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Office of Inspector General
United States Department of State

AUD-FM-22-08

Office of Audits

November 2021

Audit of the Department of State's Implementation of the Digital Accountability and Transparency Act of 2014

FINANCIAL MANAGEMENT DIVISION

UNCLASSIFIED



HIGHLIGHTS

Office of Inspector General
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AUD-FM-22-08

What Was Audited

In accordance with the Digital Accountability and Transparency Act of 2014 (DATA Act), the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury) established standards for agencies' spending data to be displayed on USASpending.gov. As part of quarterly financial and award data submissions, Agency Senior Accountable Officials (SAO) certify data files (DATA Act Files A, B, C, D1, D2).

Acting on behalf of the Office of Inspector General (OIG), Kearney & Company, P.C. (Kearney), an external audit firm, conducted this audit to assess (1) the completeness, accuracy, timeliness, and quality of the financial and award data submitted by the Department of State (Department) for publication on USASpending.gov and (2) the Department's implementation and use of the Government-wide financial data standards established by OMB and Treasury.

What OIG Recommends

OIG made three recommendations that are intended to improve the Department's DATA Act submissions. In addition, the status of one open recommendation made by OIG for the FY 2019 DATA Act audit is presented in Appendix G. On the basis of the Department's response to a draft of this report, OIG considers the three recommendations resolved, pending further action. A synopsis of management's response to the recommendations and OIG's reply follow each recommendation in the Audit Results section of this report. The Bureau of the Comptroller and Global Financial Services' response to a draft of this report is included in its entirety in Appendix H.

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What Was Found

Kearney was unable to assess the Department's overseas DATA Act transactions that were submitted for the first quarter of FY 2021 because the Department did not certify those transactions. However, Kearney determined that the Department submitted its first quarter of FY 2021 DATA Act submission in a timely manner. Kearney also did not identify any issues with the completeness of summary-level data for DATA Act Files A and B and did not identify any exceptions during its reconciliation of DATA Act Files B and C. Although Kearney identified some exceptions during its reconciliation of DATA Act File C to DATA Act Files D1 and D2, the Department was able to sufficiently explain the variances.

Kearney also tested a statistical sample of 288 certified transactions and identified exceptions related to completeness, accuracy, and timeliness. However, Kearney's testing of a judgmental sample of 25 COVID-19 outlays did not identify any exceptions. Kearney considered the quality of the Department's submission of data for the first quarter of FY 2021 to be "Higher" (the second best quality level), based on criteria established by the Council of the Inspectors General on Integrity and Efficiency.

One reason for the exceptions identified was delays in adding information to the Government-wide procurement and grant systems due to the COVID-19 pandemic. In addition, Kearney found that the Department did not perform sufficient quality assurance of the data submitted. Although the quality of the Department data was considered "Higher," additional attention would improve the quality of the data to fulfill the intent of the DATA Act.

Finally, Kearney concluded that the Department implemented and used financial data standards established by OMB and Treasury for domestic transactions. However, until the Department is able to certify its overseas data, it cannot demonstrate that it implemented and used those standards.

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OBJECTIVE

The objectives of this audit were to assess (1) the completeness, accuracy, timeliness, and quality of the financial and award data submitted by the Department of State (Department) for publication on USAspending.gov and (2) the Department's implementation and use of the Government-wide financial data standards established by the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury).¹

BACKGROUND

To improve the availability of information on Federal awards, Congress passed the Federal Funding Accountability and Transparency Act (FFATA) in September 2006.² FFATA, as amended by the Government Funding Transparency Act of 2008,³ requires OMB to ensure the existence and operation of a free, publicly accessible website containing data on Federal awards, such as contracts, loans, and grants.⁴ To comply with FFATA requirements, OMB launched the website USAspending.gov.

The Digital Accountability and Transparency Act of 2014 (DATA Act)⁵ was signed into law in May 2014 to expand the reporting requirements pursuant to FFATA. The purpose of the DATA Act is to disclose "direct Federal agency expenditures" and "track Federal spending."⁶ The DATA Act requires Federal agencies to report financial and award data to the public through USAspending.gov in accordance with the established Government-wide financial data standards (developed and issued by OMB and Treasury).⁷

The DATA Act also requires each Federal agency's Office of Inspector General (OIG) to assess a statistically valid sample of the spending data submitted by its Federal agency.⁸ During each mandated audit, the auditor is required to assess the completeness, accuracy, timeliness, and

¹ These are the objectives that were established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE), Federal Audit Executive Council (FAEC), "CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act" (CIGIE Guide), 1 (December 4, 2020).

² Federal Funding Accountability and Transparency Act of 2006, Pub. L. No. 109-282.

³ Supplemental Appropriations Act of 2008, Pub. L. No. 110-252.

⁴ Pub. L. 109-282, § 2(b).

⁵ Digital Accountability and Transparency Act of 2014, Pub. L. No. 113-101.

⁶ Ibid., § 2(1), "Purposes."

⁷ Ibid., § 4(c)(2)(A), "Data Standards."

⁸ Ibid., § 6(a)(1)(A), "Accountability For Federal Funding."

overall quality⁹ of the selected data; it must also assess the agency's implementation and use of Government-wide financial data standards.¹⁰ OIGs are required to submit a report of the results of the assessment to Congress and make it publicly available.¹¹

Federal Agency Accountability and Transparency Guidance

OMB issued guidance regarding the implementation of FFATA and the DATA Act. In addition, Treasury published technical guidance to assist agencies in understanding the various files and data elements of the DATA Act submissions.¹²

- OMB Circular A-123, "Management's Responsibility for Enterprise Risk Management and Internal Control," Appendix A, "Management of Reporting and Data Integrity Risk," June 6, 2018, offers Federal agencies the "flexibility to determine which control activities are necessary to achieve reasonable assurance over internal controls and processes that support overall data quality contained in agency reports."¹³ The Circular includes a requirement that agencies develop and maintain a Data Quality Plan (DQP).¹⁴
- OMB Memorandum M-10-06, "Open Government Directive," December 8, 2009, directed agencies to take steps towards the goal of creating a more open Government, such as publishing Government information online, improving the quality of Government information, and creating a culture of open Government.¹⁵
- OMB Memorandum, "Open Government Directive – Federal Spending Transparency," April 6, 2010, established a deadline for agencies to initiate sub-award reporting, initiated requirements for agencies to maintain metrics on the quality and completeness of Federal spending data provided, and announced the release of the USAspending.gov website.¹⁶
- OMB Management Procedures Memorandum, 2016-03, "Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal

⁹ The CIGIE Guide, § 820.02, at 26-27, states that "the assessment of overall quality of data is not a projected measurement but will be derived using a combination of statistical and non-statistical methods." Audit teams should combine the results of testing performed on a statistical sample of transactions with the results of non-statistical procedures. CIGIE provided a scorecard for auditors to use to quantify the results of its procedures. Specifically, statistical testing results are valued at 60 points and non-statistical testing results are valued at 40 points. The CIGIE Guide, § 820.05, at 28, provides guidance on how to categorize the quality of the agency's DATA Act File submission based on the points assigned to each procedure performed by the auditor. The CIGIE Guide provides four levels of quality: "Lower" results from a point score of 0 to 69.999, "Moderate" results from a point score of 70 to 84.999, "Higher" results from a point score of 85 to 94.999, and "Excellent" results from a point score of 95 to 100.

¹⁰ Pub. L. No. 113-101, § 6(a)(1)(B).

¹¹ Ibid.

¹² This list is not all inclusive. The CIGIE Guide, Appendix 2, "Suggested Criteria," at 41, provides additional criteria.

¹³ OMB Memorandum M-18-16, "Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk," 1 (June 6, 2018).

¹⁴ Ibid., at 3.

¹⁵ OMB Memorandum M-10-06, "Open Government Directive," 2-6 (December 8, 2009).

¹⁶ OMB Memorandum, "Open Government Directive–Federal Spending Transparency," 1 (April 6, 2010).

Spending Information,” May 3, 2016, provides additional guidance to Federal agencies on reporting Federal appropriations account summary-level and Federal award-level data to USAspending.gov.¹⁷

- OMB Memorandum M-17-04, “Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability,” November 4, 2016, provides additional guidance to Federal agencies on reporting to USAspending.gov. This guidance provides specific guidance on certain matters (e.g., awards involving intra-governmental transfers and quarterly Senior Accountable Official [SAO] assurances).¹⁸
- OMB Memorandum M-20-21, “Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19),” April 10, 2020, includes requirements for agency reporting related to COVID-19 funding, including reporting the information on USAspending.gov.¹⁹
- Treasury’s “DATA Act Information Model Schema (DAIMS),” Version 2.1, issued by Treasury on June 4, 2021, is the authoritative source for the terms, definitions, formats, and structures of the data elements. DAIMS provides requirements for Federal agencies on reporting to the DATA Act Broker. The 2021 release includes guidance for tracking and reporting on COVID-19 supplemental spending.²⁰
- The Council of the Inspectors General on Integrity and Efficiency’s (CIGIE) “CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act” (CIGIE Guide), December 4, 2020, presents a common methodology and reporting approach for OIGs to use in performing mandated DATA Act work.²¹

Digital Accountability and Transparency Act Broker Submission

The DATA Act requires Federal agencies to submit data to USAspending.gov.²² Treasury developed an IT system, the DATA Act Broker, to facilitate the process. Agencies use the DATA Act Broker to upload three files containing data from the agencies’ internal systems and records. In addition, agencies use the DATA Act Broker to extract information from existing Government-wide reporting systems²³ to generate four additional files. Tables 1 and 2 provide a description of the seven DATA Act Files.²⁴

¹⁷ OMB Management Procedures Memorandum 2016-03,” at 1.

¹⁸ OMB Memorandum 17-04, at 1.

¹⁹ OMB Memorandum M-20-21, Appendix A, “Agency Reporting Instructions for COVID-19-Related Funding,” at 5.

²⁰ DAIMS v2.1, <https://fiscal.treasury.gov/data-transparency/DAIMS-current.html>, June 4, 2021.

²¹ CIGIE Guide, § 100.02, at 1.

²² Pub. L. No. 113-101, § 2(4).

²³ The existing Government-wide systems include the Federal Procurement Data System – Next Generation, the System for Award Management, and the FFATA Subaward Reporting System.

²⁴ A list of all data elements is included in Appendix B.

Table 1: Agency-Created DATA Act File Descriptions

DATA Act Submission File	File Description
File A – Appropriations Account Detail	DATA Act File A provides information about how budgetary resources are made available and the status of budgetary resources at the end of the reporting period. Six of 59 required data elements are included in DATA Act File A. The information in DATA Act File A is reported for each Treasury Account Symbol (TAS). ^a DATA Act File A data is reported at the summary level, rather than the transaction level.
File B – Object Class and Program Activity Detail	DATA Act File B includes four of the same data elements as DATA Act File A; however, the information in DATA Act File B is presented by program activity, object class, and disaster emergency fund code, which represent three additional required data elements. Similar to DATA Act File A, DATA Act File B's data is reported at the summary level rather than the transaction level.
File C – Award Financial Data	DATA Act File C includes transaction-level information for all awards, procurements, and financial assistance (i.e., grants and cooperative agreements) processed during the reporting period, including modifications to existing awards. ^b Nine of 59 required data elements are included in DATA Act File C. All records in DATA Act File C should be included in either DATA Act File D1 or D2.

^a A TAS is an identification code assigned by Treasury to an individual appropriation, receipt, or other fund account.

^b Payroll actions, classified transactions, and interagency awards are excluded from agency submissions.

Source: Generated by Kearney based on OMB and Treasury guidance.

Table 2: DATA Act Broker-Generated DATA Act File Descriptions

DATA Act Submission File	File Description
File D1 – Award and Awardee Attributes (Procurement)	DATA Act File D1 includes transaction-level information for all procurement awards processed during the reporting period. DATA Act File D1 includes 41 of 59 required data elements. Records can be traced from DATA Act File D1 to DATA Act File C. When agencies generate DATA Act File D1, the DATA Act Broker obtains the information from the Federal Procurement Data System – Next Generation (FPDS-NG). ^a
File D2 – Award and Awardee Attributes (Financial Assistance)	DATA Act File D2 includes transaction-level information for all financial awards processed during the reporting period. DATA Act File D2 comprises 39 of 59 required data elements. Records can be traced from DATA Act File D2 to DATA Act File C. When agencies generate DATA Act File D2, the DATA Act Broker obtains the information from the Financial Assistance Broker Submission (FABS). ^b
File E – Additional Awardee Attributes	DATA Act File E includes information on the organizations that received procurement or financial assistance awards from the Government during the reporting period. DATA Act File E includes 6 of 59 required data elements. When agencies generate DATA Act File E, the DATA Act Broker obtains the information from the System for Award Management (SAM). ^c DATA Act File E data is the legal responsibility of the recipient and agencies are not responsible for certifying the quality of data reported by awardees.
File F – FFATA Sub-award Attributes	DATA Act File F includes information on organizations that received procurement or financial assistance sub-awards during the reporting period. DATA Act File F includes 37 of the required 59 data elements, but the elements are focused on

DATA Act

Submission File File Description

sub-awards. When agencies generate DATA Act File F, the DATA Act Broker pulls information from the FFATA Sub-award Reporting System (FSRS).^d DATA Act File F data is the legal responsibility of the recipient, and agencies are not responsible for certifying the quality of data reported by awardees.

^a The General Services Administration operates FPDS-NG. Agencies are required to report all contracts with an estimated value over \$10,000, and modifications to those contracts, in FPDS-NG.

^b Treasury operates FABS, which is part of USAspending.gov. On a monthly basis, agencies are required to report all financial assistance awards of \$25,000 or more in FABS.

^c SAM is operated by the General Services Administration. All organizations that do business with the Federal Government must have an active registration in SAM.

^d The General Services Administration operates FSRS. If a prime contractor issues a sub-award for more than \$30,000, or if a prime grantee issues a sub-award for more than \$25,000, the prime awardee must report the sub-award in FSRS, including executive compensation for certain officials employed by the sub-awardee.

Source: Generated by Kearney based on OMB and Treasury guidance.

Senior Accountable Official Certification

Each agency is required to designate a “high-level senior official to be accountable for the quality and objectivity of, and internal controls over, the Federal spending information publicly disseminated through such public venues as USAspending.gov or other similar websites.”²⁵

OMB guidance states that quarterly the SAO “must provide reasonable assurance that their internal controls support the reliability and validity of the agency account-level and award-level data that they submit to Treasury” for publication on USAspending.gov.^{26,27} According to OMB, SAOs are required to ensure that the alignment of data among DATA Act Files A–F, as well as the data in each DATA Act File submitted for display on USAspending.gov, are valid and reliable.²⁸

Data Quality Plan

Starting in FY 2019, OMB required agencies to develop and maintain a DQP to identify a control structure tailored to address identified risks.²⁹

²⁵ OMB Memorandum M-10-06, “Open Government Directive,” 3-4 (December 8, 2009).

²⁶ OMB Management Procedures Memorandum 2016-03, at 6.

²⁷ As noted in Table 2, above, DATA Act Files E and F are the responsibility of Federal awardees, and the quality of this data is the legal responsibility of the recipient. Therefore, agency SAOs are not responsible for providing assurances on the quality of DATA Act Files E and F, but they are responsible for ensuring that controls are in place to verify that financial assistance awardees register in SAM at the time of the award.

²⁸ OMB Memorandum M-17-04, at 5.

²⁹ OMB Circular A-123, Appendix A, at 4.

OMB guidance states that the DQP should cover significant milestones and major decisions pertaining to the following:

- Organizational structure and key processes providing internal controls for spending reporting.
- Management’s responsibility to supply quality data to meet the reporting objectives for the DATA Act.
- Testing plans and identification of high-risk data, including specific data the agency determines to be high-risk that are explicitly referenced by the DATA Act, and confirmation that these data are linked through the inclusion of the award identifier in the agency’s financial system.
- Actions taken to manage identified risks.³⁰

Quarterly certifications by the SAO should be “based on the consideration of the [DQP] and the internal controls documented in their plan as well as other existing controls that may be in place, in the annual assurance statement process.”³¹

The Department’s Digital Accountability and Transparency Act Data Submission Process

The Bureau of the Comptroller and Global Financial Services (CGFS) is responsible for the Department’s implementation of DATA Act requirements. The Department’s SAO is the Comptroller, who is also the Assistant Secretary for CGFS and leads the Department’s Management Control Steering Committee.³² On February 16, 2021, the Department uploaded its DATA Act submission for the first quarter of FY 2021 to the DATA Act Broker and then the SAO certified a portion of it.³³

The data needed to create DATA Act Files A, B, and C reside in numerous Department information systems and reports and require manual adjustments to comply with submission requirements. The Department uses an application, Global Business Intelligence (Global BI), to consolidate data from multiple systems to prepare the DATA Act files. The Department also used Global BI to assist with performing quality control procedures and making manual adjustments to the DATA Act Files prior to submission. Table 3 describes the Department’s process used to prepare the required DATA Act Files.

³⁰ Ibid., at 4-5.

³¹ Ibid., at 4.

³² The Management Control Steering Committee oversees the Department’s management control program, which is the equivalent of the Senior Management Council, as discussed in OMB M-10-06, § 2(a).

³³ The SAO certification statement included certain qualifications, as discussed in Finding A of this report.

Table 3: The Department’s DATA Act File Submission Process for the First Quarter of FY 2021

File	Department Source	Preparation Description
A	Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) ^a	The Department used the December 2020 Adjusted Trial Balance that was submitted to GTAS to create DATA Act File A. Using Global BI, the Department converted the GTAS Adjusted Trial Balance data into the Standard Form (SF) 133, ^b Report on Budget Execution and Budgetary Resources, format for each TAS.
B	Global Financial Management System (GFMS) ^c	The Department used GFMS and Global BI to generate DATA Act File B. Because DATA Act File B aligns to DATA Act File A, with the addition of object class, program activity, and the disaster emergency fund code, the Department made the same manual adjustments when preparing DATA Act File B as it did when preparing the December 2020 GTAS Adjusted Trial Balance.
C	GFMS, Regional Financial Management System, ^d Integrated Logistics Management System, ^e Grants Database Management System ^f	The Department used Global BI to pull the required data from the source systems to generate DATA Act File C. The Department then used Global BI to conduct quality control procedures over DATA Act File C by comparing it to DATA Act Files D1 and D2, which resulted in manual adjustments to DATA Act File C.
D1	FPDS-NG	The DATA Act Broker generates DATA Act File D1 based on procurement data reported to FPDS-NG by the Department’s Contracting Officers and other procurement officials. If issues are identified during reconciliations, the DATA Act team researches and corrects the errors.
D2	FABS	The DATA Act Broker generates DATA Act File D2 on the basis of financial assistance data reported to FABS from the Department’s Grants Database Management System and the State Assistance Management System. ^g If issues are identified during reconciliations, the DATA Act team researches and corrects the errors
E	SAM	The DATA Act Broker generates DATA Act File E using data submitted to SAM. DATA Act File E is populated with data from awardees.

File	Department Source	Preparation Description
F	FSRS	The DATA Act Broker generates DATA Act File F from FSRS. DATA Act File F is populated with data from awardees.

^a GTAS is a system used by agencies to provide budget execution information and proprietary financial reporting information to Treasury. The Department creates the GTAS Adjusted Trial Balance by extracting information from the Department's core financial management system, GFMS, and making manual adjustments to the data.

^b The SF 133 provides information on the budgetary resources appropriated to an agency. The report lists the sources of budget authority and the current status of budgetary resources by appropriation.

^c GFMS is the Department's core financial management system. It is used to process and track financial transactions.

^d The Regional Financial Management System is the Department's overseas accounting and disbursing system. It is used to process and track some overseas procurements and all overseas financial assistance awards.

^e The Integrated Logistics Management System is a supply chain management system. It is used to process and track some overseas procurements.

^f The Grants Database Management System is used to track domestic and overseas financial assistance awards.

^g The State Assistance Management System is a grants management system that manages awards issued by bureaus located domestically as well as embassies abroad. The State Assistance Management System is the primary site for grantees to view funding opportunities, monitor awards, and manage post-award activity.

Source: Prepared by Kearney from information provided by the Department.

AUDIT RESULTS

Finding A: Domestic Data Submitted to Treasury Were Not Always Accurate, Complete, Timely, or of Excellent Quality

Kearney & Company, P.C. (Kearney), was unable to assess the completeness, accuracy, and timeliness of the Department's overseas transactions that were submitted by the Department for the first quarter of FY 2021. The CIGIE Guide instructs auditors to test a sample of certified spending data.³⁴ The Department's SAO did not certify data included in Data Act Files C, D1, and D2 that originated at overseas posts. Therefore, Kearney was unable to test these overseas transactions in accordance with the CIGIE Guide.³⁵

Kearney evaluated the Department's DATA Act submission to Treasury's DATA Act Broker for the first quarter of FY 2021 and determined that the Department submitted it in a timely manner. Kearney also assessed the completeness of summary-level data for DATA Act Files A and B and did not identify any variances and concluded that DATA Act Files A and B were complete at the summary level. Furthermore, Kearney assessed whether DATA Act File C was complete and suitable for sampling. Kearney did not identify any exceptions during its reconciliation of DATA Act Files B and C. Although Kearney identified some exceptions during its reconciliation of domestic transactions included in DATA Act File C to DATA Act Files D1 and D2, Department officials were able to sufficiently explain the variances and Kearney determined

³⁴ CIGIE Guide, § 720.01(a), at 19.

³⁵ This issue was also identified in OIG's FY 2017 DATA Act report, *Audit of the Department of State's Implementation of the Digital Accountability and Transparency Act of 2014* (AUD-FM-18-03, November 2017), and FY 2019 DATA Act report, *Audit of the Department of State's Implementation of the Digital Accountability and Transparency Act of 2014* (AUD-FM-20-05, November 2019).

that the variances identified would not have a negative impact on the overall quality of the DATA Act submission.

In addition, Kearney selected a sample³⁶ of 288 records and tested 53 data elements for completeness, accuracy, and timeliness. Kearney determined that the Department had a projected error rate³⁷ related to completeness of 7.41 percent, related to accuracy of 8.13 percent,³⁸ and related to timeliness of 36.13 percent. Notwithstanding the exceptions identified, based on the results of Kearney's statistical and non-statistical testing of the Department's DATA Act submission for the first quarter of FY 2021, Kearney considered the quality of the Department's submission of data to be "Higher,"³⁹ based on the criteria established in the CIGIE Guide.⁴⁰

Furthermore, Kearney performed detailed testing at the data element-level for 25 COVID-19 outlay transactions selected from DATA Act File C for December 2020 and did not identify any exceptions related to completeness, accuracy, or timeliness for the 25 COVID-19 transactions tested.

One reason for the exceptions identified during Kearney's testing of 288 certified transactions was delays in adding information to FPDS-NG and FABS due to the COVID-19 pandemic and other reasons. For example, Department officials stated that the remote interface to FPDS-NG did not work consistently during FY 2021. In addition, the increased workload created by the new requirement to report DATA Act information monthly impacted the availability of resources. Furthermore, Kearney found that the Department did not perform sufficient quality assurance of the data submitted. Specifically, the Department did not perform quality control procedures related to the accuracy of DATA Act Files D1 and D2. The Department should improve the quality of the data to fulfill the intent of the DATA Act, which is to increase accountability, transparency, accessibility, quality, and standardization of Federal spending data.

Completeness, Accuracy, and Timeliness of Overseas Data

Kearney was unable to assess the completeness, accuracy, and timeliness of the data related to overseas transactions (i.e., transactions that originated overseas) submitted by the Department for the first quarter of FY 2021.⁴¹ The CIGIE Guide instructs auditors to test a sample of certified

³⁶ Appendix A provides details of the sample selection.

³⁷ Based on a 95-percent confidence level, the projected error rate for each is ± 5 percent. Additional details on the sample are in Appendix A.

³⁸ As described in Appendix E, Kearney identified errors that were not attributable to the Department. Some data are not entered into the Treasury DATA Act Broker by the Department. These exceptions are included in the calculation of the error rates.

³⁹ "Higher" is considered the second best level of quality.

⁴⁰ CIGIE Guide, § 820.05, at 28.

⁴¹ This issue was also identified in OIG's FY 2017 DATA Act report, AUD-FM-18-03, and FY 2019 DATA Act report, AUD-FM-20-05.

spending data from the reported records included in DATA Act File C (or DATA Act Files D1 and D2 if DATA Act File C is not suitable for testing).⁴² The Department's SAO did not certify the 12,802 transactions that originated at overseas posts during the first quarter of FY 2021.⁴³ In fact, the Department's SAO included a qualification when certifying the DATA Act Files C, D1, and D2 submission for the first quarter of FY 2021, which stated:

The Department provides reasonable assurance that the data submitted in File C⁴⁴ are valid and reliable except for amounts pertaining to procurements and financial assistance awards executed at overseas locations. Specifically, deficiencies exist in linking all overseas financial transactions and procurement and financial assistance awards and related data using a unique Procurement Instrument Identifier (PIID) and Federal Award Identification Number (FAIN), and therefore some amounts recorded in the financial system do not contain the unique identifier. Consequently, File C does not contain the related data. These amounts represent less than 5% of the total dollar amount of all worldwide procurement and financial assistance awards executed during period three (03)⁴⁵ of Fiscal Year 2021. The Department is aware of these deficiencies and is continuing to take actions to resolve them.

Consequently, Kearney was unable to test these overseas transactions in accordance with the CIGIE Guide.

The Department uses numerous systems to record procurement and financial assistance data, such as the Regional Financial Management System and GFMS. In an effort to improve the quality of overseas data, the Department took steps to improve the integration of these systems. Furthermore, since FY 2017, CGFS took other actions to improve the quality of the overseas data; for example, better aligning key data attributes across different systems, continuing to roll out the State Assistance Management System at overseas posts, updating procedures, providing training to Contracting Officers, expanding its reconciliation efforts of DATA Act Files, and deploying a new monitoring software. In addition, the Department documented a testing plan for overseas data within its DQP.

Although progress has been made, during its review of data from the first quarter of FY 2021, CGFS identified variances that could not be resolved timely and exceeded the 5 percent tolerable variance threshold established by the Department. To ensure that the SAO is able to certify DATA Act submissions that include overseas data, the Department should continue to

⁴² CIGIE Guide, § 720.01(a), at 19.

⁴³ Although overseas transactions represented 69 percent (12,802 of 18,565) of the number of transactions submitted by the Department, the transactions represented only 4.7 percent (\$76,287,758 of \$1,609,189,308) of the dollar value of the transactions.

⁴⁴ This qualification is for DATA Act File C. The same qualification was made for DATA Act Files D1 and D2. The only difference was a modification of the file name.

⁴⁵ This qualification is for Period 3 (December 2020). The same qualification was made for Periods 1 and 2 (October 2020 and November 2020, respectively).

implement corrective actions to address the causes attributed to the deficiencies with the overseas transactions. Until these deficiencies are addressed, the Department will not be able to comply with DATA Act requirements. OIG is therefore offering the following recommendation:

Recommendation 1: OIG recommends that the Bureau of the Comptroller and Global Financial Services, in coordination with the Bureau of Administration, develop and implement a corrective action plan that identifies the underlying reasons for the deficiencies with overseas data included in the Digital Accountability and Transparency Act Files and that identifies strategies and milestones for implementing them, to address the underlying deficiencies.

CGFS Response: CGFS accepted the recommendation.

OIG Reply: On the basis of CGFS's concurrence with the recommendation, OIG considers the recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that CGFS has developed and implemented a corrective action plan that identifies the underlying reasons for the deficiencies with overseas data included in the DATA Act Files and that establishes strategies and milestones for addressing the underlying deficiencies.

DATA Act Files Submission Analysis

Kearney evaluated the Department's DATA Act submission to Treasury's DATA Act Broker for the first quarter of FY 2021. Specifically, Kearney determined whether the FY 2021 first quarter DATA Act submission was timely. To be considered timely, it had to be submitted and certified within 45 days of the end of the quarter (i.e., February 16, 2021). Kearney determined that the submission was timely (i.e., the information was submitted and certified on February 16, 2021). Kearney also assessed the completeness of summary-level data for DATA Act Files A and B. Kearney did not identify any variances during its reconciliation of summary-level data in DATA Act Files A and B and concluded that DATA Act Files A and B were complete at the summary level.

Furthermore, Kearney assessed whether DATA Act File C was complete and suitable for sampling. Kearney did not identify any exceptions during its reconciliation of DATA Act Files B and C. However, Kearney identified some exceptions during its reconciliation of DATA Act File C to DATA Act Files D1 and D2. The Department identified many of the same variances during its reconciliation processes. CGFS officials were able to sufficiently explain the variances, noting that the variances were not indicative of systemic issues or missing data. Kearney determined that the variances identified did not have a negative impact on the overall quality of the DATA Act submission. On the basis of the work performed, Kearney concluded that DATA Act File C was substantially complete and determined that DATA Act File C was sufficient for sample selection.

Timeliness of the DATA Act Submission

According to the CIGIE Guide, a DATA Act submission is timely when the “monthly or quarterly DATA Act submission to the DATA Act Broker is in accordance with the schedule established by the Treasury DATA Act [Program Management Office].”⁴⁶ The CIGIE Guide states that auditors should determine whether the agency’s DATA Act submission was timely.⁴⁷ Specifically, the CIGIE Guide states that auditors should verify that the date “of the certification of the submission in the Treasury DATA Act Broker is within the established timeframe determined by the Treasury DATA Act [Program Management Office], traditionally within 45 days of quarter end.”⁴⁸ Treasury required agencies to certify their submissions for the first quarter of FY 2021 by February 16, 2021. Kearney determined that the Department submitted, and the Department’s SAO certified portions of, the DATA Act Files for the first quarter of FY 2021 on February 16, 2021, which complied with the deadline established by Treasury.

Completeness of Summary-Level Data in DATA Act Files A and B

According to the CIGIE Guide, a DATA Act submission is complete when “transactions and events that should have been recorded are recorded in the proper period.”⁴⁹ The CIGIE Guide states that auditors should determine the completeness of summary-level data for Files A and B.⁵⁰ Kearney tested the completeness of the DATA Act submission at the summary level for DATA Act Files A and B by performing the tests required by the CIGIE Guide,⁵¹ including the following:

- Reconciling data between DATA Act File A and DATA Act File B.
- Determining whether DATA Act File A includes all required TAS.
- Matching data from DATA Act File A to the SF 133.
- Verifying that all object classification codes from DATA Act File B match the codes defined in OMB Circular A-11.

Kearney did not identify any variances during its reconciliation of summary-level data in DATA Act Files A and B. Specifically, Kearney’s testing verified the following:

- Summary-level data from DATA Act File A matched the agency's GTAS SF 133.
- The totals and the TAS identified in DATA Act File A matched the same information in DATA Act File B.
- All object classification codes from DATA Act File B matched codes defined in Section 83 of OMB Circular A-11.

⁴⁶ CIGIE Guide, § 610.02, at 13.

⁴⁷ Ibid., § 600.01(b), at 13.

⁴⁸ Ibid., § 630.01, at 15.

⁴⁹ Ibid., § 610.01, at 13.

⁵⁰ Ibid., § 600.01(c), at 13.

⁵¹ Ibid., § 640, at 16-17.

On the basis of the work performed, Kearney concluded that DATA Act Files A and B were complete at the summary level.

Suitability of File C for Sample Selection

The CIGIE Guide states that auditors should determine whether DATA Act File C is complete and suitable for sampling.⁵² Kearney tested the completeness and suitability of DATA Act File C by performing the tests required by the CIGIE Guide,⁵³ including assessing linkages to DATA Act Files B, D1, and D2. Specifically, Kearney tested the linkages between DATA Act File C and DATA Act File B by TAS, object class, and program activity. Furthermore, Kearney tested the linkages between DATA Act File C and DATA Act File D1 for the Procurement Instrument Identifier⁵⁴ number and Parent Award Identification⁵⁵ number and the linkages between DATA Act File C and DATA Act File D2 by the Federal Award Identification Numbers or Unique Record Identifiers.⁵⁶ Kearney did not identify any exceptions during its reconciliation of DATA Act Files B and C. Specifically, all of the TAS, object class, and program activity data elements from DATA Act File C existed in DATA Act File B. However, during its reconciliation of DATA Act File C to DATA Act Files D1 and D2, Kearney found the following:

- 336 records in File C that were not reported in File D1.
- 120 records in File C that were not reported in File D2.
- 586 records in File D1 that were not reported in File C.
- 286 records in File D2 were reported in File C.

The Department identified many of the same variances during its reconciliation processes. Kearney obtained information from CGFS officials related to the variances identified. CGFS officials were able to sufficiently explain the variances, noting that they were not indicative of systemic issues or missing data (e.g., timing differences between different systems and data rejected by FPDS-NG). Kearney determined that the variances identified did not have a negative impact on the overall quality of the DATA Act submission. On the basis of the work performed, Kearney concluded that DATA Act File C was substantially complete and determined that DATA Act File C was sufficient for sample selection (for domestic transactions).⁵⁷

⁵² Ibid., § 600.01(d), at 13.

⁵³ Ibid., § 650, at 17-18.

⁵⁴ The Procurement Instrument Identifier is a unique identifier of a specific award being reported.

⁵⁵ The Parent Award Identification is the identifier of the procurement award under which the specific award is issued.

⁵⁶ Federal Award Identification Numbers or Unique Record Identifiers are the award identification elements for financial assistance awards.

⁵⁷ Additional information on Kearney's assessment of the data reliability of DATA Act File C is included in Appendix A.

Data Element Testing

Using guidance in the CIGIE Guide,⁵⁸ Kearney selected a sample⁵⁹ of 288 domestic records and tested 53 data elements for completeness, accuracy, and timeliness. By applying the CIGIE guidance for projecting the error rate to the universe,⁶⁰ Kearney determined that the Department had a projected error rate⁶¹ related to completeness of 7.41 percent, related to accuracy of 8.13 percent, and related to timeliness of 36.13 percent.

Data Element Testing—Completeness

Completeness of a data element is defined by the CIGIE Guide as a situation in which a data element was reported in the appropriate DATA Act Files (A through D2) if that data element should have been reported.⁶² The CIGIE Guide states that auditors should determine the completeness of each data element within the selected records. Specifically, the CIGIE Guide states that the auditor should determine if the data element is required for the record selected and, if so, determine if the data element is included in the appropriate file. If a required data element is not reported, it is incomplete.⁶³

Kearney performed detailed testing at the data-element level for the 288 domestic transactions selected from DATA Act File C for the first quarter of FY 2021.⁶⁴ Appendix C provides details on the results of testing for each data element. Of the 288 transactions tested, Kearney identified 109 transactions that had exceptions related to completeness in at least 1 of the data elements tested. The most common data element that was left blank was the Parent Award ID.⁶⁵

By applying CIGIE guidance for projecting the error rate to the universe,⁶⁶ Kearney determined that the Department's projected error rate related to the completeness of domestic data

⁵⁸ CIGIE Guide, § 720, at 19.

⁵⁹ Appendix A provides details of the sample selection.

⁶⁰ Each record had numerous data elements. Therefore, to determine the projected error rate, Kearney first calculated an average error rate for each record on the basis of the number of required data elements for that record and the number of exceptions. Kearney then averaged the error rates of all the items that were tested, for each category—completeness, accuracy, and timeliness—to calculate the overall projected error rates for each category.

⁶¹ Based on a 95-percent confidence level, the projected error rate for each is ± 5 percent. Additional details on the sample are included in Appendix A.

⁶² CIGIE Guide, § 710.01, at 19.

⁶³ *Ibid.*, § 740.01(a)(i), at 22.

⁶⁴ Appendix A provides details of the sample selection.

⁶⁵ This data element is supposed to include the identifier of the procurement award under which the specific award was issued, such as a Federal Supply Schedule.

⁶⁶ Each record had numerous data elements. Therefore, to determine the projected error rate for completeness, Kearney first determined the percentage of data elements that were incomplete for each sample. For example, if 1 sample record had 40 required data elements, and 4 of them were incomplete, that record had an error rate of 10 percent. Kearney then averaged the error rates of all the items that were tested to arrive at a final projected error rate for completeness.

elements is 7.41 percent.⁶⁷ A data element was considered complete if all of the required data elements that should have been reported were reported.

Data Element Testing—Accuracy

Accuracy of a data element is defined by the CIGIE Guide as a situation in which a data element (the amount and other data) has been recorded in accordance with Treasury guidance (including DAIMS) and “agree[s] with the original award documentation/contract file.”⁶⁸ The CIGIE Guide states that auditors should determine the accuracy of each data element within the selected records. Specifically, the CIGIE Guide states that the auditor should ensure that the data elements for the transactions tested are in agreement with the agency financial system and source documentation.⁶⁹

Kearney performed detailed testing at the data-element level for the 288 domestic transactions selected from DATA Act File C for the first quarter of FY 2021.⁷⁰ Appendix C provides details on the results of testing for each data element, and Appendix F compares the results of the FY 2021 audit to the results of the FY 2019 audit. Of the 288 transactions tested, Kearney identified 138 transactions that had exceptions related to accuracy in at least 1 of the data elements tested. The most common exception related to the Action Type data element.⁷¹ The Department frequently selected an inaccurate action type within FPDS-NG. Furthermore, many of the exceptions for other data elements had one digit that was different than from that found in supporting documentation, which implied the exception was caused by a data entry error.

By applying CIGIE guidance for projecting the error rate to the universe,⁷² Kearney determined that the Department’s projected error rate related to the accuracy of data elements is 8.13 percent.⁷³ A data element was considered accurate when the amounts and other data relating to transactions were recorded in accordance with the DAIMS, Reporting Submission

⁶⁷ Based on a 95-percent confidence level, the projected error rate for the completeness of the data elements is between 4.54 percent and 10.28 percent. Additional details on the sample are in Appendix A.

⁶⁸ CIGIE Guide, § 710.02, at 19.

⁶⁹ *Ibid.*, § 740.01(a)(ii), at 22.

⁷⁰ Appendix A provides details of the sample selection.

⁷¹ This data element should include the description that provides information on any changes made to the Federal prime award.

⁷² Each record had numerous data elements. Therefore, to determine the projected error rate for accuracy, Kearney first determined the percentage of data elements that were inaccurate for each sample. For example, if 1 sample record had 40 required data elements, and 4 of them were inaccurate, that record had an error rate of 10 percent. Kearney then averaged the error rates of all the items that were tested to arrive at a final, projected error rate for accuracy.

⁷³ Based on a 95-percent confidence level, the projected error rate for the accuracy of the data elements is between 5.13 percent and 11.13 percent. Additional details on the sample are in Appendix A.

Specifications,⁷⁴ Interface Definition Document,⁷⁵ and online data dictionary⁷⁶ and in agreement with the originating award documentation and/or contract file.⁷⁷

As described in more detail in Appendix E, Kearney identified errors that were not attributable to the Department. For example, if Treasury's DATA Act Broker extracts the wrong field from a source system, this is not an error attributable to the Department. In addition, some data are not entered into the system by the Department. For example, some information is entered into Government systems by vendors or awardees, and then extracted by the DATA Act Broker.

Data Element Testing—Timeliness

Timeliness of a data element is defined by the CIGIE Guide as a situation in which “for each of the required data elements that should have been reported, the data elements were reported in accordance with the reporting schedules defined by the financial, procurement, and financial assistance requirements.”⁷⁸ The CIGIE Guide states that auditors should determine the timeliness of each data element within the selected records. Specifically, the CIGIE Guide states that the auditor should determine whether data elements in DATA Act File C are reported in the quarter of occurrence; procurement award data elements in DATA Act File D1 are reported in FPDS-NG within 3 business days after the date that the contract award was signed (20 days for emergency situations or urgent and compelling situations);⁷⁹ and financial assistance award data elements in DATA Act File D2 are reported within 30 calendar days after award, in accordance with FFATA.⁸⁰

Kearney performed detailed testing at the data element-level for the 288 domestic transactions selected from DATA Act File C for the first quarter of FY 2021.⁸¹ Appendix C provides details on the results of testing for each data element. Of the 288 transactions tested, Kearney found that 204 transactions were included in DATA Act File C in a timely manner but had one or more data elements that were not included in either DATA Act File D1 or D2 by the established deadlines. Therefore, these transactions and data elements were not timely. Kearney noted that most

⁷⁴ The Reporting Submission Specification is an Excel spreadsheet maintained by Treasury that lists data elements, provides metadata, and gives Federal agency staff instructions on how to submit content to the DATA Act Broker in the appropriate file format.

⁷⁵ The Interface Definition Document is an Excel spreadsheet maintained by Treasury that lists data elements and supporting metadata and explains what financial assistance data elements are pulled from Government-wide procurement, sub-award systems, and from the DATA Act Broker (using FABS).

⁷⁶ The DATA Act data dictionary provides a full list of data elements with a definition for each element.

⁷⁷ The testing required by the CIGIE Guide focuses on the quality of the data overall. However, the CIGIE Guide, § 810.02, at 26, requires auditors to determine the accuracy of dollar value-related data elements based on absolute values to capture the magnitude of any deviations as a result of those errors. This information is provided in Appendix D.

⁷⁸ CIGIE Guide, § 710.03, at 19.

⁷⁹ Federal Acquisition Regulation § 4.604, “Responsibilities.”

⁸⁰ CIGIE Guide, § 740.01(a)(iii), at 22-23.

⁸¹ Appendix A provides details of the sample selection.

exceptions were the result of awards that were not entered into FPDS-NG in a timely manner (i.e., within 3 days).

By applying CIGIE guidance for projecting the error rate to the universe,⁸² Kearney determined that the Department's projected error rate related to the timeliness of data elements is 36.13 percent.⁸³ The timeliness of data elements was based on the reporting schedules defined by the financial, procurement, and financial assistance requirements.

COVID-19 Outlay Testing

According to the CIGIE Guide,⁸⁴ the "Federal Government's response to the COVID-19 pandemic included an economic relief package and new reporting requirements for agencies that received COVID-19 funds. Effective for the June 2020 reporting period, agencies with COVID-19 relief funding must submit DATA Act Files A, B, and C on a monthly basis." The CIGIE Guide states that auditors should select a non-statistical sample from the outlay records from the third month of the quarter selected and test COVID-19 outlay records separately.⁸⁵ Specifically, auditors should test the Parent Award ID, Procurement Instrument Identifier and Federal Award Identification Number, Object Class, Appropriations Account, Program Activity, Outlay, and Disaster Emergency Fund Code elements for completeness, accuracy, and timeliness.⁸⁶

Kearney performed detailed testing at the data element-level for 25 COVID-19 outlay transactions selected from DATA Act File C for December 2020.⁸⁷ Specifically, Kearney's testing included assessing the following data elements for outlays from DATA Act File C for completeness, accuracy, and timeliness: Parent Award ID, the Procurement Instrument Identifier and Federal Award Identification Number, Object Class, Appropriations Account, Program Activity, Outlay, and Disaster Emergency Fund Code. Based on this testing, Kearney did not identify any exceptions related to completeness, accuracy, or timeliness for the 25 COVID-19 transactions tested.

⁸² Each record had numerous data elements. Therefore, to determine the projected error rate for accuracy, Kearney first determined the percentage of data elements that were inaccurate for each sample. For example, if 1 sample record had 40 required data elements, and 4 of them were inaccurate, that record had an error rate of 10 percent. Kearney then averaged the error rates of all the items that were tested to arrive at a final projected error rate for accuracy.

⁸³ Based on a 95-percent confidence level, the projected error rate for the timeliness of the data elements is between 30.86 percent and 41.40 percent. Additional details on the sample are in Appendix A.

⁸⁴ CIGIE Guide, § 750.01, at 25.

⁸⁵ *Ibid.*, § 750.02(a), at 25.

⁸⁶ *Ibid.*, § 750.02(b), at 25.

⁸⁷ Kearney selected a non-statistical sample of 25 records from 222 DATA Act File C outlays for the third month of the first quarter of FY 2021 (i.e., December 2020). The non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. Appendix A provides details of the sample selection.

Quality Assessment of Data Element Testing Results

The CIGIE Guide defines quality as “data that is complete, accurate, and timely, and includes statistical and non-statistical testing results.”⁸⁸ The CIGIE Guide states that auditors should combine the results of the statistical sample with the results of the non-statistical sample using the methodology in Table 4.⁸⁹

Table 4: Quality Assessment Scorecard

	Criteria	Score	Maximum Possible Points With Outlays
Non-statistical	Timeliness of Agency Submission	5.00	5.00
	Completeness of Summary-Level Data (Files A and B)	10.00	10.00
	Suitability of File C for Sample Selection	8.51	10.00
	Record-Level Linkages (Files C and D)	6.74	7.00
	COVID-19 Outlay Testing Judgmental Sample	8.00	8.00
Statistical	Completeness	13.89	15.00
	Accuracy	27.56	30.00
	Timeliness	9.58	15.00
Total		89.28	100.00

Source: Prepared by Kearney based on the CIGIE Guide, § 820.05, at 28, and the results of Kearney’s procedures.

Based on the results of Kearney’s statistical and non-statistical testing during the audit of the Department’s domestic DATA Act submission for the first quarter of FY 2021, Kearney determined that the Department scored 89.28 points (out of 100 points), which is a quality rating of “Higher.”⁹⁰

Additional Oversight of the DATA Act Submissions Is Needed⁹¹

Similar to the results of the Department’s FY 2017⁹² and FY 2019⁹³ DATA Act audits, Kearney found that most of the exceptions identified were contained in DATA Act Files D1 and D2. For example, Kearney found that the data element Action Type⁹⁴ was incomplete and inaccurate

⁸⁸ CIGIE Guide, § 820.01, at 26.

⁸⁹ The CIGIE Guide, § 820.02, at 26-27, states that for the quality assessment, statistical testing results are valued at 60 points and non-statistical testing results are valued at 40 points.

⁹⁰ “Higher” is considered the second-best level of quality.

⁹¹ During the audit, Kearney assessed internal controls and compliance with laws and regulations needed to satisfy the audit objective. Appendix A provides details of the internal control components and principles assessed during the audit. Because the audit was limited to those internal control components and underlying principles, the audit may not have identified all internal control deficiencies that may have existed at the time of this audit.

⁹² OIG, AUD-FM-18-03.

⁹³ OIG, AUD-FM-20-05.

⁹⁴ This data element is supposed to be the description that provides information on any changes made to the Federal prime award.

for 33 percent of the transactions tested. The sources for DATA Act Files D1 and D2 are FPDS–NG and FABS, respectively. Although some of the information reported in FPDS–NG and FABS is populated automatically through interfaces with Department systems, such as GFMS and the Grants Database Management System, the majority of the information is manually entered directly into FPDS–NG by Department procurement and grants officials.

According to Department officials, one reason for the exceptions identified during the audit was because many Department employees who are responsible for entering data into and approving the data in FPDS-NG were working remotely due to the COVID-19 pandemic. Department officials indicated that the remote upload link between GFMS and FPDS-NG was not working consistently during FY 2021 and that many users had to input data manually, increasing the risk of completeness and accuracy errors.

Although issues with the remote upload link to FPDS-NG created issues, Kearney also found other delays with the Department adding information to FPDS-NG and FABS. The Department generated DATA Act Files D1 and D2 from the DATA Act Broker for submission and certification on February 16, 2021. Kearney identified 20 transactions related to the first quarter of FY 2021 that were not recorded in FPDS–NG or FABS in time to be reported to USAspending.gov. Department officials indicated that the increased workload created by the new requirement to report DATA Act information monthly (to report COVID-19 funding) was one reason for the delays in submitting timely data to FPDS-NG and FABS.⁹⁵

In addition, Kearney found that the Department did not perform sufficient quality assurance reviews of the data submitted. Agencies are required to perform quality control procedures on data prior to submission to the DATA Act Broker, including ensuring that there are appropriate links between DATA Act Files and files from existing Government-wide reporting systems.⁹⁶ Using its quality control procedures, CGFS identified, and was able to address, some issues with the data before the data were submitted. However, the Department’s quality control procedures did not address all of the issues identified during the audit. For example, CGFS performed quality control procedures to ensure that DATA Act Files A, B, and C were complete, but did not implement quality control procedures relating to the accuracy of data in DATA Act Files D1 or D2. CGFS, in coordination with the Bureau of Administration, should expand its quality control procedures to include reviewing the accuracy of data contained in Government-wide systems to improve the overall quality of its DATA Act submissions.

The intent of the DATA Act is to increase accountability, transparency, accessibility, quality, and standardization of Federal spending data. Kearney found that the Department submitted and certified domestic data of “Higher” quality but was unable to certify overseas transactions. Because of the issues identified during the audit with the accuracy, completeness, timeliness, and quality of the data submitted and certified in DATA Act Files C, D1, and D2, and the issues

⁹⁵ According to OMB Memorandum M-20-21, at 7, because of COVID-19 relief funding, agencies must report information more frequently. Specifically, the guidance states that “[e]ffective for the June 2020 reporting period, agencies with COVID-19 relief funding must submit DATA Act Files A, B, and C on a monthly basis.

⁹⁶ OMB Memorandum M-17-04, § 3, “Quarterly SAO Assurance of DATA Act Data.”

with overseas data, the Department should take additional steps to improve its processes to fully comply with the intent of the DATA Act. OIG is therefore offering the following recommendations:

Recommendation 2: OIG recommends that the Bureau of the Comptroller and Global Financial Services, in coordination with the Bureau of Administration, develop and implement a communication strategy that educates procurement and grant officials about the importance of recording transactions in the Federal Procurement Data System – Next Generation and the Financial Assistance Broker Submission in a complete, accurate, and timely manner.

CGFS Response: CGFS accepted the recommendation.

OIG Reply: On the basis of CGFS’s concurrence with the recommendation, OIG considers the recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that CGFS has developed and implemented a communication strategy that educates procurement and grant officials about the importance of recording transactions in FPDS-NG and FABS in a complete, accurate, and timely manner.

Recommendation 3: OIG recommends that the Bureau of the Comptroller and Global Financial Services update its Data Quality Plan related to reconciling Digital Accountability and Transparency Act of 2014 data to ensure that quality control procedures are performed to assess the quality of the data included in all files, including files created from Government-wide systems.

CGFS Response: CGFS accepted the recommendation.

OIG Reply: On the basis of CGFS’s concurrence with the recommendation, OIG considers the recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that CGFS has updated its DQP related to reconciling DATA Act data to ensure that quality control procedures are performed to assess the quality of the data included in all files, including files created from Government-wide systems.

Finding B: Department Implemented and Used Required Data Standards for Domestic Transactions but Needs To Improve Implementation and Use for Overseas Transactions

The CIGIE Guide requires auditors to determine whether Federal agencies implemented and used the Government-wide financial data standards established by OMB and Treasury.⁹⁷ Specifically, the CIGIE Guide states that the auditor should ensure that standardized data

⁹⁷ CIGIE Guide, § 130.03(g), at 4.

elements and OMB and Treasury definitions according to DAIMS are used and should determine whether the agency consistently used the established data elements.⁹⁸ In addition, the CIGIE Guide states that the auditor should use the results of the analysis of the agency's DATA Act submission and the data element testing⁹⁹ (the results of which are presented in Finding A of this report).

On the basis of work performed for this audit to evaluate the Department's implementation of the Government-wide financial data standards for award and spending data, including information presented in Finding A of this report, Kearney concluded that the Department implemented and used financial data standards established by OMB and Treasury for domestic transactions. Specifically, Kearney performed procedures to determine whether the required data elements and the OMB and Treasury definition of those data elements were consistently used across the agency. Kearney found that the Department had properly defined data elements for domestic transactions in accordance with OMB and Treasury definitions.

Furthermore, Kearney confirmed that the summary-level data elements included in DATA Act Files A and B were consistently used and were in compliance with the required definitions. Kearney found that the Department linked, by common identifiers (i.e., the Procurement Instrument Identifier¹⁰⁰ and the Federal Award Identification Number),¹⁰¹ all of the data elements in the Department's procurement, financial, and grants systems, as applicable. For the Treasury DATA Act Broker Files tested, Kearney found that the required elements were generally present in the files and that the recorded values were presented in accordance with the standards.

However, Kearney found that the Department could not demonstrate that it fully implemented or used the Government-wide financial data standards established by OMB and Treasury for overseas transactions. Specifically, as detailed in Finding A of this report, the Department's SAO did not certify the Department's overseas transactions. This issue was also identified in OIG's FY 2017 DATA Act report¹⁰² and FY 2019 DATA Act report.¹⁰³ Until the Department certifies its overseas data, it cannot demonstrate that it implemented and used the Government-wide financial data standards established by OMB and Treasury.

⁹⁸ Ibid., § 500.01 and .02, at 12-13.

⁹⁹ Ibid., § 500.03, at 13.

¹⁰⁰ The Procurement Instrument Identifier is a unique identifier of a specific award being reported.

¹⁰¹ The Federal Award Identification Number is the unique identification within the Federal agency for each financial assistance award.

¹⁰² OIG, AUD-FM-18-03.

¹⁰³ OIG, AUD-FM-20-05.

RECOMMENDATIONS

Recommendation 1: OIG recommends that the Bureau of the Comptroller and Global Financial Services, in coordination with the Bureau of Administration, develop and implement a corrective action plan that identifies the underlying reasons for the deficiencies with overseas data included in the Digital Accountability and Transparency Act Files and that identifies strategies and milestones for implementing them, to address the underlying deficiencies.

Recommendation 2: OIG recommends that the Bureau of the Comptroller and Global Financial Services, in coordination with the Bureau of Administration, develop and implement a communication strategy that educates procurement and grant officials about the importance of recording transactions in the Federal Procurement Data System – Next Generation and the Financial Assistance Broker Submission in a complete, accurate, and timely manner.

Recommendation 3: OIG recommends that the Bureau of the Comptroller and Global Financial Services update its Data Quality Plan related to reconciling Digital Accountability and Transparency Act of 2014 data to ensure that quality control procedures are performed to assess the quality of the data included in all files, including files created from Government-wide systems.

APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY

The Digital Accountability and Transparency Act of 2014¹ (DATA Act) requires each Federal agency's Office of Inspector General (OIG) to review and assess the spending data submitted by its agencies in compliance with the DATA Act. The objectives of this audit were to assess (1) the completeness, accuracy, timeliness, and quality of the financial and award data submitted by the Department of State (Department) for publication on USAspending.gov and (2) the Department's implementation and use of the Government-wide financial data standards established by the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury).² An external audit firm, Kearney & Company, P.C. (Kearney), acting on OIG's behalf, performed this audit.

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 OIG 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, OIGs provided Congress with the first required reports by November 8, 2017, 1-year after the statutory due date, with two subsequent reports to be submitted following on a 2-year cycle. This 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 reporting date anomaly and communicated the strategy to the Senate Committee on Homeland Security and Government Affairs and the House Committee on Oversight and Government Reform.

Kearney conducted this audit from February through September 2021 in the Washington, DC, metropolitan area. Kearney conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that Kearney plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. Kearney believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

On December 4, 2020, CIGIE, Federal Audit Executive Council (FAEC), issued the "CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act" (CIGIE Guide) to provide OIGs with a common methodology and reporting approach for OIGs to use in performing the mandated DATA Act work. The CIGIE Guide states that audit teams "should adhere to the overall methodology, objectives, and audit procedures outlined in [the] guide to the greatest extent possible."³ However, the CIGIE Guide states that "each Federal agency presents a unique set of implementation challenges and risks. If necessary, audit teams may modify [the] guide, but must use professional judgment when designing alternative audit procedures. Audit teams

¹ Pub. L. No. 113-101.

² These are the objectives that are included in the guide issued by CIGIE, "CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act," 3 (December 4, 2020).

³ CIGIE Guide, § 100.0, at 1.

must document the reasons for all deviations from the Guide.”⁴ Kearney conducted this audit based on the procedures in the CIGIE Guide. Kearney used professional judgment to customize certain testing procedures based on the Department’s environment, systems, and data. Table A.1 shows the general methodology⁵ directed by the CIGIE Guide to accomplish DATA Act objectives and the corresponding work, including deviations, Kearney performed during its audit.

Table A.1: Required Audit Steps From the CIGIE Guide

Required Audit Procedure to Accomplish Objective	Kearney Audit Procedure (Report Location)
Obtain an understanding of regulatory criteria related to the Department’s responsibilities to report financial and award data under the DATA Act	Kearney reviewed Federal laws and regulations, prior Government Accountability Office audit reports, and guidance issued by OMB and Treasury that related to the DATA Act. (See the Background section of this report for examples of the criteria that Kearney reviewed.)
Review the Department’s Data Quality Plan (DQP)	Kearney reviewed the Department’s DQP to determine whether it contained all required elements, including an overview of the organizational structure and key processes over internal controls and financial and award data reporting, a testing plan and identification of high-risk data, a process for identifying and assessing risk related to spending data, and the impact of how risks will be addressed. (See the Work Related to Internal Controls section of this report.)
Assess the internal and information system controls in place as they relate to the extraction of data from source systems and the reporting of data to Treasury’s DATA Act Broker, to assess audit risk and design audit procedures	Kearney met with Department officials to gain an understanding of the DATA Act compilation and submission process. Specifically, Kearney obtained an understanding of the processes used to perform the DATA Act extractions and File submissions and the quality control over those extractions and submissions. For example, Kearney gained an understanding of the systems used to process procurement and financial assistance awards. Kearney also obtained an understanding of processes used to record procurement and financial assistance awards in the Department’s systems and other Federal systems. (See the Data Reliability and Work Related to Internal Controls sections of this report.)
Review and reconcile summary-level data submitted by the agency for publication on USAspending.gov for the selected quarter	Kearney reviewed and reconciled summary-level data between the Department’s Standard Form (SF) 133 (Report on Budget Execution and Budgetary Resources), DATA Act File A, and DATA Act File B. Kearney also verified that all Budget Object Classification codes from DATA Act File B were included in Section 83 of OMB Circular A-11, “Preparation, Submission, and Execution of the Budget,” and that all program activity names and codes

⁴ CIGIE Guide, § 100.02, at 1.

⁵ In addition to the general methodology discussed in this section, the CIGIE Guide provides detailed steps that are to be performed during audit work. Kearney performed the required steps (or acceptable alternatives to those steps) but did not include the details of all of the steps that it performed in this report.

Required Audit Procedure to Accomplish Objective

Kearney Audit Procedure (Report Location)

	from DATA Act File B matched the names and codes defined in the Detailed Budget Estimates by Agency Appendix in the President’s Budget. (See the Audit Results section of this report.)
Review a statistically valid sample of financial and award data submitted by the Department for publication on USAspending.gov for the selected quarter	Kearney selected its statistically valid sample for testing from the Department’s certified first quarter of FY 2021 submission for publication on USAspending.gov. ³ (See the Audit Results and the Detailed Sampling Methodology sections of this report.)
Assess the completeness, accuracy, timeliness, and quality of the financial and award data submitted and sampled	Kearney completed testing in accordance with the CIGIE Guide. (See the Audit Results section of this report.)

Required Audit Procedure to Accomplish Objective	Kearney Audit Procedure (Report Location)
Assess the Department’s implementation and use of the 59 data elements/standards established by OMB and Treasury	<p>Nine of 59 data elements are reported in DATA Act Files A or B, at the summary level. Kearney performed procedures to confirm the validity and accuracy of these nine summary-level data elements. Specifically, Kearney confirmed that the data were appropriately linked between DATA Act Files A and B and the SF 133. Seven of the nine summary-level data elements are also reported in DATA Act File C at the transaction level. There are 47 other data elements included at the transaction level in one or more of DATA Act Files C, D1, and D2. Therefore, there were 54 data elements that included transaction-level information. Two of 54 transaction-level data elements (TAS and Appropriation Account) included the same information. To avoid double counting the information tested, Kearney aligned the Appropriation Account data element to DATA Act Files A and B and the TAS data element to DATA Act File C. Therefore, for 53 data elements at the transaction level, Kearney selected a sample of individual transactions listed in the Department’s DATA Act File C submission and performed testing. There were two data elements that are only applicable to DATA Act Files E and F.^b (See the Audit Results section of this report.)</p>

^a The Department’s Senior Accountable Official included a qualification for overseas transactions when certifying the first quarter FY 2021 DATA Act submission. Therefore, Kearney excluded all overseas transactions when selecting the sample for testing.

^b DATA Act File E contains additional awardee attribute information that the DATA Act Broker extracts from the System for Award Management (SAM). DATA Act File F contains sub-award attribute information that the DATA Act Broker extracts from the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). The data included in DATA Act Files E and F 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 DATA Act Files E and F data, but they are responsible for ensuring that controls are in place to verify that financial assistance awardees register in SAM at the time of the award. As such, Kearney did not assess the completeness, timeliness, quality, and accuracy of data extracted from SAM and FSRS by the Treasury DATA Act Broker.

Source: Prepared by Kearney based on § 130.03 of the CIGIE Guide and Kearney’s audit planning and reporting procedures.

Data Reliability

The files included in the Department’s DATA Act submission were generated from multiple systems, including Department-owned systems and systems used across the Federal Government. To ensure the completeness, accuracy, timeliness, and quality of the DATA Act submission, agencies were required to perform quality control procedures of the data prior to submitting it to Treasury, including ensuring that there were appropriate links between the files submitted.⁶ For example, agencies were required to confirm that the information reported in DATA Act File A matched the information in the December 31, 2020, SF 133⁷ and that the

⁶ OMB Memorandum M-17-04, “Additional Guidance for Data Act Implementation: Further Requirements For Reporting and Assuring Data Reliability,” § 3, 5 (November 4, 2016).

⁷ Ibid., Appendix A, “Assurances for Each DATA Act File Submitted,” 7.

alignment among DATA Act Files A through F is valid and reliable⁸ The Department's reconciliations between DATA Act File A and the SF 133 and between DATA Act Files A and B did not note any variances. Kearney also performed these reconciliations and noted no variances.

However, the Department's quality control process identified variances between DATA Act File C and DATA Act Files D1 and D2, especially related to overseas transactions. The Department researched the cause of each variance to determine whether the variance indicated a systemic issue and was able to sufficiently explain the variances noted for domestic transactions and made updates to DATA Act File C, when appropriate. However, based upon reconciliations and other factors, the Department's Senior Accountable Official (SAO) included a qualification when certifying the first quarter of FY 2021 DATA Act submission. Specifically, the SAO indicated that he could not certify the completeness, accuracy, timeliness, and quality of overseas transactions included in the DATA Act submission.

Kearney performed reconciliations of DATA Act Files C, D1, and D2 and noted limited variances for domestic transactions (similar to what the Department found). However, again similar to the Department's reconciliation, Kearney identified a significant number of variances for overseas transactions. In addition, during an analysis of transactions included in the first quarter of FY 2021's DATA Act File C, Kearney noted that duplicate outlays⁹ were recorded. These duplicate outlays were related to new COVID-19 reporting requirements.¹⁰ The Department resubmitted all certified spending data, dating back to the June 2020 submission, to correct the duplicate data posting. Kearney concluded that the Department's actions addressed the deficiency related to the duplicate reporting of outlays.

As a result of its analysis, Kearney concluded that the domestic transactions reported in DATA Act File C for the first quarter of FY 2021 (after the Department's correction) were sufficiently reliable for sampling.

Work Related to Internal Control

The Department is responsible for the design, implementation, and operating effectiveness of internal controls related to DATA Act submissions. The CIGIE Guide requires auditors to "obtain and document an understanding of the design of internal and information system controls as they relate to the extraction of data from the source systems and the reporting of data to the DATA Act Broker."¹¹ The Guide further states that the auditor should consult with the

⁸ Ibid., § 3, at 5.

⁹ According to OMB Circular A-11, "Preparation, Submission, and Execution of the Budget," § 20.6, "What do I need to know about outlays?" (August 2021), an outlay is "a payment to liquidate an obligation."

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

¹¹ CIGIE Guide, § 300.05(b), at 7.

Government Accountability Office's *Standards for Internal Control in the Federal Government*¹² and document the work performed to assess internal controls.¹³

During the audit, Kearney considered a number of factors, including the subject matter of the project, to determine whether internal control was significant to the audit objectives. Based on its consideration, Kearney determined that internal control was significant for this audit. Kearney then considered the components of internal control and the underlying principles included in the *Standards for Internal Control in the Federal Government* to identify internal controls that were significant to the audit objectives. Considering internal control in the context of a comprehensive internal control framework can help auditors determine whether underlying internal control deficiencies exist.

For this audit, Kearney concluded that all five internal control components from the *Standards for Internal Control in the Federal Government*—Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring—were significant to the audit objectives. The Control Environment component is the foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives. The Risk Assessment component assesses the risks facing the entity as it seeks to achieve its objectives. This assessment provides the basis for developing appropriate risk responses. The Control Activities component includes the actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system, which includes the entity's information system. The Information and Communication component relates to the quality information that management and personnel communicate and use to support the internal control system. The Monitoring component relates to activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other review. Kearney also concluded that six of the principles related to the selected components were significant to the audit objectives, as described in Table A.2.

Table A.2: Internal Control Components and Principles Identified as Significant

Components	Principles
Control Environment	Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives.
Risk Assessment	Management should identify, analyze, and respond to risks related to achieving the defined objectives.
Control Activities	Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
Information and Communication	Management should use quality information to achieve the entity's objectives.

¹² Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014).

¹³ CIGIE Guide, § 300.02, at 7.

Components	Principles
Information and Communication	Management should externally communicate the necessary quality information to achieve the entity's objectives.
Monitoring	Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.

Source: Kearney prepared during audit planning process.

Kearney conducted meetings to identify controls in place to address audit risks. Specifically, Kearney obtained an understanding of the processes used by the Department to perform quality controls assurance on the DATA Act submission. This included understanding the systems, as well as general and application controls in the systems used to process procurement and financial assistance awards. Kearney also obtained an understanding of the Department's processes to record procurement and financial assistance awards in the Department's systems and other Federal systems.

Kearney performed procedures to assess the design, implementation, and operating effectiveness of key internal controls. Specifically, Kearney performed the following procedures:

- Considered the Department's Enterprise Risk Management risk profile and determined whether the Department identified risks associated with controls related to the DATA Act source systems and DATA Act reporting.
- Determined whether the SAO or designee provided assurance that internal controls support the reliability and validity of the Department's summary-level and record-level data reported for publication on USAspending.gov.
- Assessed whether internal and information system controls, as they relate to extracting data from source systems and reporting data to the DATA Act Broker, have been properly designed and implemented and are operating effectively.
- Identified and assessed controls implemented to ensure that specific DATA Act reporting requirements were met, as prescribed by OMB Memorandum M-20-21.
- Obtained and reperformed the Department's reconciliations of SF 133s and DATA Act Files A, B, C, D1, and D2 to identify and evaluate any variances and explanations.
- Identified and evaluated the Department's process to manually enter data elements into FPDS-NG when specific data elements do not interface properly.

In addition, Kearney reviewed the Department's DQP to determine whether the DQP documents the organizational structure and key processes to provide internal controls over financial and award data reporting, documents a test plan and identifies high-risk data, and documents the Department's processes for identifying and assessing risks related to spending data. Furthermore, Kearney obtained the Department's DQP, SAO certification, reconciliation files, and relevant documentation that demonstrated the Department's internal controls over the DATA Act File submission for the first quarter of FY 2021.

Internal control deficiencies identified during the audit that are significant within the context of the audit objectives are presented in the Audit Results section of this report.

Sampling Methodology

In accordance with the CIGIE Guide,¹⁴ Kearney selected a statistically valid sample of certified spending data transactions for transaction-level testing from the Department's FY 2021 first quarter FY 2021 DATA Act File C submission.¹⁵ The CIGIE Guide states that transactions selected for testing should be certified.¹⁶ The Department did not certify overseas transactions data included in its DATA Act submission. Accordingly, Kearney excluded overseas transactions¹⁷ prior to selecting its sample.

The CIGIE Guide states that the auditor should first determine the population size.¹⁸ The Department's DATA Act File C consisted of 18,565 transactions: 12,802 overseas records, 2,938 domestic records, and 2,825 outlay records.¹⁹ After excluding the overseas transactions and outlay records, the target population size was 2,938.

Using ACL sampling software,²⁰ Kearney selected a random sample of 288 transactions included in DATA Act File C, as prescribed by the CIGIE Guide.²¹ Kearney determined this sample size by

¹⁴ CIGIE Guide, § 720, at 19.

¹⁵ The CIGIE Guide, §720.01, states that the audit team should "[r]andomly select a statistically valid sample of certified spending data from the reported records included in the agency's certified data submission for File C, or Files D1/D2 if File C is determined not suitable for testing." As mentioned in the Data Reliability section of this report, Kearney concluded that domestic transaction included in DATA Act File C were suitable for testing.

¹⁶ CIGIE Guide, § 720.01(a), at 19.

¹⁷ The Department's DATA Act File C included a field that indicated whether the transaction was funded domestically or overseas and whether the transaction was processed domestically or overseas. Kearney confirmed with Department officials that the transactions that were not certified by the SAO were the transactions processed overseas (the source of the funding did not affect the SAO's certification).

¹⁸ The CIGIE Guide, § 720.01(b)(i), at 19, states that the population size is the "number of detail records included in the agency's quarterly (or consolidated three months) certified data submission determined by adding the total number of detail records in File C."

¹⁹ According to the CIGIE Guide, § 750.01, at 25, the Federal Government's response to the COVID-19 pandemic included an economic relief package and new reporting requirements for agencies that received COVID-19 funds. One new requirement was that agencies must identify outlays for COVID-19 awards in DATA Act File C. Outlay records are those rows in DATA Act File C without a transaction obligation amount (obligation). According to the CIGIE Guide, § 650.01(c), at 17-18, the characteristics of outlays are different than obligations and outlays do not have a corresponding linkage to DATA Act Files D1 or D2. Outlays are also independent in terms of timing of when one or the other might occur. Because of these unique differences and because there is no statistically viable method to test both obligations and outlays together, outlays should be tested separately. Thus, outlays should not be part of the suitability or statistical sample testing (COVID-19 outlays should be tested separately). In accordance with the CIGIE Guide, Kearney removed outlays to determine the universe for transaction testing.

²⁰ ACL is a computer program used to analyze data and, based upon the parameters input by the user, select a sample, and aid in evaluating the results of the testing.

²¹ CIGIE Guide, § 720, at 19.

using a 95-percent confidence level,²² expected error rate of 25 percent,²³ with plus or minus 5-percent sampling precision.²⁴ Table A.3 provides details on the sample selected to test for completeness, accuracy, timeliness, and quality.

Table A.3: Description of Sample Selection

Description	Sample Details
Source of Sample	DATA Act File C
Population of Transactions	18,565
Population in Dollars	\$1,609,189,309
Target Population of Transactions	2,938
Target Population in Dollars	\$1,532,901,551
Type of Statistical Sampling Methodology Used*	Random
Confidence Level (percent)	95
Expected Error Rate (percent)	25
Planned Sampling Precision (margin of error)	+/-5 percent
Sample Size (percent)	288 (9.8)
Sample Amount (percent)	\$295,932,837 (19.3)

* Random sampling is used to select a sample from a population in such a way that every sample item that could be selected has the same predetermined probability of being selected.

Source: Prepared by Kearney based on the sampling plan.

The CIGIE Guide requires auditors to assess 59 different data elements.²⁵ Fifty-four of 59 data elements included transaction-level information. Two of the 54 data elements (TAS and Appropriation Account) included the same information. To avoid double counting the information tested, Kearney aligned the Appropriation Account data element to DATA Act Files A and B and the TAS data element to DATA Act File C. Therefore, for the sample selected for detailed testing, Kearney reviewed 53 data elements.

²² According to the CIGIE Guide, § 720.01(b)(ii), at 19, a confidence level is “the probability that a confidence interval produced by sample data contains the true population error.” The rate should be set at 95 percent.

²³ According to the CIGIE Guide, § 720.01(b)(iii), at 19, an expected error rate is the “estimated percentage of error rate in the population to be sampled, which will be determined based on the results of the agency’s November 2019 [audit] and subsequent testing of DATA Act information that the [OIG] has accumulated related to the agency’s internal controls and corrective actions from previous audits. If more than one error rate was determined in the November 2019 audit, use the error rate closest to 50 percent.” In the FY 2019 DATA Act audit report, *Audit of the Department of State’s FY 2019 Implementation of the Digital Accountability and Transparency Act of 2014* (AUD-FM-20-05, November 2019), 30, the external auditor identified three error rates (completeness – 6.14 percent, accuracy – 10.03 percent, and timeliness – 24.15 percent). Of these three rates, the error rate closest to 50 percent was timeliness, at 24.15 percent. Kearney elected to round the number up to 25 percent for its sample selection methodology.

²⁴ According to the CIGIE Guide, § 720.01(b)(iv), at 20, sample precision is “a measure of the uncertainty associated with the projection.” It should be set at 5 percent.

²⁵ CIGIE Guide, § 130.03(g), at 4.

The CIGIE Guide instructs auditors to calculate and project error rates for the results related to completeness, accuracy, and timeliness for each data element.²⁶ Using CIGIE guidance, Kearney calculated the average rate of error for each record based on the total data elements required to be reported for that record. Additionally, Kearney calculated the overall error rates for completeness, timeliness, and accuracy based on the average rates of error by record which was averaged over the total number of sample items.²⁷ Table A.4 provides details of the error rates identified in the FY 2021 DATA Act Audit.

Table A.4: Error Rates for the Department’s Submission

Category	Error Rate (percent)
Completeness	7.41
Accuracy	8.13
Timeliness	36.13

Source: Prepared by Kearney based on the results of testing.

COVID-19 Sample Selection

The Federal Government’s response to the COVID-19 pandemic included an economic relief package and new reporting requirements for agencies that received COVID-19 funds. Effective for the June 2020 reporting period, agencies with COVID-19 relief funding must submit DATA Act Files A, B, and C on a monthly basis that include Disaster Emergency Fund Code values²⁸ in Files B and C and outlays for COVID-19 awards in File C.²⁹

The CIGIE guidance requires auditors to “select a non-statistical sample from the outlay records from the [third] month of the quarter selected and test COVID-19 outlay records separately.”³⁰ Using CIGIE guidance, Kearney selected a judgmental sample of COVID-19 outlays. From the Department’s DATA Act File C, Kearney identified 222 COVID-related outlays for December 2020 (which is the third month of the first quarter of FY 2021—the quarter selected for testing). Of the 222 transactions, Kearney selected 25 transactions to test. The judgmental sample was based on Kearney’s understanding of the Department’s outlays. Table A.5 provides details of the sample selected to test COVID-19 outlays.

²⁶ Ibid., § 740.01, at 22.

²⁷ Ibid., § 740.03, at 25.

²⁸ Disaster Emergency Fund Code values were introduced in OMB Memorandum M-18-08, “Guidance on Disaster and Emergency Funding Tracking” (February 2, 2018). The codes represent a set of domains that are set aside to track funding classified as disaster or emergency at a detailed level.

²⁹ OMB Memorandum M-20-21, “Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19),” Appendix A, “Agency Reporting Instructions for COVID-19-Related Funding,” 7 (April 10, 2020).

³⁰ CIGIE Guide, § 750.02(a), at 25.

Table A.5: COVID-19 Judgmental Sample

Description	Sample Details
Source of Sample	DATA Act File C
Audit Population of Transactions	2,825 ^a
Audit Population in Dollars	\$823,170,090
Target Population of Transactions	222 ^b
Target Population in Dollars	\$468,940,022
Type of Statistical Sampling Methodology Used ^c	Judgmental
Sample Size (percent)	25 (11.3)
Sample Amount (percent)	\$441,797,311 (94.2)

^a This number represents the outlays included in the Department's DATA Act File C for the first quarter of FY 2021.

^b This number represents the outlays included in the Department's DATA Act File C for December 2020.

^c Judgmental sampling is a non-statistical sampling technique that is based on sound reasoning and seasoned professional judgment.

Source: Prepared by Kearney based on sampling plan.

As required by the CIGIE Guide,³¹ for the sample of COVID-19 outlays, Kearney tested certain data elements (Parent Award ID Number, Procurement Instrument Identifiers or Federal Award Identification Numbers, Object Class, Appropriations Account, Program Activity, Outlay, and Disaster Emergency Fund Code) for completeness, accuracy, and timeliness. Kearney did not identify any exceptions during its testing of outlays.

Prior Office of Inspector General Reports

In the first mandated DATA Act audit report,³² OIG reported that the Department had not certified transactions originating at overseas posts, so those transactions were not assessed during the audit. Furthermore, OIG reported that the domestic data in DATA Act Files A and B were accurate, complete, timely, and of an acceptable quality. However, the external auditor identified exceptions (that were under the control of the Department) related to accuracy, completeness, timeliness, and quality for domestic data included in DATA Act Files C, D1, and D2. Furthermore, flaws in Treasury's DATA Act Broker system led to additional errors in the quality of the Department's data in DATA Act Files D1 and D2. The external auditor attributed errors identified, in part, to delays in adding information to the Government-wide systems. In addition, the Department did not perform sufficient quality assurance of the data submitted. OIG made four recommendations to improve the quality of the data submitted for publication on USAspending.gov. As of August 2021, all four recommendations were closed, based on actions taken by the Department.

³¹ CIGIE Guide, § 750.02, at 25.

³² OIG, *Audit of the Department of State's Implementation of the Digital Accountability and Transparency Act of 2014* (AUD-FM-18-03, November 2017).

In the second mandated DATA Act report,³³ OIG continued to report that the Department had not certified transactions originating at overseas posts. For domestic transactions, the external auditor determined that DATA Act Files A, B, and C at the summary level, were complete and timely. However, the audit identified exceptions with the record-level data for domestic transactions included in DATA Act Files C, D1, and D2. On the basis of guidance provided for the DATA Act audit, the auditor concluded that the quality of the Department's submission of domestic data was "moderate." One reason for the deficiencies identified was that the Department had not classified most of the data elements with high error rates as high risk in the DQP. OIG made six recommendations to improve the quality of the data submitted for publication on USAspending.gov. As of August 2021, one recommendation was open, pending additional action. Appendix G includes details related to the open recommendation from the FY 2019 DATA Act report.

³³ OIG, *Audit of the Department of State's FY 2019 Implementation of the Digital Accountability and Transparency Act of 2014* (AUD-FM-20-05, November 2019).

APPENDIX B: STANDARD DATA ELEMENTS

Table B.1 shows the 59 standard data elements and descriptions established by the Office of Management and Budget (OMB), in coordination with the Department of the Treasury (Treasury), as required by the Digital Accountability and Transparency Act of 2014¹ (DATA Act). The table also shows the corresponding DATA Act Broker² Files that should include the data element.

Table B.1 Digital Accountability and Transparency Act of 2014 Standard Data Elements

Data Element Number	Data Element	Data Description	Submission File
1	Awardee/Recipient Legal Entity Name	The name of the awardee or recipient that relates to the unique identifier.	Files D1, D2, E, and F
2	Awardee/Recipient Unique Identifier	The unique identification number for an awardee or recipient. Currently the nine-digit number assigned by Dun & Bradstreet, referred to as the DUNS number.	Files D1, D2, E, and F
3	Ultimate Parent Unique Identifier	The unique identification number for the ultimate parent of an awardee or recipient.	Files D1, D2, E, and F
4	Ultimate Parent Legal Entity Name	The name of the ultimate parent of the awardee or recipient. Currently, the name is from the global parent DUNS number.	Files D1, D2, E, and F
5	Legal Entity Address	The awardee or recipient's legal business address where the office represented by the Unique Entity Identifier (as registered in the System for Award Management [SAM]) is located.	Files D1, D2, and F
6	Legal Entity Congressional District	The congressional district in which the awardee or recipient is located. This is not a required data element for non-United States addresses.	Files D1, D2, and F
7	Legal Entity Country Code	Code for the country in which the awardee or recipient is located, using the ISO 3166-1 Alpha-3 GENC Profile, and not the codes listed for those territories and possessions of the United States already identified as "states."	Files D1, D2, and F
8	Legal Entity Country Name	The name corresponding to the Country Code.	Files D1, D2, and F
9	Highly Compensated Officer Name	The first name, middle initial, and last name of an individual identified as one of the five most highly compensated "Executives."	Files E and F

¹ Digital Accountability and Transparency Act of 2014, Pub. L. No. 113-101, § 4(a), "Data Standards."

² Treasury developed an IT system, the DATA Act Broker, to facilitate Federal agency submission of data for publication on USAspending.gov.

Data Element Number	Data Element	Data Description	Submission File
10	Highly Compensated Officer Total Compensation	The cash and noncash dollar value earned by one of the five most highly compensated "Executives" during the awardee's preceding fiscal year.	Files E and F
11	Federal Action Obligation	Amount of Federal Government's obligation, de-obligation, or liability, in dollars, for an award transaction.	File D2 and F
12	Non-Federal Funding Amount	For financial assistance, the amount of the award funded by non-Federal source(s), in dollars.	File D2
13	Amount of Award	The cumulative amount obligated by the Federal Government for an award, calculated by USAspending.gov or a successor site.	Files D1 and D2
14	Current Total Value of Award	For procurement, the total amount obligated to date on a contract, including the base and exercised options.	File D1
15	Potential Total Value of Award	For procurement, the total amount that could be obligated on a contract, if the base and all options are exercised.	File D1
16	Award Type	Description (and corresponding code) that provides information to distinguish type of contract, grant, or loan and provides the user with more granularity into the method of delivery of the outcomes.	Files D1, D2, and F
17	North American Industrial Classification System (NAICS) Code	The identifier that represents the NAICS Code assigned to the solicitation and resulting award identifying the industry in which the contract requirements are normally performed.	File D1 and F
18	NAICS Description	The title associated with the NAICS Code.	File D1 and F
19	Catalog of Federal Domestic Assistance (CFDA) Number	The number assigned to a Federal area of work in the CFDA.	File D2 and F
20	CFDA Title	The title of the area of work under which the Federal award was funded in the CFDA.	File D2 and F
21	Treasury Account Symbol (TAS) (excluding sub-account)	The account identification codes assigned by the Department of the Treasury (Treasury) to individual appropriation, receipt, or other fund accounts.	Files A, B, and C ^a
22	Award Description	A brief description of the purpose of the award.	Files D1, D2, and F
23	Award Modification/Amendment Number	The identifier of an action being reported that indicates the specific subsequent change to the initial award.	Files D1 and D2

Data Element Number	Data Element	Data Description	Submission File
24	Parent Award Identification (ID) Number	The identifier of the procurement award under which the specific award is issued (e.g., a Federal Supply Schedule).	Files C, D1, and F
25	Action Date	The date the action being reported was issued/ signed by the Government or a binding agreement was reached.	Files D1, D2, and F
26	Period of Performance Start Date	The date on which awardee effort begins or the award is otherwise effective.	Files D1 and D2
27	Period of Performance Current End Date	The current date on which awardee effort completes or the award is otherwise ended.	Files D1 and D2
28	Period of Performance Potential End Date	The date on which, awardee effort is completed or the award is otherwise ended.	File D1
29	Ordering Period End Date	The date on which no additional orders referring to the award may be placed.	File D1
30	Primary Place of Performance Address	The address where the predominant performance of the award will be accomplished.	Files D1, D2, and F
31	Primary Place of Performance Congressional District	United States congressional district where the predominant performance of the award will be accomplished; derived from the Primary Place of Performance Address.	Files D1, D2, and F
32	Primary Place of Performance Country Code	Country code where the predominant performance of the award will be accomplished.	Files D1, D2, and F
33	Primary Place of Performance Country Name	Name of the country represented by the country code where the predominant performance of the award will be accomplished.	Files D1, D2, and F
34	Award Identification (ID) Number	The unique identifier of the specific award being reported (Federal Award Identification Number [FAIN] for financial assistance and Procurement Instrument Identifier [PIID] for procurement).	Files C, D1, D2, and F
35	Record Type	Code indicating whether an action is an individual transaction or aggregated.	File D2
36	Action Type	Description that provides information on any changes made to the Federal prime award.	Files D1 and D2
37	Business Types	A collection of indicators of different types of recipients based on socio-economic status and organization/business areas.	Files D2 and F

Data Element Number	Data Element	Data Description	Submission File
38	Funding Agency Name	Name of the Department or establishment of the Government that provided the preponderance of the funds for an award and/or individual transactions related to an award.	Files D1, D2, and F
39	Funding Agency Code	The three-digit Common Government-wide Accounting Classification agency code of the Department or establishment of the Government that provided the preponderance of the funds for an award and/or individual transactions related to an award.	Files D1, D2, and F
40	Funding Sub Tier Agency Name	Name of the level 2 ^b organization that provided the preponderance of the funds obligated by this transaction.	Files D1, D2, and F
41	Funding Sub Tier Agency Code	Identifier of the level 2 ^b organization that provided the preponderance of the funds obligated by this transaction.	Files D1, D2, and F
42	Funding Office Name	Name of the level n ^c organization that provided the preponderance of the funds obligated by this transaction.	Files D1, D2, and F
43	Funding Office Code	Identifier of the level n ^c organization that provided the preponderance of the funds obligated by this transaction.	Files D1, D2, and F
44	Awarding Agency Name	The name associated with a Department or establishment of the Government as used in the Treasury Account Fund Symbol.	Files D1, D2, and F
45	Awarding Agency Code	A Department or establishment of the Government as used in the Treasury Account Fund Symbol.	Files D1, D2, and F
46	Awarding Sub Tier Agency Name	Name of the level 2 ^b organization that awarded, executed or is otherwise responsible for the transaction.	Files D1, D2, and F
47	Awarding Sub Tier Agency Code	Identifier of the level 2 ^b organization that awarded, executed or is otherwise responsible for the transaction.	Files D1, D2, and F
48	Awarding Office Name	Name of the level n ^c organization that awarded, executed or is otherwise responsible for the transaction.	Files D1, D2, and F
49	Awarding Office Code	Identifier of the level n ^c organization that awarded, executed or is otherwise responsible for the transaction.	Files D1, D2, and F
50	Object Class	Categories in a classification system that presents obligations by the items or services purchased by the Federal Government.	Files B and C
51	Appropriations Account	The basic unit of an appropriation generally reflecting each unnumbered paragraph in an appropriation act.	Files A, B, and C ^a
52	Budget Authority Appropriated	A provision of law (not necessarily in an appropriations act) authorizing an account to incur obligations and to make outlays for a given purpose.	File A

Data Element Number	Data Element	Data Description	Submission File
53	Obligation	A legally binding agreement that will result in outlays, immediately or in the future.	Files A, B, and C
54	Unobligated Balance	The cumulative amount of budget authority that remains available for obligation under law in unexpired accounts at a point in time.	Files A, B, and C
55	Other Budgetary Resources	New borrowing authority, contract authority, and spending authority from offsetting collections provided by Congress in an appropriations act or other legislation, or unobligated balances of budgetary resources made available in previous legislation, to incur obligations and to make outlays.	File A
56	Program Activity	A specific activity or project as listed in the program and financing schedules of the annual budget of the United States Government.	Files B and C
57	Outlay	Payments made to liquidate an obligation (other than the repayment of debt principal or other disbursements that are "means of financing" transactions).	Files A, B, and C
163	National Interest Action (No. 58)	On March 13, 2020, a National Interest Action code (P20C) was added to the Federal Procurement Data System (FPDS) to help identify procurement actions related to COVID-19 response. To promote full, clear, and consistent transparency in the tracking of COVID-related procurement actions, agencies are directed to assign this National Interest Action code to all procurement actions reported into FPDS that are issued in response to the pandemic. This includes new awards for supplies and services as well as modifications that are issued to address COVID-19, irrespective of whether the contract being modified was originally awarded to address COVID-19. The code should also be used in connection with any procurement authority, including but not limited to special emergency procurement authorities identified under FAR Subpart 18.2.	File D1

Data Element Number	Data Element	Data Description	Submission File
430	Disaster Emergency Fund Code (No.59)	OMB, working with Treasury's Bureau of Fiscal Service, identified a GTAS attribute "Disaster Emergency Fund Code" to track appropriations classified as disaster or emergency.	Files B and C

^a Data element 21 (TAS) and data element 51 (Appropriations Account) include the same information. To avoid double counting the information tested, Kearney aligned data element 51 to DATA Act Files A and B and the data element 21 to DATA Act File C.

^b Level 2 is a Sub-Tier Agency within a Federal Department or independent agency.

^c Level n is an office within a Federal Department or independent agency.

Source: Prepared by Kearney & Company, P.C., from the "Federal Spending Transparency Data Standards," <https://portal.max.gov/portal/assets/public/offm/DataStandardsFinal.htm>; OMB Memorandum M-20-21, "Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)," Appendix A; and "CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act," Appendix 4, "Mapping of Data Elements," 44.

APPENDIX C: TESTING RESULTS FOR EACH DATA ELEMENT

Results for Testing Data Elements—Procurement Instrument Identifiers

Of the 288 items selected by Kearney & Company, P.C. (Kearney), for testing, 269 items were related to domestic procurement records submitted in the Department of State’s (Department) Digital Accountability and Transparency Act of 2014 (DATA Act) submission for the first quarter of FY 2021. Table C.1 provides the projected error rates for each data element based on the results of Kearney’s testing of the data elements related to the Procurement Instrument Identifiers (PIID) from the Department’s DATA Act Files C and D1.

The Department conducted its most recent risk assessment of the DATA Act submission process during FY 2020. The primary risks identified by the Department in its Data Quality Plan (DQP) related to overseas records, specific data elements that are at high risk of being inaccurate (i.e., Period of Performance Start Date, Period of Performance Current End Date, Period of Performance Potential End Date, Current Total Value of Award, Potential Total Value of Award, and Award Description), procurement weaknesses (e.g., incorrect entry of the date that the procurement was signed), financial assistance weaknesses (e.g., awards that were not entered in a timely manner in the System for Award Management), language services agreements, and exchange rate calculations. The risks identified by the Department in its DQP are consistent with Kearney’s testing results.

Table C.1: Data Element Projected Error Rates Based on Testing for Procurement Instrument Identifiers

File	Data Element Name (Number)	Error Rate (Percentage) ^{a,b,c}		
		Completeness	Accuracy	Timeliness
D1	Action Type (36)	33	33	64
D1	Parent Award ID Number (24)	15	16	47
D1	Period of Performance Start Date ^d (26)	8	16	47
D1	Period of Performance Current End Date (27)	8	14	46
D1	Current Total Value of Award (14)	9	13	48
D1	Potential Total Value of Award (15)	8	13	49
D1	Awardee/Recipient Unique Identifier (2)	9	12	46
D1	Ultimate Parent Unique Identifier (3)	9	12	52
D1	Ultimate Parent Legal Entity Name (4)	10	12	47
D1	Period of Performance Potential End Date (28)	12	12	45
D1	Action Date (25)	8	10	45
D1	Awardee/Recipient Legal Entity Name (1)	9	9	45
D1	Legal Entity Address (5)	9	9	46
D1	Legal Entity Congressional District (6)	9	9	41
D1	Legal Entity Country Code (7)	9	9	45
D1	Amount of Award (13)	8	9	44
D1	NAICS Code ^e (17)	9	9	45
D1	NAICS Description ^e (18)	9	9	45

File	Data Element Name (Number)	Error Rate (Percentage) ^{a,b,c}		
		Completeness	Accuracy	Timeliness
D1	Primary Place of Performance Address (30)	9	9	44
D1	Legal Entity Country Name (8)	8	8	45
D1	Award Type (16)	8	8	44
D1	Award Description (22)	8	8	44
D1	Award Modification/Amendment Number (23)	8	8	44
D1	Ordering Period End Date (29)	8	8	8
D1	Primary Place of Performance Congressional District (31)	8	8	17
D1	Primary Place of Performance Country Code (32)	8	8	44
D1	Primary Place of Performance Country Name (33)	8	8	44
D1	Award ID Number (PIID/FAIN) (34)	8	8	44
D1	Funding Agency Name (38)	8	8	44
D1	Funding Agency Code (39)	8	8	44
D1	Funding Sub Tier Agency Name (40)	8	8	44
D1	Funding Sub Tier Agency Code (41)	8	8	44
D1	Funding Office Name (42)	8	8	44
D1	Funding Office Code (43)	8	8	44
D1	Awarding Agency Name (44)	8	8	44
D1	Awarding Agency Code (45)	8	8	44
D1	Awarding Sub Tier Agency Name (46)	8	8	44
D1	Awarding Sub Tier Agency Code (47)	8	8	44
D1	Awarding Office Name (48)	8	8	44
D1	Awarding Office Code (49)	8	8	44
C	Obligation (53)	1	1	1

^a Results have a margin of error no greater than +/- 5 percent.

^b Results are sorted in descending order on the basis of percentage data in the Accuracy column (i.e., the data element with the highest accuracy error rate is listed first).

^c Data elements with no errors are not listed in Table C.1.

^d Although not applicable for the exceptions identified with this data element during the audit, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Working Group provided the following information related to this data element. The Department of the Treasury's "DATA Act Information Model Schema (DAIMS)," Version 2.1, June 4, 2021, defines "Period of Performance Start Date" as the date that the parties agree will be the starting date for the contract's requirements. This is the period of performance start date for the entire contract period. This date does not reflect period of performance per modification, but rather the start of the entire contract period of performance. Therefore, for procurement awards with modifications, if agencies recorded the initial award date or the date of the modification as the start date, in accordance with their internal policies and procedures/practices, it is not an error for DATA Act reporting purposes.

^e NAICS stands for the North American Industry Classification System.

Source: Prepared by Kearney based on the results of sample testing.

Results for Testing Data Elements—Federal Award Identification Numbers

Of the 288 items selected for testing, 19 were related to domestic financial assistance records submitted in the DATA Act submission for the first quarter of FY 2021. Table C.2 provides the projected error rates for each data element based on the results of Kearney's testing of the data elements related to the Federal Award Identification Numbers from the Department's DATA Act Files C and D2.

Table C.2: Data Element Projected Error Rates Based on Testing for Federal Award Identification Numbers

File	Data Element Name (Number)	Error Rate (Percentage) ^{a,b}		
		Completeness	Accuracy	Timeliness
D2	Ultimate Parent Unique Identifier (3)	11	11	0
D2	Ultimate Parent Legal Entity Name (4)	11	11	0

^a Results have a margin of error no greater than +/- 5 percent.

^b Data element with no errors are not listed in Table C.2.

Source: Prepared by Kearney based on the results of sample testing.

APPENDIX D: ANALYSIS OF THE ACCURACY OF DOLLAR VALUE-RELATED DATA ELEMENTS

The testing required by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Guide¹ focuses on the quality of the data overall. However, the CIGIE Guide² requires auditors to determine the accuracy of dollar value-related data elements based on absolute values to capture the magnitude of any deviations as a result of those errors. Table D.1 provides details of Kearney & Company, P.C. (Kearney), testing of those data elements that were dollar related based on the type of procurement (i.e., Procurement Instrument Identifier [PIID] and Federal Award Identification Number [FAIN]).

Table D.1: Analysis of the Accuracy of Dollar Value-Related Data Elements

Type	Data Element Name (Number)	Number Tested	Number With Errors	Number Not Applicable	Error Rate (Percent)	Absolute Value of Errors ^a
PIID	Current Total Value of Award (14)	269	35 ^b	0	13.0	\$426,637,522
PIID	Potential Total Value of Award (15)	269	35 ^b	0	13.0	\$746,232,020
PIID	Transactions Obligation Amount (53)	269	2	0	0.7	\$722
FAIN	Federal Action Obligation (11)	19	0	0	0	\$0
FAIN	Amount of Award (13)	19	0	0	0	\$0
FAIN	Transaction Obligation Amount (53)	19	0	0	0	\$0
Total						\$1,172,870,262

^a The amounts included in the table are not projectable to the universe of transactions because the statistical testing was performed on attributes and not on monetary amounts.

^b Of the 35 errors identified, 22 represent transactions that should have been included within DATA Act File D1 but were not.

Source: Prepared by Kearney based on the results of testing.

¹ CIGIE, Federal Audit Executive Council (FAEC), the “CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act” (December 4, 2020).

² Ibid., § 810.02, at 26.

APPENDIX E: ANALYSIS OF ERRORS IN DATA ELEMENTS NOT ATTRIBUTABLE TO THE DEPARTMENT

Kearney & Company, P.C. (Kearney), noted instances in which errors were caused by an entity other than the Department of State (Department). For example, if the Department of the Treasury's (Treasury) Digital Accountability and Transparency Act of 2014 (DATA Act) Broker extracts the wrong field from a source system, this is not an error that was attributable to the Department. Table E.1 provides details of Kearney's identification of data elements with errors that were not attributable to the Department on the basis of the type of procurement (i.e., Procurement Instrument Identifier [PIID] and Federal Award Identification Number).

Table E.1: Summary of Errors in Data Elements Not Attributable to the Department

Type	Data Element Name (Number)	Attributed to	Number of Department Errors
PIID	Awardee/Recipient Legal Entity Name (1)	Extracted by the Federal Procurement Data System – Next Generation (FPDS-NG) from the System for Award Management (SAM)	24
PIID	Ultimate Parent Unique Identifier (3)	Extracted by FPDS-NG from SAM	31
PIID	Ultimate Parent Legal Name (4)	Extracted by FPDS-NG from SAM	33
PIID	Legal Entity Address (5)	Extracted by FPDS-NG from SAM	24
PIID	Current Total Value of Award (14)	Extracted by the Treasury DATA Act Broker from FPDS-NG	35
PIID	Potential Total Value of Award (15)	Extracted by the Treasury DATA Act Broker from FPDS-NG	35

Source: Prepared by Kearney based on the results of testing.

APPENDIX F: AGENCY RESULTS FOR THE DATA ELEMENTS

Table F.1 identifies the error rates for and the percentage change of the error rates by data element between the FY 2021 and FY 2019 audits. 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 (e.g., population size, sample methodology, quarter tested, and file tested) and changes to data definition standards.

Table F.1: Summary Results of Testing for Accuracy

Data Element Number	Data Element Name	Accuracy Error Rate		
		2021	2019 ^a	Percent Change
36	Action Type	33	6	27
24	Parent Award ID Number	16	72	-56
26	Period of Performance Start Date	16	23	-7
27	Period of Performance Current End Date	14	24	-10
14	Current Total Value of Award	13	24	-11
15	Potential Total Value of Award	13	26	-13
2	Awardee/Recipient Unique Identifier	12	6	6
3	Ultimate Parent Unique Identifier	12	13	-1
4	Ultimate Parent Legal Entity Name	12	16	-4
28	Period of Performance Potential End Date	12	24	-12
25	Action Date	10	23	-13
1	Awardee/Recipient Legal Entity Name	9	7	2
5	Legal Entity Address	9	11	-2
6	Legal Entity Congressional District	9	6	3
7	Legal Entity Country Code	9	5	4
13	Amount of Award	9	0	9
17	North American Industrial Classification System (NAICS) Code	9	5	4
18	NAICS Description	9	5	4
30	Primary Place of Performance Address	9	5	4
8	Legal Entity Country Name	8	5	3
16	Award Type	8	5	3
22	Award Description	8	7	1
23	Award Modification/Amendment Number	8	6	2
29	Ordering Period End Date	8	0	8
31	Primary Place of Performance Congressional District	8	5	3
32	Primary Place of Performance Country Code	8	5	3
33	Primary Place of Performance Country Name	8	5	3
34	Award ID Number (PIID/FAIN)	8	5	3
38	Funding Agency Name	8	5	3
39	Funding Agency Code	8	5	3
40	Funding Sub Tier Agency Name	8	5	3
41	Funding Sub Tier Agency Code	8	5	3
42	Funding Office Name	8	5	3

Data Element Number	Data Element Name	Accuracy Error Rate		
		2021	2019 ^a	Percent Change
43	Funding Office Code	8	5	3
44	Awarding Agency Name	8	5	3
45	Awarding Agency Code	8	5	3
46	Awarding Sub Tier Agency Name	8	5	3
47	Awarding Sub Tier Agency Code	8	5	3
48	Awarding Office Name	8	5	3
49	Awarding Office Code	8	5	3
53	Obligation	1	13	-12
11	Federal Action Obligation	0	16	-16
19	Catalog of Federal Domestic Assistance (CFDA) Number	0	0	0
20	CFDA Title	0	0	0
21	Treasury Account Symbol (excluding Sub-Account)	0	0	0
35	Record Type	0	0	0
37	Business Types	0	0	0
50	Object Class	0	0	0
51	Appropriations Account	0	0	0
12	Non-Federal Funding Amount	0	0	0
56	Program Activity	0	0	0
52 ^b	Budget Authority Appropriated	0	N/A	N/A
54 ^b	Unobligated Balance	0	N/A	N/A
55 ^b	Other Budgetary Resources	0	N/A	N/A
57 ^c	Outlay	0	N/A	N/A
163 ^d	National Interest Action (No. 58)	0	N/A	N/A
430 ^d	Disaster Emergency Fund Code (No. 59)	0	N/A	N/A
9 ^e	Highly Compensated Officer Name	N/A	N/A	N/A
10 ^e	Highly Compensated Officer Total Compensation	N/A	N/A	N/A

^a The 2019 results were obtained from the Office of Inspector General, *Audit of the Department of State's FY 2019 Implementation of the Digital Accountability and Transparency Act of 2014* (AUD-FM-20-05, November 2019).

^b Results for these data elements were not included in AUD-FM-20-05.

^c This data element was optional in FY 2019, and results were not included in AUD-FM-20-05.

^d These data elements were added in FY 2021 and were not subject to testing during the FY 2019 audit.

^e These data elements were not tested during the FY 2019 or FY 2021 audits.

Source: Prepared by Kearney & Company, P.C., based on its analysis of the Department of State's first quarter of FY 2021 DATA Act Files C, D1, and D2 and the results of the FY 2019 audit.

APPENDIX G: STATUS OF OPEN RECOMMENDATIONS FROM THE FY 2019 DIGITAL ACCOUNTABILITY AND TRANSPARENCY ACT REPORT

The following is information on the status of an open recommendation, as of August 2021, from the Office of Inspector General's (OIG) FY 2019 Digital Accountability and Transparency Act of 2014 (DATA Act) report.¹

Recommendation 4: OIG recommends that the Bureau of the Comptroller and Global Financial Services develop and implement a process in the Global Financial Management System that documents modifications of obligation amounts due to exchange rate fluctuations.

Status: With the issuance of this report, this recommendation is closed. The Department of State (Department) operates a unique mission including operating and recording procurement or Federal award transactions in various countries and currencies. The Department's accounting system automatically recalculates the dollar value of foreign currency transactions, which may cause discrepancies between the amount reported in DATA Act File C and the supporting documentation. Although certain obligation amounts do not agree with the supporting documentation due to the automatic adjustments of foreign currency exchange rates, Kearney & Company, P.C. (Kearney), did not identify any material variances during the FY 2021 audit. Therefore, Kearney concluded that no additional action was needed by the Department.

¹ OIG, *Audit of the Department of State's Implementation of the Digital Accountability and Transparency Act of 2014* (AUD-FM-20-05, November 2019).

APPENDIX H: BUREAU OF THE COMPTROLLER AND GLOBAL FINANCIAL SERVICES RESPONSE



United States Department of State
Comptroller
Washington, DC 20520

OCT 29 2021

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MEMORANDUM

TO: OIG – Diana R. Shaw, Acting

FROM: CGFS – Jeffrey C. Mounts, Comptroller

A handwritten signature in blue ink that reads "Jeffrey C. Mounts".

SUBJECT: Draft Report on Audit of the Department of State's Implementation of the Digital Accountability and Transparency Act of 2014 (AUD-FM-22-XX)

Thank you for the opportunity to comment on the Draft Report for the Audit of the Department of State's Implementation of the Digital Accountability and Transparency (DATA) Act of 2014.

We appreciate and extend our sincere thanks for the professionalism and commitment by all parties including the Office of Inspector General (OIG) and Kearney and Company, P.C. (Kearney), an external audit firm. We appreciate the importance of the audit process and the benefits realized from the improvements that have been made since the first DATA Act audit completed in 2017. The Department operates in over 180 countries and 135 currencies in some of the most challenging environments. The scale and complexity of Department activities and corresponding financial management, procurement and assistance operations and requirements are immense. We account for these challenging environments as we pursue quality financial and award data that is complete, accurate and timely in accordance with Office of Management and Budget (OMB) and Department of Treasury (Treasury) standards and requirements.

We are pleased that the OIG and Kearney identified significant improvements in the quality, accuracy and completeness of the Department's financial and award data since 2017 as the Department's 2021 submission was considered of "higher" quality. These marked improvements validate the coordination, collaboration, hard work and dedication of personnel from multiple offices, bureaus and posts since the DATA Act's inception. Furthermore, the Department is pleased that the OIG and Kearney did not identify any significant errors or associated findings with the

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financial data related to Files A and B for the third consecutive audit cycle and with the COVID-19 outlays, a new requirement for the FY 2021 audit cycle.

The Bureau of the Comptroller and Global Financial Services (CGFS) accepts the recommendations provided in the Draft Report. CGFS is committed to continuing to work, in coordination with key stakeholders throughout the Department, to address the identified deficiencies and ensuring that the Department reports complete, accurate and timely financial and award data with the highest quality.

The operational point of contact is Paul McVicker. He may be reached by email at mcvickerpj@state.gov or by phone at (843) 202-3858.

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ABBREVIATIONS

CGFS	Bureau of the Comptroller and Global Financial Services
CIGIE	Council of the Inspectors General on Integrity and Efficiency
COVID-19	Coronavirus Disease 2019
DAIMS	DATA Act Information Model Schema
DATA Act	Digital Accountability and Transparency Act of 2014
DQP	Data Quality Plan
FABS	Financial Assistance Broker Submission
FAEC	Federal Audit Executive Council
FAIN	Federal Award Identification Number
FFATA	Federal Funding Accountability and Transparency Act
FPDS-NG	Federal Procurement Data System – Next Generation
FSRS	FFATA Sub-award Reporting System
GFMS	Global Financial Management System
Global BI	Global Business Intelligence
GTAS	Governmentwide Treasury Account Symbol Adjusted Trial Balance System
NAICS	North American Industrial Classification System
OIG	Office of Inspector General
OMB	Office of Management and Budget
PIID	Procurement Instrument Identifier
SAM	System for Award Management
SAO	Senior Accountable Official
SF	Standard Form
TAS	Treasury Account Symbol

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