REPORT TO THE OFFICE OF THE CHIEF FINANCIAL OFFICER

THE U.S. DEPARTMENT OF LABOR DIGITAL ACCOUNTABILITY AND TRANSPARENCY ACT OF 2014 PERFORMANCE AUDIT

KPMG LLP's report included herein was prepared under contract with the U.S. Department of Labor, Office of Inspector General, and by acceptance, it becomes a report of the Office of Inspector General.

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Assistant Inspector General for Audit
U.S. Department of Labor

DATE ISSUED: NOVEMBER 8, 2021
REPORT NUMBER: 22-22-002-13-001

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INSPECTOR GENERAL'S REPORT

November 8, 2021

Mr. Kevin Brown
Acting Chief Financial Officer
U.S. Department of Labor
200 Constitution Ave, NW
Washington, DC 20210

The U.S. Department of Labor (DOL) Office of Inspector General (OIG) contracted with the independent certified public accounting firm of KPMG LLP (KPMG) to conduct a performance audit of DOL's implementation of the *Digital Accountability and Transparency Act of 2014* (DATA Act). The contract required KPMG to conduct this audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

The objectives of KPMG's performance audit were to assess the:

1) Completeness, accuracy, timeliness, and quality of DOL's Fiscal Year (FY) 2020 third quarter and FY 2021 first quarter's financial and award data submitted for publication on USASpending.gov; and

2) DOL's implementation and use of the government-wide financial data standards established by the Office of Management and Budget (OMB) and the U.S. Department of Treasury (Treasury).

For Objective 1, KPMG determined DOL submitted data of a moderate quality. DOL did not submit certain data completely, accurately or timely. Overall, for the 385 sampled transactions, they tested 17,203 individual data elements and identified a total of 5,368 errors which resulted in the following projected error rates:

- Completeness – 5.32 percent
- Accuracy – 20.93 percent
- Timeliness – 4.75 percent

For Objective 2, KPMG determined DOL implemented and was consistently using the government-wide financial data standards established by OMB and Treasury under the DATA Act for Files A, B, and C except for instances related to certain data elements. Specifically, they identified one instance in which a data element in File C was not consistent with DATA Act Information Model Schema (DAIMS) guidance.

KPMG is responsible for the attached auditors' report and the conclusions expressed in the report. However, in connection with the contract, we reviewed KPMG's report and related documentation, and inquired of its representatives. Our review of KPMG's report and related documentation does not constitute an audit, therefore, we did not conclude on DOL's implementation of the DATA Act. Our review disclosed no instances where KPMG did not comply, in all material respects, with *Government Auditing Standards*.

We appreciate the cooperation of all DOL staffs involved in this year's audit. Should you have any questions, please contact Sean Gilkerson, Audit Director, via email at gilkerson.sean@oig.dol.gov.

Carolyn R. Hantz
Assistant Inspector General for Audit

PERFORMANCE AUDIT REPORT

KPMG LLP
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Acting Chief Financial Officer and Acting Inspector General
U.S. Department of Labor

This report presents the results of our work conducted to address the performance audit objectives related to the United States Department of Labor's (DOL) implementation of the *Digital Accountability and Transparency Act of 2014* (DATA Act). Our work was performed during the period of March 29, 2021 through October 29, 2021, and our results are as of November 8, 2021.

We conducted this performance audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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.

In addition to *Government Auditing Standards*, we conducted this performance audit in accordance with the *Standards for Consulting Services* established by the American Institute of Certified Public Accountants (AICPA). This performance audit did not constitute an audit of financial statements or an attestation level report as defined under *Government Auditing Standards* and the AICPA standards for attestation engagements.

The audit objectives[1] of our work were to assess:

1) The completeness, accuracy, timeliness, and quality of DOL's Fiscal Year (FY) 2020 third quarter and FY 2021 first quarter financial and award data submitted for publication on USASpending.gov; and

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[1] The Council of the Inspectors General on Integrity and Efficiency (CIGIE) Federal Audit Executive Council (FAEC) Inspectors General Guide to Compliance under the DATA Act (version 12/4/2020) provides guidance regarding the fieldwork and reporting related to these performance audit objectives.

KPMG

2) DOL's implementation and use of the government-wide financial data standards established by the Office of Management and Budget (OMB) and the U.S. Department of Treasury (Treasury).

For Objective 1, we determined DOL submitted data of a moderate quality. DOL did not submit certain data completely, accurately, or timely. Overall, for the 385 sampled transactions, we tested 17,203 individual data elements and identified a total of 5,368 errors, which resulted in the following projected error rates:

Attribute	Error Rate
Completeness	5.32 percent
Accuracy	20.93 percent
Timeliness	4.75 percent

For Objective 2, we determined DOL implemented and was consistently using the government-wide financial data standards established by OMB and Treasury under the DATA Act for Files A, B, and C except for instances related to certain data elements. Specifically, we identified one instance in which a data element in File C was not consistent with DATA Act Information Model Schema (DAIMS) guidance.

KPMG cautions that projecting the results of our evaluation to future periods is subject to the risks that controls may become inadequate because of changes in conditions or because compliance with controls may deteriorate.

This report is intended solely for the use of the U.S. Department of Labor and its Inspector General, the Comptroller General of the United States, OMB, and relevant congressional committees; and is not intended to be and should not be relied upon by anyone other than these specified parties.

KPMG LLP

November 8, 2021

I. BACKGROUND

The DATA Act was enacted to expand the reporting requirements pursuant to the *Federal Funding Accountability and Transparency Act of 2006* (FFATA) as amended by the *Government Funding Transparency Act of 2008*. The DATA Act, in part, requires federal agencies to report financial and award data in accordance with the established government-wide financial data standards. In May 2015, the OMB and Treasury published 57 data definition standards for DATA Act reporting. The standards are intended to help taxpayers and policy makers understand how Federal agencies spend taxpayer dollars and improve agencies' spending oversight and data-centric decision-making.

In April 2020, OMB issued Memorandum M-20-21, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*, which required the following:

- Agencies that received COVID-19 supplemental relief funding must submit DATA Act Files A, B and C on a monthly basis starting with June 2020 reporting.

- The monthly submissions must also include a running total of outlays for each award in File C funded with COVID-19 supplemental relief funds.

As a result of this guidance, two additional data elements were required to be tested under the DATA Act; as such, there are now 59 applicable data elements to be tested for all agencies.

In addition to the agency reporting requirements, the DATA Act requires the Inspector General (IG) of each federal agency to audit a statistical sample of the spending data submitted by its agency and to submit to Congress a publicly available report assessing the completeness, timeliness, accuracy, and quality of the data sampled, as well as the implementation and use of the government-wide financial data standards by the agency.

A Treasury-assigned broker system collects agency data, validates the data, and allows the agency to submit the data for publication on USAspending.gov. The broker collects agency data through uploads and extractions, as specified by DAIMS requirements.

Agencies submit the following files, extracted from their financial systems, directly to Treasury's DATA Act broker in accordance with the DAIMS' Reporting Submission Specification (RSS):

- File A, *Appropriations Account,* contains appropriation summary-level data aligned to the agency's quarterly SF 133, *Report on Budget Execution and Budgetary Resources*.

- File B, *Object Class and Program Activity,* includes obligation and outlay information at the program activity and object class level.

- File C, *Award Financial,* reports the obligations at the award and object class level.

Files A, B, and C are linked through the Appropriations Account, Obligation Amount, Unobligated Balance, and Outlay data elements. Further, Files B and C are linked through the Object Class and Program Activity data elements.

The broker extracts data for the following files from external feeder systems as reflected in the DAIMS Interface Definition Document (IDD):

- File D1, *Award (Procurement)*, reports award and awardee attributes for procurement data pulled from the Federal Procurement Data System-Next Generation (FPDS-NG). This information is linked to the financial information in File C using a unique Procurement Instrument Identifier.

- File D2, *Award (Financial Assistance)*, reports award and awardee attributes for financial assistance data pulled from the Award Submission Portal. This information is linked to the financial information in File C using a unique Federal Award Identification Number or Unique Record Identifier (URI).

- File E, *Additional Awardee Attributes*, includes the additional prime awardee attributes pulled from the System for Award Management (SAM).

- File F, *Sub-Award Attributes*, includes sub-award attributes pulled from the FFATA Sub-Award Reporting System (FSRS).

The broker validates and cross-validates the files against the DAIMS requirements and generates fatal errors or a warnings report for each file. All fatal errors must be resolved before the broker can accept the submission from DOL. The presence of warnings other than fatal errors does not prevent the submission of Files A, B, and C to the broker. The Senior Accountable Official (SAO), or designee, for each federal agency is required to certify these seven data files for its agency's financial and award data quarterly to be published on USASpending.gov.

DOL is organized into 12 program agencies (see Appendix B). The Office of Chief Financial Officer (OCFO), a part of the Departmental Management program, is responsible for the submission and certification of the DATA Act files.

DOL generates data files A, B and C from DOL's New Core Financial Management System monthly for submission to the Data Act broker system. After the data files are submitted, OCFO receives the warning reports and then subsequently distributes them to Employment Training Administration (ETA) and Office of the Assistant Secretary for Administration and Management (OASAM) for resolution, as applicable. OCFO is responsible for certifying the submission on a quarterly basis.

II.   OBJECTIVES, SCOPE AND METHODOLOGY

Objectives

The objectives of our work were to assess:

1) The completeness, accuracy, timeliness, and quality of DOL's FY 2020 third quarter and FY 2021 first quarter financial and award data submitted for publication on USASpending.gov; and

2) DOL's implementation and use of the government-wide financial data standards established by the OMB and Treasury.

Scope

The scope of our performance audit was the third quarter of FY 2020 and first quarter of FY 2021 spending data DOL submitted for publication on USASpending.gov, and the procedures, certifications, documentation, and controls it used.

We conducted this performance audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We did not evaluate File E, and File F. File E contains information extracted from the System for Award Management (SAM) and from the DATA Act broker system. File F contains information extracted from the FSRS and from the DATA Act broker system. The prime awardee is responsible for reporting sub-award and executive compensation information in SAM and FSRS. Further, per OMB Circular No. A-123 Appendix A, *Management of Reporting and Data Integrity Risk*, it is optional for Inspectors General to assess Files E and F as the quality of this data is the legal responsibility of the recipient and agencies are not responsible for certifying the quality of data reported by awardees. As such, we

did not assess the completeness, accuracy, timeliness, and quality of the data extracted from SAM and FSRS via the DATA Act broker system.

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

Methodology

To achieve the performance audit objectives, we:

- Obtained an understanding of any regulatory criteria related to DOL's responsibilities to report financial and award data under the DATA Act;
- Reviewed the DOL's data quality plan;
- Assessed the internal and information system controls in place as they relate to the extraction of data from the source systems and the reporting of data to Treasury's DATA Act broker, in order to assess audit risk and design audit procedures;
- Reviewed and reconciled the third quarter FY 2020 and first quarter FY 2021 summary-level data submitted by the DOL for publication on USASpending.gov;
- Reviewed a statistical sample from the third quarter FY 2020 and first quarter FY 2021 award data submitted by DOL for publication on USASpending.gov;
- Assessed the completeness, accuracy, timeliness, and quality of the financial and award data sampled; and
- Assessed DOL's implementation and use of the 59 data elements/standards established by OMB and Treasury.

We conducted this audit and selected our sample of spending data in accordance with the CIGIE Federal Audit Executive Council Inspectors General Guide to Compliance under the DATA Act (the Guide). The Guide requires the expected error rate to be determined based on the results of the November 2019 and subsequent testing of DATA Act information (as applicable). The OIG identified an error rate of 24 percent in its 2019 report. However, due to the matter identified in the findings section, we assumed an expected error rate of 50 percent. Additionally, the Guide recommended a sample size based on a desired

sampling precision of 5 percent at a 95 percent confidence level, with a maximum sample size of 385 records. Therefore, we selected a simple random sample of 385 records, using Files D1 and D2 as the population, which consisted of 6,407 records, 2,971 Procurement Instrument Identifier Numbers (PIIDs), and 3,436 Financial Assistance Identifier Numbers (FAINs). Our statistical sample of the spending data submitted by DOL consisted of 131 PIIDs and 254 FAINS.

III. RESULTS AND CONCLUSIONS

For Objective 1, we determined DOL submitted data of a moderate quality because certain data was not submitted completely, accurately, or timely. Overall, for the 385 sampled transactions, we tested 17,203 individual data elements and identified a total of 5,368 errors, which resulted in the following projected error rates:

Attribute	Error Rate
Completeness	5.32 percent
Accuracy	20.93 percent
Timeliness	4.75 percent

For Objective 2, we determined that DOL implemented and, except as noted below, is consistently using the government-wide financial data standards established by OMB and Treasury under the DATA Act for Files A, B, and C. We identified instances for which DOL was not consistently reporting File C data elements in accordance with DAIMS guidance.

As a result, we identified an internal control deficiency relevant to the audit objectives and proposed recommendations for management. The Findings section contains details of our results and identified internal control deficiency.

IV. FINDINGS

OBJECTIVE 1 – ASSESSMENT OF DATA ACT SUBMISSION

Timeliness and Completeness of Agency Submissions

We evaluated DOL's monthly DATA Act submissions for the FY 2020 third quarter and FY 2021 first quarter to Treasury's DATA Act broker and determined that the submissions were timely. The FY 2020 third quarter monthly submission date was July 30, 2020. The FY 2021 first quarter October and November submission date was January 7, 2021, and the December submission date was January 28, 2021. We also noted the SAO certified the data timely. To be considered timely, the DATA Act submission had to be submitted by the end of

the following month and had to be certified by the SAO within 45 days of the end of the corresponding quarter.

Although the submissions were timely, we determined that the submissions were not complete. To be considered a complete submission, we evaluated Files A, B, and C to determine that all transactions and events that should have been recorded were recorded in the proper period. The agency submission was not complete because during our review of the cross file warnings for File C, we identified that management inadvertently submitted May's 2020 File C file in lieu of the June 2020 File C. OCFO management indicated this error occurred because there were resource constraints in the implementation of DATA Act's first required monthly reporting period. In addition, management's reconciliation process was not designed effectively.

In addition to the matter noted above, we also noted certain completeness errors as described in the "Record-Level Data and Linkages from Files C to Files B/D1/D2," "COVID-19 Outlays Testing and Results," and "Supplemental Analysis of the Results by Data Elements" sections of this report.

Based on the pervasive impact to completeness of the data from both matters noted, we determined this would have an adverse impact on the overall quality of the DATA Act submission.

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

We performed summary-level data reconciliations and linkages 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-wide Treasury Account Symbol (GTAS) SF-133; (2) the totals and Treasury Account Symbol (TAS) identified in File A matched File B; and (3) all object class codes except one, from File B, matched codes defined in Section 83 of OMB Circular No. A-11. DOL utilized object class code "0" when they were unable to allocate a transaction to an object class defined in OMB Circular No. A-11. The use of object class code "0" complies with the DAIMS guidance and resulted in 116 warnings in the submissions.

Record-Level Data and Linkages from File C to Files B/D1/D2

We tested the linkages between File C to File B by matching TAS, object class, and program activity and the linkages between File C to D1/D2 by matching the Award ID. We identified:

- Zero records in File C that were not reported in File B,
- 69 records in File C that were not reported in File D1,
- 35 records in File C that were not reported in File D2,

- 242 records in File D1 that were not reported in File C, and
- 415 records in File D2 that were not reported in File C.

Based on our test results, all of the TAS, object class, and program activity data elements from File C existed in File B. However, the linkages from File C to Files D1/D2 did not operate effectively. As previously noted in this section, the June 2020 File C submission error resulted in linkage errors between File C and Files D1 and D2. The error caused 215 cross-file warnings for File D1 to File C and 355 cross-file warnings for File D2 to File C. We determined the variances would have an adverse impact on the overall quality of the DATA Act submission and did impact the suitability of File C for testing.

Cause: Management's reconciliation process was not designed effectively. Management's reconciliation of the monthly cross-file warnings for File C and Files D1/D2 was not designed to resolve the warnings before certification of the submission.

COVID-19 Outlay Testing and Results

We selected all File C COVID-19 outlays from the third month of the FY 2021[2] first quarter (i.e., December 2020) DATA Act submission. The total population was 12 transactions, totaling $132,193,292. Our testing included assessing the Parent Award ID number, PIID/FAIN, object class, appropriations account, obligation, program activity, outlay, and Disaster Emergency Fund Code (DEFC) File C outlays data elements for completeness, accuracy, and timeliness. Based on our testing, we found that the File C outlays were all complete, accurate, and timely.

As noted previously in this section of our report, the error in the submission for the third month of the FY 2020 third quarter (i.e., June 2020) DATA Act submission resulted in all reported COVID-19 outlays as incomplete, inaccurate and not timely. The correct File C DATA Act report for June 2020 contained 29 COVID-19 outlays, totaling $3,890,899.

Statistical Record-Level Data Sample Testing

We selected a statistical sample of 385 records from a universe of 6,407 records and tested 17,203 data element attributes to assess completeness, accuracy, and timeliness. As a result of the numerous variances identified with the June 2020 File C submission, we determined that File C was not suitable for sampling. Therefore, our sample was selected from Files D1 and D2. We noted a total of 5,368 errors in the 17,203 data element attributes tested—925 had completeness errors; 3,615 had accuracy errors; and 828 had timeliness errors.

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[2] Per the guide, section 750.02, the third month was required to be selected for COVID-19 outlays.

- **Completeness of the Data Elements**
  The projected error rate for the completeness of the data elements is 5.32 percent[3]. A data element was considered complete if the required data element that should have been reported was reported.

- **Accuracy of the Data Elements**
  The projected error rate for the accuracy of the data elements is 20.93 percent[4]. A data element was considered accurate when amounts and other data relating to recorded transactions were recorded in accordance with the DAIMS RSS, IDD, and the DATA Act Online Data Dictionary, and agree with the originating award documentation/contract file.

- **Timeliness of the Data Elements**
  The projected error rate for the timeliness of the data elements is 4.75 percent[5]. The timeliness of data elements was based on the reporting schedules defined by the financial, procurement and financial assistance requirements (FFATA, FAR, FPDS-NG, FABS and DAIMS).

Supplemental Analysis of the Results by Data Elements

- **Data Element Analysis**

  Table 1 provides the testing results by data element in descending order by accuracy attribute error rate percentage. The error rate percentage is calculated by dividing total errors (per data element) by total number of applicable data elements samples tested for each attribute.

Table 1: DOL Data Element Results Listed in Descending Order by Accuracy Attribute Error Rate Percentage

Completeness (C), Accuracy (A), Timeliness (T)				
		Total Errors Rate		
No.	Data Element Name	C	A	T
39	Funding Agency Code	0%	100%	0%
45	Awarding Agency Code	0%	100%	0%
5	Legal Entity Address	0%	79%	0%
1	Awardee/Recipient Legal Entity Name	0%	63%	0%

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[3] Based on a 95 percent confidence level, the projected error rate for the completeness of the data elements is between 3.14 percent and 7.50 percent.
[4] Based on a 95 percent confidence level, the projected error rate for the accuracy of the data elements is between 16.99 percent and 24.87 percent.
[5] Based on a 95 percent confidence level, the projected error rate for the timeliness of the data elements is between 2.69 percent and 6.81 percent.

		Total Errors Rate		
No.	Data Element Name	C	A	T
4	Ultimate Parent Legal Entity Name	6%	63%	0%
53	Obligation	32%	63%	32%
3	Ultimate Parent Unique Identifier	0%	44%	0%
24	Parent Award ID Number	37%	42%	33%
31	Primary Place of Performance Congressional District	2%	36%	2%
430	Disaster Emergency Fund Code	32%	34%	32%
56	Program Activity	32%	33%	32%
51	Appropriations Account	32%	32%	32%
50	Object Class	32%	32%	32%
14	Current Total Value of Award	4%	27%	4%
6	Legal Entity Congressional District	4%	26%	0%
43	Funding Office Code	0%	26%	0%
42	Funding Office Name	0%	24%	0%
34	Award ID Number	16%	16%	16%
15	Potential Total Value of Award	0%	15%	0%
28	Period of Performance Potential End Date	5%	15%	5%
41	Funding Sub Tier Agency Code	0%	13%	0%
40	Funding Sub Tier Agency Name	0%	13%	0%
30	Primary Place of Performance Address	2%	12%	1%
26	Period of Performance Start Date	0%	11%	0%
2	Awardee/Recipient Unique Identifier	0%	9%	0%
7	Legal Entity Country Code	0%	7%	0%
8	Legal Entity Country Name	0%	7%	0%
47	Awarding Sub Tier Agency Code	6%	7%	0%
46	Awarding Sub Tier Agency Name	6%	6%	0%
163	National Interest Action	0%	5%	0%
20	CFDA Title	0%	5%	0%
27	Period of Performance Current End Date	1%	5%	1%
18	NAICS Description	0%	4%	0%
19	CFDA Number	0%	4%	0%
13	Federal Action Obligation	0%	3%	0%
16	Award Type	0%	3%	0%
22	Award Description	0%	3%	0%
36	Action Type	0%	3%	0%
25	Action Date	0%	2%	0%
17	NAICS Code	0%	2%	0%
23	Award Modification / Amendment Number	0%	2%	0%
32	Primary Place of Performance Country Code	2%	2%	2%

Completeness (C), Accuracy (A), Timeliness (T)				
		Total Errors Rate		
No.	**Data Element Name**	**C**	**A**	**T**
33	Primary Place of Performance Country Name	2%	2%	2%
37	Business Type	0%	2%	0%
11	Amount of Award	0%	0%	0%
35	Record Type	0%	0%	0%
29	Ordering Period End Date	0%	0%	0%
38	Funding Agency Name	0%	0%	0%
44	Awarding Agency Name	0%	0%	0%
48	Awarding Office Name	0%	0%	0%
49	Awarding Office Code	0%	0%	0%
12	Non-Federal Funding Amount	N/A	N/A	N/A

Table 2 provides the comparative testing results by data element in descending order by accuracy attribute error rate percentage from the FY 2019 and FY 2021 audit results. The information is being provided for illustrative purposes only and may not necessarily be indicative of actual percentage change based on differences in testing procedures such as population size, sample methodology, quarter tested, file tested, and changes to data definition standards. The error rate percentage is calculated by dividing total errors (per data element) by total number of applicable data elements samples tested for each attribute.

**Table 2: DOL Comparative Testing Results Listed
in Descending Order by Accuracy Error Rate
Percentage**

		Total Errors Rate		
No.	**Data Element Name**	**2021**	**2019**	**Change**
39	Funding Agency Code	100%	0%	100%
45	Awarding Agency Code	100%	0%	100%
5	Legal Entity Address	79%	6%	73%
1	Awardee/Recipient Legal Entity Name	63%	10%	53%
4	Ultimate Parent Legal Entity Name	63%	21%	42%
53	Transaction Obligation Amount	63%	0%	63%
3	Ultimate Parent Unique Identifier	44%	2%	42%
24	Parent Award ID Number	42%	1%	41%
31	Primary Place of Performance Congressional District	36%	13%	23%
430	Disaster Emergency Fund Code	34%	N/A	N/A
56	Program Activity	33%	16%	17%
51	Appropriations Account	32%	1%	31%
50	Object Class	32%	17%	15%

No.	Data Element Name	Total Errors Rate		
		2021	2019	Change
14	Current Total Value of Award	27%	15%	12%
6	Legal Entity Congressional District	26%	6%	20%
43	Funding Office Code	26%	4%	22%
42	Funding Office Name	24%	15%	9%
34	Award ID Number	16%	24%	-8%
15	Potential Total Value of Award	15%	21%	-6%
28	Period of Performance Potential End Date	15%	7%	8%
41	Funding Sub Tier Agency Code	13%	11%	2%
40	Funding Sub Tier Agency Name	13%	11%	2%
30	Primary Place of Performance Address	12%	7%	5%
26	Period of Performance Start Date	11%	12%	-1%
2	Awardee/Recipient Unique Identifier	9%	0%	9%
7	Legal Entity Country Code	7%	0%	7%
8	Legal Entity Country Name	7%	0%	7%
47	Awarding Sub Tier Agency Code	7%	4%	3%
46	Awarding Sub Tier Agency Name	6%	4%	2%
163	National Interest Action	5%	N/A	N/A
20	CFDA Title	5%	3%	2%
27	Period of Performance Current End Date	5%	4%	1%
18	NAICS Description	4%	9%	-5%
19	CFDA Number	4%	3%	1%
13	Federal Action Obligation	3%	0%	3%
16	Award Type	3%	1%	2%
22	Award Description	3%	2%	1%
36	Action Type	3%	0%	3%
25	Action Date	2%	0%	2%
17	NAICS Code	2%	10%	-8%
23	Award Modification / Amendment Number	2%	0%	2%
32	Primary Place of Performance Country Code	2%	0%	2%
33	Primary Place of Performance Country Name	2%	0%	2%
37	Business Type	2%	3%	-1%
11	Amount of Award	0%	0%	0%
35	Record Type	0%	0%	0%
29	Ordering Period End Date	0%	0%	0%
38	Funding Agency Name	0%	0%	0%
44	Awarding Agency Name	0%	0%	0%
48	Awarding Office Name	0%	17%	-17%
49	Awarding Office Code	0%	1%	-1%
12	Non-Federal Funding Amount	N/A	N/A	N/A

- **Accuracy of Dollar-Value Related Data Elements**

  Table 3 summarizes the accuracy of dollar-value related data elements. The absolute value of the error is calculated as the absolute value of the amount that was reported less the amount that should have been reported. These data elements may be related to either File C, File D1, or File D2 and include: Federal Action Obligation, Current Total Value of Award, Potential Total Value of Award, Transaction Obligation Amount, and Amount of Award. Note that the amounts reflected are not projectable because the statistical sample test was performed on attributes and not monetary amounts.

Table 3: Accuracy of Dollar-Value Related Data Elements

PIID/ FAIN	Data Element	Accurate	Not Accurate	Not Applicable	Total Tested	Error Rate	Absolute Value of Errors
PIID	DE 13 Federal Action Obligation	120	11	0	131	8.40%	$375,065.88
PIID	DE 14 Current Total Value of Award	95	36	0	131	27.48%	$1,005,658,828.56
PIID	DE 15 Potential Total Value of Award	111	20	0	131	15.27%	$1,763,690,671.97
PIID	DE 53 Transaction Obligation Amount	46	85	0	131	64.89%	$17,219,517.17
FAIN	DE 11 Amount of Award	253	1	0	254	0.39%	-
FAIN	DE 12 Non-Federal Funding Amount	N/A	N/A	N/A	N/A	N/A	N/A
FAIN	DE 13 Federal Action Obligation	253	1	0	254	0.39%	-
FAIN	DE 53 Transaction Obligation Amount	98	156	0	254	61.42%	$255,322,978.69

- **Analysis of Errors in Data Elements Not Attributable to DOL**

  We identified the errors in Table 4 as third-party errors, which are not attributable to the DOL. These errors were included in the error rate calculations and considered in the overall quality determination as specified in the CIGIE guide. If the data element was incomplete then it was also considered inaccurate and untimely, resulting in an exception across all three attributes.

Table 4: Third-Party Errors Not Attributable to DOL

PIID/ FAIN	DAIMS Element No.	Data Element Name	Attributed to
PIID/ FAIN	1	Awardee/Recipient Legal Entity Name	Treasury's DATA Act broker extracting from SAM based on DUNS Number
PIID/ FAIN	3	Ultimate Parent Unique Identifier	Treasury's DATA Act broker extracting from SAM based on DUNS Number
PIID/ FAIN	4	Ultimate Parent Legal Entity Name	Treasury's DATA Act broker extracting from SAM based on DUNS Number
PIID/ FAIN	5	Legal Entity Address	Treasury's DATA Act broker extracting from SAM based on DUNS Number
PIID	6	Legal Entity Congressional District	GSA's FPDS-NG extracting from SAM based on DUNS Number
FAIN	6	Legal Entity Congressional District	Treasury's DATA Act broker derives this using the ZIP code and a proprietary database
PIID	31	Primary Place of Performance Congressional District	GSA's FPDS-NG auto-populates this field based on ZIP
FAIN	31	Primary Place of Performance Congressional District	Treasury's DATA Act broker derives this using the ZIP code and a proprietary database
PIID	42	Funding Office Name	GSA's FPDS-NG derives this from the Funding Office Code and the FPDS-NG Contracting Office/Funding Office Look-Up Table
FAIN	42	Funding Office Name	Treasury's DATA Act broker derives this from the Funding Office Code and the Federal Hierarchy
PIID	48	Awarding Office Name	GSA's FPDS-NG derives this from the Awarding Office Code and the FPDS-NG Contracting Office/Awarding Office Look-Up Table
FAIN	48	Awarding Office Name	Treasury's DATA Act broker derives this from the Awarding Office Code and the Federal Hierarchy

Overall Determination of Quality

The quality of the data elements was determined using a combination of statistical and non-statistical methods. Table 5 provides the ranges for determining the quality of the data elements in accordance with the Guide.[6]

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[6] CIGIE 820.05

Table 5: Quality of Data Element Ranges

Range		Quality Level
0.0	69.9	**Lower**
70.0	84.9	**Moderate**
85.0	94.9	**Higher**
95.0	100.0	**Excellent**

Based on test work results of our statistical and non-statistical testing for DOL's DATA Act audit for the FY 2020 third quarter and FY 2021 first quarter, DOL scored 82.7 points, which is a quality rating of Moderate.

OBJECTIVE 2 – ASSESSMENT OF IMPLEMENTATION AND USE OF DATA STANDARDS

We have evaluated DOL's implementation and use of the government-wide financial data standards for spending information as developed by OMB and Treasury. DOL has implemented and, except as noted, is consistently using those data standards for Files A, B, and C, as defined by OMB and Treasury.

We identified one instance for which DOL was not consistently reporting a File C data element in accordance with DAIMS guidance:

- Transaction Obligated Amount (TOA) (Data Element 53) – An obligation is a binding agreement that will result in outlays—immediately or in the future. The DAIMS Practices and Procedures document further states, "For the Transaction Obligated Amounts in File C, the goal or intent is to have corresponding and linking obligation transactions in File D, with the exception of legitimate differences. This means that File C must only report new obligations incurred, upward modifications to obligations, and downward modifications/de-obligations." The TOA for File C did not contain data for 156 of 254 grants samples reviewed and 85 of 131 procurement samples reviewed.

DEFICIENCIES IN INTERNAL CONTROLS

In planning and performing our audit of DOL's FY 2020 third quarter and FY 2021 first quarter financial and award data submissions, we considered internal controls that were relevant to our audit objectives by obtaining an understanding of those controls, and assessing control risk for the purposes of achieving our objectives.

The objective of our audit was not to provide assurance on the internal controls; therefore, we do not express an opinion on the internal controls as a whole. Our consideration of DOL's internal controls relevant to our audit objectives would not

necessarily disclose all deficiencies that might be significant within the context of the audit objectives. Because of the inherent limitations on internal controls, noncompliance may nevertheless occur and not be detected. To assess the effectiveness of DOL's internal controls over source systems related to the extraction of data related to Files A, B, and C, we conducted interviews; reviewed supporting documentation related to DOL's internal control testing required by OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk and Internal Control*; and reviewed assurances related to DOL's financial management systems. To assess the effectiveness of DOL's internal controls over its DATA Act submission, we evaluated controls related to DOL's data submission process, including the DOL's process for validating the data and resolving warnings. We also reviewed the SAO's assurance over the data submitted and supporting documentation, such as assurances of the completeness, accuracy, and timeliness of reported data.

As a result of our assessment over internal controls relevant to the audit objectives and our statistical sampling test work, we identified the following deficiencies in internal controls:

1. DOL did not have sufficient controls in place to ensure the data files uploaded to the DATA Act broker system were for the proper period prior to submission.

2. Cross-file warnings were distributed to the applicable DOL agencies to research the cause and, if necessary, correct the system data to address it. However, DOL's policies and procedures did not require the resolution of these warnings prior to the certification of the data files.

3. DOL's controls over data elements were not designed, implemented, or operating effectively to ensure all applicable transactions in File C consistently contained the TOA data element.

V.   RECOMMENDATIONS

The prior OIG DATA Act report[7] recommendations have been superseded by the recommendations noted below.

We recommend that the Acting Chief Financial Officer:

1. Design and implement controls to validate that data files represent the appropriate period before they are uploaded to the Data Act broker system;

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[7] DATA Act: DOL's Reported Data Generally Met Quality Standards but Accuracy Issues Remain, DOL OIG Report No. 03-20-001-13-001 (November 21, 2019), https://www.oig.dol.gov/public/reports/oa/2020/03-20-001-13-001.pdf.

2. Update its policies and procedures to require that warnings are promptly resolved prior the certification of the data files; and

3. Design and implement controls to enable the detection and correction of missing or inaccurate data elements in the data files and document the resolution of the findings.

APPENDIX A: AGENCY'S RESPONSE TO THE REPORT

U.S. Department of Labor Office of the Chief Financial Officer
Washington, D.C. 20210

NOVEMBER 4, 2021

MEMORANDUM FOR: CAROLYN R. HANTZ
Assistant Inspector General for Audit

FROM: KEVIN L. BROWN
Acting Chief Financial Officer

SUBJECT: Management's Response to Draft Report No 22 22 002-13-001,
"The U.S. Department of Labor Digital Accountability and
Transparency Act of 2014 Performance Audit"

The Department values the role of the auditors play in identifying areas for improvement in our
DATA Act reporting. The Department remains committed to continued improvement in
reporting accurate and reliable spending data to ensure that the public understands how DOL
spends its funds. Starting in March 2022, NCFMS will be using Oracle out of the box solution to
generate the DATA Act files which will eliminate the current custom process. We will continue
to monitor controls to enable the detection and correction of missing or inaccurate data elements
in the data files, and document the resolution of the findings. Additionally, DOL has made vast
improvements over the accuracy of the data since the transition to reporting monthly as
evidenced in the overall reduction of warnings each month since June 2020.

We appreciate the opportunity to provide input and look forward to continued collaboration with
the OIG audit team.

Please contact me if you have any questions.

cc: Carl Campbell, Chief Procurement Officer
Jennifer Maurer, Director of Financial Reporting
Laura Watson, Administrator, Office of Grants Management
Neil Starzynski, Audit Liaison, OCFO

APPENDIX B: DOL PROGRAM AGENCIES

Program Agencies
- Employment and Training Administration (ETA)
  - Office of Job Corps
- Office of Workers' Compensation Programs (OWCP)
- Occupational Safety and Health Administration (OSHA)
- Bureau of Labor Statistics (BLS)
- Mine Safety and Health Administration (MSHA)
- Employee Benefits Security Administration (EBSA)
- Veterans' Employment and Training Service (VETS)
- Wage and Hour Division (WHD)

Other Program Agencies
- Office of Federal Contract Compliance Programs (OFCCP)
- Office of Labor-Management Standards (OLMS)
- Office of Disability Employment Policy (ODEP)
- Departmental Management
  - Office of the Secretary
  - Office of the Deputy Secretary
  - Office of the Assistant Secretary for Administration and Management
  - Office of Inspector General
  - Office of the Solicitor
  - Office of the Assistant Secretary for Policy
  - Office of Public Affairs
  - Office of Congressional and Intergovernmental Affairs
  - Office of the Chief Financial Officer
  - Women's Bureau
  - Bureau of International Labor Affairs

APPENDIX C: LIST OF ACRONYMS AND SHORT REFERENCES

Acronym	Definition
AICPA	American Institute of Certified Public Accountants
Award ID	Award Identification
CIGIE	Council of the Inspectors General on Integrity and Efficiency
DAIMS	DATA Act Information Model Schema
DATA Act	Digital Accountability and Transparency Act of 2014
FABS	Financial Assistance Broker Submission
FAIN	Financial Assistance Identifier Number
FAM	Financial Audit Manual
FAR	Federal Acquisition Regulation
FFATA	Federal Funding Accountability and Transparency Act of 2006
FPDS-NG	Federal Procurement Data System – Next Generation
FSRS	FFATA Sub-award Reporting System
FY	Fiscal Year
GTAS	Government-wide Treasury Account Symbol
IDD	Interface Definition Document
IG	Inspector General
OCFO	Office of Chief Financial Officer
OIG	Office of Inspector General
OMB	Office of Management and Budget
PIID	Procurement Instrument Identifier Number
RSS	Reporting Submission Specification
SAM	System for Award Management
SAO	Senior Accountable Official
TAS	Treasury Account Symbol
TOA	Transaction Obligated Amount
URI	Unique Record Identifier

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