of the Treasury (Treasury) and the Office of Management and Budget (OMB).

We offer two new recommendations to improve the DOI's DATA Act reporting process. We also repeat three recommendations from our FY 2019 DATA Act report that have not yet been implemented. In response to our draft report, the DOI concurred with all five recommendations. Based on DOI's response, we consider all five recommendations to be resolved but not implemented. We do, however, require the Department to provide us with a revised target date for one of the recommendations, and we will be confirming actions taken by the DOI to implement another recommendation. Once we receive this information, we will refer the recommendations to the Assistant Secretary for Policy, Management and Budget for implementation tracking.

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

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

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Results in Brief

We audited the fiscal year (FY) 2021 first quarter financial and award data that the U.S. Department of the Interior (DOI) submitted to the U.S. Department of the Treasury (Treasury) and displayed on www.USAspending.gov in accordance with the Digital Accountability and Transparency Act of 2014 (DATA Act), Pub. L. 113-101, 128 Stat. 1146. The DATA Act requires U.S. Government agencies to make Federal spending data accessible, searchable, and reliable.

We assessed the DOI's implementation and use of the Governmentwide financial data standards established by the Office of Management and Budget (OMB) and Treasury. We determined that the DOI implemented the Governmentwide standards as outlined in the DATA Act, met the deadlines for submitting its financial data to Treasury, and improved its data quality. However, we found that the DOI did not have an adequate Data Quality Plan, as required, and we identified repeat discrepancies from our FY 2019 audit in some of the files, which would affect the display of information on www.USAspending.gov.

We also assessed the completeness, timeliness, accuracy, and quality of data the DOI submitted and found that the DOI complied with requirements, having only minor deficiencies. The DOI's deficiency rate was low enough that it achieved an "excellent" rating according to the Council of the Inspectors General on Integrity and Efficiency Federal Audit Executive Council's quality standard. We reviewed a statistical sample of transactions from the DOI's FY 2021 first quarter data to determine whether the DOI reported all summary-level financial data for the proper reporting period and if those transactions contained all applicable data elements required by the DATA Act. We found that some files did not contain all the required summary-level data and that all data elements conformed to the OMB and Treasury standards.

We offer two new recommendations to improve the DOI's DATA Act reporting process. We also repeat three recommendations from our FY 2019 DATA Act report that have not yet been implemented. In response to our draft report, the DOI concurred with the two new recommendations and the three repeated recommendations from our FY 2019 DATA Act report. Based on this response, we consider all five recommendations resolved but not implemented.

Introduction

Objective

In our audit of the U.S. Department of the Interior's (DOI's) fiscal year (FY) 2021 first quarter financial and award data submitted in accordance with the Digital Accountability and Transparency Act of 2014 (DATA Act), Pub. L. 113-101, 128 Stat. 1146, we focused on these objectives:

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

The scope and methodology are included in Appendix 1.

Background

The DATA Act was enacted on May 9, 2014, to expand the reporting requirements pursuant to the Federal Funding Accountability and Transparency Act of 2006. The DATA Act requires Federal agencies to report financial and award data in accordance with the established Governmentwide financial data standards. The DATA Act ensures the linkage of Federal contract, grant, and loan spending to specific programs and the streamlining of reporting requirements, while improving transparency of Federal spending. In May 2015, the OMB and Treasury published definitions for 57 data standards (commonly referred to as data elements).

In 2020, the OMB and Treasury added two data elements. One of those elements helps identify procurement actions related to the COVID-19 response. The other element provides similar transparency for the use of Coronavirus Aid, Relief, and Economic Security Act funding. Therefore, all agencies must report on a total of 59 data elements.

The DATA Act defines the data elements and formats required for reporting data from both agency financial systems and Governmentwide procurement systems. The data files include:

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

- File E, “Additional Awardee Attributes”
- File F, “Subaward Attributes”

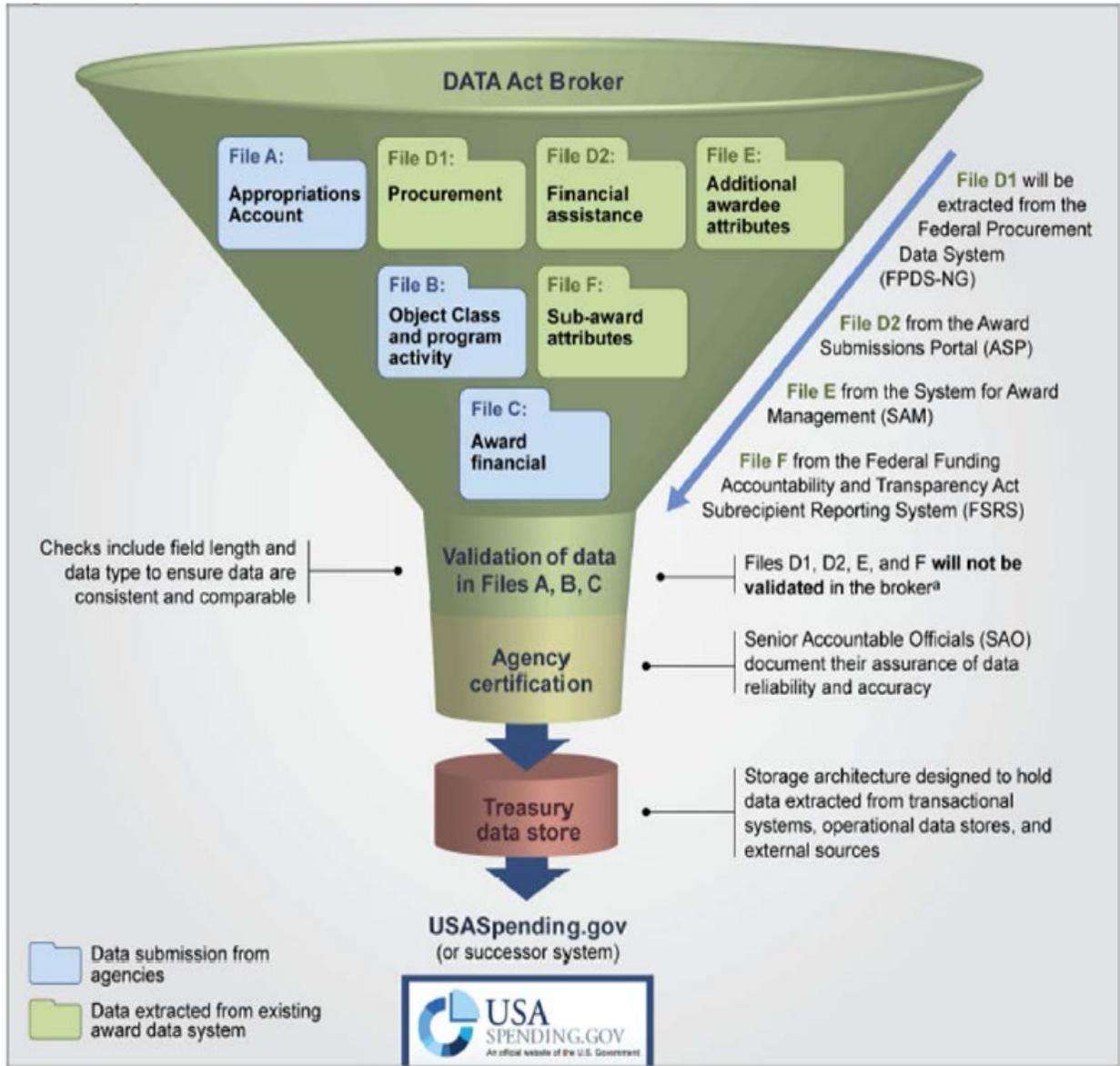
Files A, B, and C are created by agency systems; Files D1 and D2 by agency systems and external systems; and Files E and F by external systems. Upon submission, each agency’s senior accountable official (SAO) documents assurance of internal controls over data reliability and accuracy for these seven files. The SAOs, however, are not responsible for certifying the quality of the data the awardees report to the General Services Administration. Reported data are displayed on a public website, www.USAspending.gov, to help increase transparency in Federal spending by linking grant, contract, loan, and other financial data to program results. Inspectors General are required to submit oversight reports to Congress by November 8, 2021.¹

DATA Act File Creation

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

¹ CIGIE [Council of the Inspectors General on Integrity and Efficiency] FAEC [Federal Audit Executive Council] Inspectors General Guide to Compliance under the DATA Act, December 2020.

Figure 1. Operation of the Broker Software



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

Source: U.S. Government Accountability Office (GAO) analysis of Treasury's technical documents: GAO-17-156, *OMB and Treasury Have Issued Additional Guidance and Have Improved Pilot Design but Implementation Challenges Remain*, December 2016

Findings

We assessed the DOI’s implementation of the Governmentwide financial data standards for award and spending information and determined the DOI is using the standards defined by the OMB and Treasury. We determined that the DOI submitted its FY 2021 first quarter October, November, and December 2020 data to Treasury’s Broker by the established deadlines.² We also noted that the SAO certified the data timely. The DOI used common identifiers (e.g., Procurement Instrument Identifier (PIID), Federal Award Identification Number (FAIN)) to link all the data elements in the agency’s procurement, financial, and grants systems, as applicable.

For Treasury’s DATA Act Broker files we tested, the required elements were in the file, and the record values met the standards. However, we found that the DOI did not have an adequate Data Quality Plan (DQP) and was unable to determine who was responsible for the DQP and updating it. In addition, we identified various Broker software warnings associated with element linkages and calculations, as outlined in Figure 2 below.

Figure 2. DATA Act File Details

File Name	File Description	Contents	What We Found
File A	Appropriations Account Detail	Appropriation is setting aside money for a specific purpose. Congress appropriates funds to agencies, setting aside money for specific purposes. These accounts show the details of the DOI’s appropriations.	The amounts in File A were less than the amounts in File B even though they should have been equal.
File B	Object Class and Program Activity Detail	Object classes are categories of items or services purchased by the U.S. Government. Program Activity Detail is a specific activity or project listed in the Government’s annual budget. This file contains more details about the items or services purchased by the Government.	The object class codes and program activity names and codes matched the Office of Management and Budget MAX Collect detail.
File C	Award Financial Detail	This file contains the totals of the DOI’s awards to each awardee.	The award totals entered did not match the information in external agency systems. The PIIDs and FAINs in File C did not match those in Files D1 and D2, respectively.

² Agencies previously had the option to report File C outlays on a quarterly basis. Under OMB M-20-21, agencies with COVID-19-related funding are now required to report outlays on a monthly basis for COVID-19-related funded awards. October’s monthly report was to be included with the November data; therefore, two submissions were included in our FY 2021 first quarter scope of audit.

File Name	File Description	Contents	What We Found
File D1	Award and Awardee Attributes (Procurement)	This file contains the DOI's awardee names, addresses, and award amounts for procurement contracts.	The information entered did not match departmental systems.
File D2	Award and Awardee Attributes (Financial Assistance)	This file contains the DOI's awardee names, addresses, and award amounts for financial assistance awards.	The information entered did not match departmental systems.

We also found minor deficiencies in completeness, timeliness, quality, and accuracy of the data submissions we sampled.³ Specifically, we found in the 57 data elements for each of the 323 transactions that 0.08 percent were incomplete, 3.41 percent were not timely, and 1.83 percent were not accurate. These results were projected to the DOI's FY 2021 first quarter submission. According to the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Federal Audit Executive Council (FAEC) standards—excellent, higher, moderate, and lower—we consider the DOI's FY 2021 first quarter data displayed on www.USAspending.gov to meet the “excellent” quality standard.

³ CIGIE FAEC *Inspectors General Guide to Compliance under the DATA Act*, December 2020. Completeness is measured according to whether the agency reported all required data elements. Timeliness is measured according to the reporting schedules defined by the procurement and financial assistance requirements (Federal Funding Accountability and Transparency Act, Federal Acquisition Regulation, Federal Procurement Data System – Next Generation (FPDS-NG), and DATA Act Information Model Schema (DAIMS)). Accuracy is measured according to when amounts and other data relating to recorded transactions were recorded in accordance with the DAIMS, Interface Definition Document, and the online data dictionary and agree with authoritative sources. Quality is defined as data that are reported on a timely basis and are complete and accurate.

Inadequate Data Quality Plan

According to OMB M-18-16, agencies that are subject to DATA Act reporting must develop and maintain a DQP that considers the incremental risks to data quality in Federal spending data and any controls that would manage such risks in accordance with OMB Circular No. A-123. To assist agencies with developing these DQPs, the United States Chief Financial Officers Council released the Data Quality Playbook.

We requested a copy of the DOI's DQP from its Business Integration Office (BIO). The BIO told us that most of the information we requested regarding system processes was in its Data Operation Plan (DOP). The BIO also told us that the Office of Financial Management (PFM), specifically the Internal Controls and Audit Follow-up (ICAF) office, was developing the DQP. The PFM-ICAF office, however, stated that it did not maintain a DQP and stated that the BIO would formally respond to us. In response, the BIO provided the DOP, which documents its processes for creating the DATA Act files, submitting the files to the Treasury Broker, and addressing the Treasury Broker warnings and errors. We met with the BIO to discuss the DOP. The BIO told us that the PFM-ICAF office was using the BIO's DOP to meet the requirement of the OMB-18-16 to develop a DQP for the DATA Act. The BIO also told us that, because of a complete turnover of staff in the PFM-ICAF group, the DQP had not been finalized. We verified that a complete turnover of the PFM-ICAF office had occurred and that the prior PFM-ICAF staff had created a DQP, which the BIO later provided to us.

We reviewed the DOI's DOP and DQP and determined that neither document addressed the requirements set forth in OMB M-18-16. In particular, neither document addressed the control environment structure involving management oversight of the bureaus and offices that input the financial information into the Financial and Business Management System (FBMS). The documents also did not identify high-risk data or the agency's process for identifying and assessing risks related to spending data at the bureau and office level. In addition, the documents did not discuss the risk of misreported data, the impact of the risk, and how and when those risks identified will be addressed.

We determined that the DOI has not clearly defined the roles and responsibilities associated with the development and implementation of an adequate DQP. Through numerous communications between the BIO and PFM-ICAF offices, it was clear each office thought the other was responsible for the DQP.

Recommendations

We recommend that the DOI:

1. Identify and document roles and responsibilities associated with the creation and management of the Department’s Data Quality Plan
2. Update, finalize, and implement an adequate Data Quality Plan that complies with OMB M-18-16. Specifically, this plan should identify and assess high-risk data, risks related to bureau and office spending data entered into financial systems, and the risk and impact of misreported data to the Department.

Broker Software Warnings

The Broker software delivers warnings to users when it cannot validate data elements or values, a condition that ultimately would affect the display of information on www.USAspending.gov. Treasury allows some validation rules to give warnings so that the agencies can resolve these issues prior to certifying. If they do not correct the issues, agencies can submit their data with the warnings, but they will be required to correct the problems in future uploads. In the future, Treasury will change these warnings to fatal errors and will require the agencies to correct them before submission.⁴

We accessed and reviewed the Treasury DATA Act submission portal in the Broker software for the DOI’s submitted FY 2021 first quarter files. We identified 614 warnings in 4 reports for the October and November combined submission and the December submission. Of the four reports—

- The File B “program activity report” had 42 warnings
- The cross-file File B to C “program activity warning report” had 172 warnings
- The cross-file File C to D1 “warning report” had 389 warnings
- The cross-file File C to D2 “warning report” had 11 warnings

File B Program Activity Report

The File B “program activity report” had 42 rule warnings, consisting of:

⁴ GAO-17-156, *DATA ACT: OMB and Treasury Have Issued Additional Guidance and Have Improved Pilot Design but Implementation Challenges Remain*, December 2016.

- 40 B9 warnings indicating a difference between the DOI’s program activity (PA) description in the DOI’s FBMS and the OMB PA description.
- One B14 warning indicating the File B direct appropriation amount does not match the inverse of line 2004 of the DOI’s SF-133 per the Treasury Account Symbol (TAS) for the same reporting period.
- One B22 warning indicating the File B gross outlay amount by program object class does not match line 3020 of the SF-133 per the TAS for the same reporting period.

The DOI responded to these B9 system warnings within the Treasury Broker by identifying that the DOI had PA descriptions that were not aligned with the OMB PA descriptions. The DOI told us that some PA descriptions tend to “drop-off” the OMB PA descriptions, causing the warnings. We determined that the DOI resolved 35 out of the 40 B9 warnings in its December submission by working with the OMB to update PA descriptions.

These issues were identified in our previous report on the DATA Act. In particular, our FY 2019 DATA Act Audit identified a total of three B9 warnings in the DOI’s File B “program activity warning report.” As a result, we recommended that the DOI update the FBMS to align with the OMB PA descriptions or contact the OMB to update its descriptions. The DOI concurred with our recommendation and provided a target implementation date of December 31, 2020. As of October 6, 2021, nearly 2 years after we made this recommendation and 9 months after the DOI’s target date, the DOI had not implemented our recommendation.

The DOI responded that the B14 and B22 warnings occurred in the October and November combined submission because transactions were not recorded in the proper period. The File B direct appropriation amounts also did not match the inverse of the amount in line 2004 of the DOI’s SF-133, per the TAS for the same reporting period. These warnings can cause PA descriptions and obligation amounts on www.USAspending.gov to be inaccurate. However, the DOI resolved both the B14 and B22 warnings in its first quarter December submission.

Cross-file File B to C Program Activity Warning Report

The DOI had 172 Treasury Broker software warnings in this report, consisting of:

- 124 C20 warnings indicating that account balances for object classes in File C did not match those in File B
- 39 C21 warnings indicating that account balances for program activity codes in File C did not match those in File B
- 9 C26 warnings indicating that account balances for disaster emergency funding codes in File C did not match those in File B

We did not identify C20, C21, and C26 warnings in the DOI’s FY 2019 DATA Act submission. The Treasury Broker software warnings resulted from the DOI transferring expenses between

accounts. The DOI told Treasury that it believes the activity of moving expenses between funds with the same TAS is a normal business practice. We agree that transferring expenses between accounts is a business requirement for adjusting postings to incorrect accounts. Treasury responded to the Department, however, stating that it continues to take the position that this activity is an appropriate file warning.

Cross-file File C to D1 Warning Report

The DOI had 389 Treasury Broker software warnings in this report, consisting of:

- 223 C11 warnings indicating that the obligations in File C did not exist or did not match those in File D1
- 102 C12 warnings indicating that the obligations in File D1 did not exist or did not match those in File C
- 64 C23.1 and C23.2 warnings indicating that the obligation amounts in File C did not match those in File D1

Our FY 2019 DATA Act Audit identified a total of 240 warnings in the DOI's cross-file C to D1 "warning report." As a result, we recommended that the DOI issue guidance to contracting officers on determining accurate obligation dates, which would resolve these warnings. The DOI concurred with our recommendation and provided a target implementation date of December 31, 2020. As of October 6, 2021, nearly 2 years after we made this recommendation and 9 months after the DOI's target date, the DOI has not implemented our recommendation.

Cross-file File C to D2 Warning Report

The DOI had 11 Treasury Broker software warnings in this report, consisting of:

- 3 C8 warnings indicating that awards in File C did not exist or did not match those in File D2
- 8 C9 warnings indicating that awards in File D2 did not exist or did not match those in File C

Our FY 2019 DATA Act Audit identified a total of 120 warnings in the DOI's cross-file File C to D2 "warning report." To resolve these warnings, we recommended that the DOI issue guidance to grant officers on determining accurate obligation dates. The DOI concurred with our recommendation and provided a target implementation date of December 31, 2020. As of October 6, 2021, nearly 2 years after we made this recommendation and 9 months after the DOI's target date, the DOI has not implemented our recommendation.

Repeat Recommendations (Tracked Under Report 2019-FIN-043, Recommendation Nos. 1, 2, and 3)

We recommend that the DOI:

- Update the FBMS to align with the OMB PA descriptions or contact the OMB to update its descriptions
- Issue guidance to contracting officers on determining accurate obligation dates
- Issue guidance to grant officers on determining accurate obligation dates

Statistical Results

The DATA Act required us to review a sample of the DOI’s File C—or Files D1 and D2, if File C was found inadequate—to assess the completeness, timeliness, accuracy, and quality of the data submitted. After preliminary review, we determined that the DOI’s File C provided an adequate sample. We selected 323 of 8,607 transactions from the DOI’s File C submissions and performed attribute testing on each to determine completeness, timeliness, accuracy, and quality. We used the testing spreadsheet tool included in the *CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act* to test the 57 elements against source systems and documents. After analyzing possible errors in recent pandemic-related Federal spending, we set the expected failure rate at 30 percent for the sampled population.

Attribute Testing Results

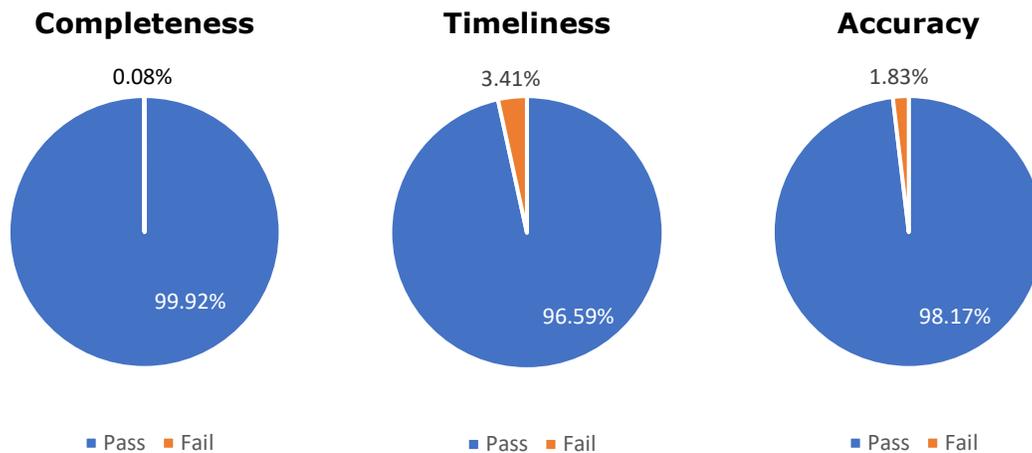
We found in the 57 data elements for each of the 323 transactions that 0.08 percent were incomplete,⁵ 3.41 percent were not timely,⁶ and 1.83 percent were not accurate.⁷ These results were projected to the DOI’s FY 2021 first quarter submission (see Figure 3).

⁵ Based on a 95-percent confidence level, the projected error rate for the completeness of the data elements is between 0.04 percent and 0.13 percent.

⁶ Based on a 95-percent confidence level, the projected error rate for the timeliness of the data elements is between 1.46 percent and 5.36 percent.

⁷ Based on a 95-percent confidence level, the projected error rate for the accuracy of the data elements is between 1.62 percent and 2.10 percent.

Figure 3. Percentage of Passed and Failed Transactions by Category



Note: We sampled 323 of 8,607 transactions from the DOI’s File C submissions in compliance with the DATA Act requirements.

Completeness

The error rate for the completeness of the data elements was 0.08 percent. A data element was considered complete if the information that should have been reported was reported. We tested completeness by comparing transactions and various awardee attributes to source documents, as well as to internal and external source systems. For example, we verified that the sample transactions contained all applicable elements required by the DATA Act.

Timeliness

The error rate for the timeliness of the data elements was 3.41 percent. The timeliness of data elements was based on the reporting schedules defined by the financial, procurement, and financial assistance requirements (FPDS-NG, FABS, and DAIMS). We compared the sample back to source documents to determine whether the PIIDs and FAINs occurred in the FY 2021 first quarter period. Eleven PIIDs had the FPDS-NG authorized date more than 3 working days from the action date in the DOI records; therefore, all applicable data elements for those PIIDs were considered untimely.

Accuracy

The error rate for the accuracy of the data elements was 1.83 percent. A data element was considered accurate when amounts and other data relating to recorded transactions were recorded in accordance with the DAIMS requirements and agree with the originating award documentation or contract file. We identified 161 exceptions due to a third-party error in the Treasury Broker system that was occurring in the first quarter of FY 2021. The issue caused many congressional codes to show up blank in File D1 submissions, even though data were submitted for the data element and the data existed in the DOI systems. The File D1 downloaded from the Treasury Broker should have matched with data imported from the DOI systems. The

error caused the blank congressional code fields in the file, which led to inaccurate data in the File D1.

Non-Statistical Results

Completeness of Summary-Level Data for Files A and B

We reconciled and linked summary-level data for Files A and B and did not identify any variances. The test results verified: (1) summary-level data from File A matched the Agency's Government Treasury Account Symbol (GTAS) SF-133; (2) the totals and TAS identified in File A matched File B; and (3) all object class codes from File B match codes defined in Section 83 of OMB Circular No. A-11.

File C COVID-19 Outlay Testing and Results

We selected a non-statistical sample of 31 records (totaling \$24.5 million) out of 430 File C outlay records (totaling \$41.2 million) from the third month of the FY 2021 first quarter DATA Act submission. We selected the outlays greater than \$300,000, which represented 7.2 percent of total transactions and 59.5 percent of total outlay dollars. Our testing included assessing the Parent Award ID number, PIID or FAIN, object class, appropriations account, obligation, program activity, outlay, and disaster emergency fund code File C outlays data elements for completeness, accuracy, and timeliness. Through our testing, we found that the File C outlays for our sample of 31 records were 100-percent complete, accurate, and timely. Because this was a non-statistical sample design, we did not project the test results to the universe from which the samples were selected.

Accuracy of Dollar Value-Related Data Elements

We identified PIIDs with accuracy exceptions in our testing of dollar value-related data elements. Figure 4, below, displays the absolute value of the exceptions by data elements. Because we cannot project the amounts, they are shown only as additional information for stakeholders.

Figure 4. Accuracy of Dollar Value-Related Data Elements

Award Type	Data Element	Description	# Accurate	# Not Accurate	# Not Applicable	# Total Tested	Error Rate (%)	Absolute Value of Exceptions
PIID	DE 13	Federal Action Obligation	210	0	4	214	0.0%	\$0
PIID	DE 14	Current Total Value of Award	201	9	4	214	4.4%	\$7,469,639
PIID	DE 15	Potential Total Value of Award	198	12	4	214	5.9%	\$31,461,419
PIID	DE 53	Obligation	214	0	0	214	0.0%	\$0
		Total	823	21	12	856		\$38,931,058

Overall Determination of Quality

According to the results of our statistical and non-statistical testing for the DOI’s DATA Act audit for FY 2021 first quarter, the DOI scored 97 points, which is a quality rating of “excellent.”

Conclusion and Recommendations

Conclusion

Through our audit, we found that the DOI has improved the overall quality of its data submitted to www.USAspending.gov. In fact, the DOI received the highest rating of “excellent” according to CIGIE FAEC standards. The data the DOI submitted to www.USAspending.gov, however, can improve. If not, the website will continue to display DOI award and financial information incorrectly or not at all. In addition, the DOI was unable to determine who is responsible for its DQP and updating it accordingly. Implementing the recommendations outlined in this report will assist the DOI in complying with the DATA Act guidelines and providing the public DOI spending data that are accessible, searchable, and reliable, as required.

Recommendations Summary

We issued a draft version of this report to the DOI. Based on the DOI’s response, we consider all five recommendations resolved but not implemented. See Appendix 3 for the full text of the DOI’s response and Appendix 4 for the status of recommendations.

New Recommendations

We recommend that the DOI:

1. Identify and document roles and responsibilities associated with the creation and management of the Department’s Data Quality Plan

DOI Response: The DOI concurred with our finding and recommendation. The DOI stated that the BIO will work with the PFM to document roles and responsibilities for the creation and management of the Data Quality Plan with a target completion date of September 30, 2022.

OIG Reply: Based on the DOI’s response, we consider Recommendation 1 resolved but not implemented. We do not consider the target completion date of September 30, 2022, to be reasonable, as it is the same proposed date as the completion of Recommendation 2, which relates to the updating, finalization, and implementation of the Data Quality Plan. The roles and responsibilities should be completed before September 30, 2022. This should occur before the updating, finalization, and implementation of the Data Quality Plan. The DOI should provide the OIG with a revised implementation date as it coordinates with BIO and PFM.

2. Update, finalize, and implement an adequate Data Quality Plan that complies with OMB M-18-16. Specifically, this plan should identify and assess high-risk data, risks related to bureau and office spending data entered into financial systems, and the risk and impact of misreported data to the Department.

DOI Response: The DOI concurred with our finding and recommendation. The DOI stated that the BIO will work with the PFM to implement a Data Quality Plan with a target completion date of September 30, 2022.

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

Repeat Recommendations

The following recommendations remain open from our 2019 report (2019-FIN-043).

We recommend that the DOI:

- Update the FBMS to align with the OMB PA descriptions or contact the OMB to update its descriptions (Recommendation 3 from our FY 2019 report)

DOI Response: The DOI concurred with our finding and recommendation. The DOI stated that the BIO will work with the Office of Budget (POB) "to issue guidance and provide training to bureau budget offices on establishing program activities and descriptions at OMB and within FBMS timely" with a target completion date of March 31, 2022.

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

- Issue guidance to contracting officers on determining accurate obligation dates (Recommendation 1 from our FY 2019 report)

DOI Response: The DOI concurred with our finding and recommendation. The DOI stated that the BIO will work with the Office of Acquisition and Property Management (PAM) to issue guidance on determining accurate obligation dates with a target Completion Date of December 31, 2021.

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

- Issue guidance to grant officers on determining accurate obligation dates (Recommendation 2 from our FY 2019 report)

DOI Response: The DOI concurred with our finding and recommendation. The DOI stated that it has "mitigated this issue with the implementation of new functionality in GrantSolutions (Financial Assistance System)" in FY 2022. The DOI stated that the functionality "ensures the award date is the same as the system release date." The DOI considers the recommendation completed.

OIG Reply: Based on the DOI's response and subsequent support provided for the new GrantSolutions functionality, we consider this recommendation resolved but not implemented pending our confirmation of the new functionality and the extent to which it constitutes mitigation sufficient to meet the intent of the recommendation.

Appendix 1: Scope and Methodology

Scope

Our audit scope included performing and reviewing a statistical sample of 323 of 8,607 items in the U.S. Department of the Interior's (DOI's) Fiscal Year (FY) 2021 first quarter financial and award data submitted in accordance with the Digital Accountability and Transparency Act of 2014 (DATA Act) for publication on www.USAspending.gov. We checked the sample against the standard 57 DATA elements and any applicable procedures, certifications, documentation, and controls to achieve this process.

Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To accomplish our objectives, we:

- Reviewed 323 statistical sample selections of 8,607 total entries in the DOI's FY 2021 first quarter File C submission against the 57 standard DATA elements established by the Office of Management and Budget (OMB) and the U.S. Department of the Treasury (Treasury).

The sample size of 323 is mathematical, following the sampling formula for attribute sampling using the following criteria:

1. Confidence Interval: 95 percent
2. Desired Precision: 5 percent
3. Expected Error Rate: 30 percent

The U.S. Government Accountability Office (GAO) and Council of Inspectors General on Integrity and Efficiency (CIGIE) Federal Audit Executive Council (FAEC) DATA Act group selected the percentages for confidence level and precision. After analyzing possible errors in recent pandemic-related Federal spending, we set the expected failure rate at 30 percent in the sampled population.

We projected the results of our statistical sample testing to the DOI's entire FY 2021 first quarter submission.

We selected a non-statistical sample of 31 File C outlay records from the third month of the FY 2021 first quarter DATA Act submission. Our testing included assessing the Parent Award ID number, Procurement Instrument Identifiers or Federal Award Identification Number, object class, appropriations account, obligation, program activity, outlay, and disaster emergency fund code File C outlays data elements for completeness, accuracy, and timeliness.

- Reviewed laws, legislation, directives, and any other regulatory criteria (and guidance) related to the DOI's responsibilities to report financial and payment information under the DATA Act
- Reviewed the DOI's governance structure, processes, and controls planned or established
- Conducted interviews and walkthroughs with the DOI's DATA Act working groups responsible for implementing the DATA Act at the agency level
- Assessed the DOI's systems, processes, and internal controls in place over data management under the DATA Act
- Assessed the DOI's internal controls by consulting the Generally Accepted Government Auditing Standards, the December 2020 *CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act*, and the five components for Federal Government internal controls (see Appendix 2) in the GAO's *Green Book*
- Traced the 323 statistical sample selections and their data elements established by the OMB and Treasury back to source systems or performed alternate procedures consisting of matching contract line-item numbers or purchase order line items to transactions in the Procurement Information System for Management
- Tested the accuracy, completeness, and timeliness of the 31 COVID-19 outlays from the third month of FY 2021 first quarter
- Assessed the completeness, timeliness, accuracy, and quality of the financial and award data sampled in Files A, B, C, D1, and D2. (We did not audit Files E and F because they are compiled from information provided by the General Services Administration's systems.)
- Assessed the DOI's implementation and use of the 59 data elements established by the OMB and Treasury
- Interviewed DOI officials responsible for data creation and reporting

We used data from the DOI's Financial and Business Management System (FBMS) in conducting this audit. The controls over the FBMS were evaluated as part of the FY 2019–FY 2020 DOI financial statement audit conducted by the accounting firm KPMG with oversight by the Office of Inspector General. We also traced transactions back to source documents.

Testing Limitations for Data Reported From Files E and F

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

Criteria and Best Practices

- *CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act*, December 2020
- Digital Accountability and Transparency Act of 2014, May 9, 2014
- The DATA Act Information Model Schema Version 2.0, May 6, 2020
- OMB Memorandum M-20-21, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*, April 10, 2020
- Federal Spending Transparency Data Standards and Whitepapers, dated June 6, 2018
- GAO, *Standards for Internal Controls*, Report No. GAO-14-704G, September 2014
- Other supplemental guidance, procedures, and process provided by the DOI Business Integration Office during the course of our audit

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

Results of our Assessment Over Internal Controls

We assessed internal controls and compliance with laws and regulations necessary to satisfy the audit objective. In particular, we assessed the five internal control components and applicable principles as outlined in the 2014 Government Accountability Office's (GAO's) *Green Book, Standards for Internal Control in the Federal Government*. However, because our review was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

We considered risk factors for each of the 5 internal control components and 17 principles. The following sections outline the U.S. Department of the Interior's (DOI's) processes for each of the internal control components and principles that we found significant.

Control Environment

Significant principles considered during the course of our audit:

- Principle 2: The oversight body should oversee the entity's internal control system.
- Principle 3: Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives.

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

The DOI appointed the Principal Deputy Assistant Secretary for Policy, Management and Budget as the senior accountable official (SAO) to oversee the DOI's implementation of the Digital Accountability and Transparency Act of 2014 (DATA Act). The Principal Deputy Assistant Secretary for Policy, Management and Budget delegated the operational responsibilities to the Director of the Business Integration Office (BIO) to head the DATA Act implementation team, prepare the information from the Financial and Business Management System (FBMS), and submit it to the Treasury Broker for display on USAspending.gov.

The financial reporting for the DOI comes from the FBMS, and the DATA Act elements are implemented into the FBMS structure. Governance for the DATA Act requirements falls under and is performed by the existing FBMS executive governance structure, which is led by the SAO and includes members from each bureau. The BIO heads the DATA Act implementation team. The BIO group resides in the Budget, Finance, Grants and Acquisition Unit of the Policy, Management, and Budget Department. This is a logical group to head the DATA Act implementation team and prepare the data for Treasury Broker submission because it deals with the financial management system and resides within the Office of Policy, Management, and

Budget along with the Office of Acquisition and Property Management, Office of Grants Management, and Office of Financial Management.

Risk Assessment

Significant principles considered during our audit:

- Principle 6: Management should define objectives clearly to enable the identification of risks and define risk tolerances.
- Principle 7: Management should identify, analyze, and respond to risks related to achieving the defined objectives.
- Principle 8: Management should consider the potential for fraud when identifying, analyzing, and responding to risks.
- Principle 9: Management should identify, analyze, and respond to significant changes that could impact the internal control system.

We reviewed the DOI's risk assessment efforts to identify its basis for developing risk responses and identified that the DOI does not have an enterprise risk management risk profile. The DOI does not have an enterprise risk management system. We learned this in our prior audit of the fiscal year (FY) 2019 DATA Act. We discussed risk tolerance during our testing for the data quality plan (DQP). As stated in the Findings section of this report, the DOI does not have an adequate DQP.

The DOI's approach for evaluating internal controls over DATA Act reporting focuses on the DATA Act Information Model Schema (DAIMS) Broker Submission process. The DAIMS Broker submission process includes the procedures used to submit files into the Treasury Broker and procedures used to initiate, authorize, record, and process adjustments. The DOI does not have performance measures in place to determine if risks are meeting tolerable levels.

Control Activities

Significant principles considered during our audit:

- Principle 10: Management should design control activities to achieve objectives and respond to risks.
- Principle 11: Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
- Principle 12: Management should implement control activities through policies.

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

The majority of the data provided in DATA Act file submissions is generated with the FBMS. This includes subsystems for tracking contract and grant data in PRISM and Grant Solutions, respectively. The Office of Natural Resources Revenue and the Bureau of Trust Funds Administration submit their data for rollup into DATA Act files from outside of the FBMS. However, this is an insignificant amount of data.

The DOI's approach for evaluating internal controls over DATA Act reporting will focus on the DAIMS Broker submission process. The DAIMS Broker submission process includes the procedures used to submit files into the Treasury Broker and procedures used to initiate, authorize, record, and process adjustments. As part of the quarterly certification process, a Monthly Assurance Statement is provided to the SAO for review before certification. This assurance statement shows the validation or warning messages associated with each DATA Act file and the explanation of how and why they occurred.

Information and Communication Efforts

Significant principles considered during our audit:

- Principle 13: Management should use quality information to achieve the entity's objectives.
- Principle 14: Management should internally communicate the necessary quality information to achieve the entity's objectives.
- Principle 15: Management should externally communicate the necessary quality information to achieve the entity's objectives.

External communication of data is one of the main principles behind compliance with the DATA Act. Therefore, many of the other internal control components are addressed by the reporting of DATA Act information to Treasury. We reviewed the information that management and personnel communicate and use to support the internal control system. We found that the DOI appointed a DATA Act SAO who oversees DATA Act implementation for all bureaus and most offices. The DATA Act SAO delegated the operational responsibilities to the Director of the BIO to manage the project across multiple DOI bureaus and Federal spending communities. The bureaus provide data reporting information to the BIO for rollup into DATA Act file submissions.

Monitoring Activities

Significant principles considered during our audit:

- Principle 16: Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.

- Principle 17: Management should remediate identified internal control deficiencies on a timely basis.

The DOI has not yet performed formal internal audits or reviews of the DATA Act processes. However, the BIO maintains the DATA Act Operation Plan, which describes the high-level processes used to generate and submit the DATA Act Files to the Broker. This plan documents the common errors or warnings that are generated, the cause and the ultimate resolution. The BIO also maintains a file—DATA Act workbench—that tracks the warnings or errors for each submission and how they were resolved. Most of the warnings or error messages are researched and resolved by the BIO. In some instances, the BIO requires assistance from the DOI’s Office of Budget and coordinates with the Office of Management and Budget (OMB) to update Program Activity codes; in other instances, the Bureau staff must make corrections to the data or provide an explanation to address warnings the BIO cannot. The BIO also maintains a file that tracks the warnings or errors for each submission and how they were resolved. The SAO reviews a DATA Act Monthly Assurance Statement before certifying the DATA Act files.

In the FY 2020 Agency Financial Report, the DOI reported two material weaknesses: (1) controls over financial reporting and (2) management of grants, cooperative agreements, and tribal awards. In FY 2020, neither DOI internal control reviews nor KPMG found instances of noncompliance with the Federal Financial Management Improvement Act (FFMIA). KPMG stated in the FY 2019–FY 2020 financial statement audit report that the DOI’s controls over the preparation and compilation of its financial statement disclosures were not designed, implemented, or operated effectively to appropriately prevent—or detect and correct—misclassification errors in certain financial statement disclosures. KPMG stated that the DOI needed to strengthen controls surrounding the implementation of new disclosure requirements issued by the OMB. The report also spelled out six recommendations for the DOI to enhance internal controls over financial reporting:

- Strengthen the process for analyzing changes in accounting standards, financial reporting requirements, laws, and regulations; and appropriately respond to ensure effective steps and controls over financial reporting are implemented and documented in a timely manner.
- Implement modifications to the financial management and reporting systems, as appropriate, on the basis of analysis of the changes in accounting standards, financial reporting requirements, laws, and regulations.
- Bureaus should develop and implement controls to ensure all data attributes needed to comply with the OMB, Treasury, and other regulatory guidance are accurately captured in the financial management system.
- Bureaus should develop and implement monitoring controls to ensure the validity, accuracy, and completeness of relevant data attributes to comply with the OMB, Treasury, and other regulatory guidance.

- Perform proper monitoring procedures to ensure that Departmentwide controls over financial reporting are effective.
- Strengthen review controls over financial disclosure packages.

Appendix 3: Response to Draft Report

The U.S. Department of the Interior's response to our draft report follows on page 27.



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

MEMORANDUM

10/28/2021

To: Mark L. Greenblatt
Inspector General

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

Subject: Response to Draft Audit Report – U.S. Department of the Interior DATA Act
Submission for First Quarter FY 2021. Report No. 2021-FIN-025

Thank you for your time and effort to audit the U.S. Department of the Interior's (DOI's) fiscal year 2021 first quarter financial and award data submission in accordance with the Digital Accountability and Transparency Act of 2014 (DATA Act) and submission standard developed by the U.S. Department of the Treasury (Treasury) and the Office of Management and Budget (OMB).

We were very pleased to learn that overall quality score is 97% during this evaluation period. This represents a significant improvement and that DOI has met the Council of Inspectors General on Integrity and Efficiency (CIGIE) Federal Audit Executive Council (FAEC) standard for “excellent” quality.

DOI was assessed on the completeness, timeliness, accuracy, and quality of its data submitted for FY 2021. A comparison of these results to those from the previous audit conducted in FY 2019 reveals a pattern of improvement, which moved us from a higher quality standard to an excellent quality standard:

- completeness improved from 96.55% to 99.92%
- timeliness dropped slightly from 97.16% to 96.59%
- accuracy improved from 88.66% to 98.17%

Report No. 2021-FIN-025 offers two new recommendations and reiterates three prior recommendations to help DOI improve its submissions and comply with standards. Our response to each is as follows:

- New Recommendation #1 - Identify and document roles and responsibilities associated with the creation and management of the Department's Data Quality Plan.
 - RESPONSE: DOI concurs with the recommendation. The Business Integration Office (BIO) will work with the Office of Financial Management (PFM) to document roles and responsibilities for the creation and management of the Data Quality Plan.
 - Target Completion Date: September 30, 2022
 - Responsible Official: BIO Director/PFM Director
- New Recommendation #2 - Update, finalize, and implement an adequate Data Quality Plan that complies with OMB M-18-16. Specifically, this plan should identify and assess high-risk data, risks related to bureau and office spending data entered into financial systems, and the risk and impact of misreported data to the Department.
 - RESPONSE: DOI concurs with the recommendation. The Business Integration Office (BIO) will work with the Office of Financial Management (PFM) to implement a Data Quality Plan.
 - Target Completion Date: September 30, 2022
 - Responsible Official: BIO Director/PFM Director
- Prior Recommendation #1 - Update the FBMS to align with the OMB PA descriptions or contact the OMB to update its descriptions
 - RESPONSE: DOI concurs with the recommendation. The Business Integration Office (BIO) will work with the Office of Budget (POB) to issue guidance and provide training to bureau budget offices on establishing program activities and descriptions at OMB and within FBMS timely.
 - Target Completion Date: March 31, 2022
 - Responsible Official: BIO Director/POB Director
- Prior Recommendation #2 - Issue guidance to contracting officers on determining accurate obligation dates.
 - RESPONSE: DOI concurs with the recommendation. The Business Integration Office (BIO) will work with the Office of Acquisition and Property Management (PAM) to issue guidance on determining accurate obligation dates.
 - Target Completion Date: December 31, 2021
 - Responsible Official: BIO Director/PAM Director
- Prior Recommendation #3 - Issue guidance to grant officers on determining accurate obligation dates
 - RESPONSE: DOI has mitigated this issue with the implementation of new functionality in the GrantSolutions (Financial Assistance System) in FY22. The functionality ensures the award date is the same as the system release date.
 - Target Completion Date: Completed
 - Responsible Official: BIO Director/PGM Director

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

Appendix 4: Status of Recommendations

In response to our draft report, the DOI concurred with all five recommendations.

Recommendation	Status	Action Required
1 and 2	Resolved but not implemented	We will refer these recommendations to the Assistant Secretary for Policy, Management and Budget for implementation tracking. A revised completion date should be provided to the OIG for Recommendation 1.
Repeat Recommendations 1 and 2 (Report No. 2019-FIN-043)	Resolved but not implemented	We will refer these recommendations to the Assistant Secretary for Policy, Management and Budget again for implementation tracking.
Repeat Recommendation 3 (Report No. 2019-FIN-043)	Resolved but not implemented pending DOI OIG confirmation of the new GrantSolutions functionality	The DOI considers this recommendation completed, but we will confirm that the implementation of the new GrantSolutions functionality corrects the finding. We will update the Assistant Secretary for Policy, Management and Budget on the status of this recommendation pending our confirmation.
