



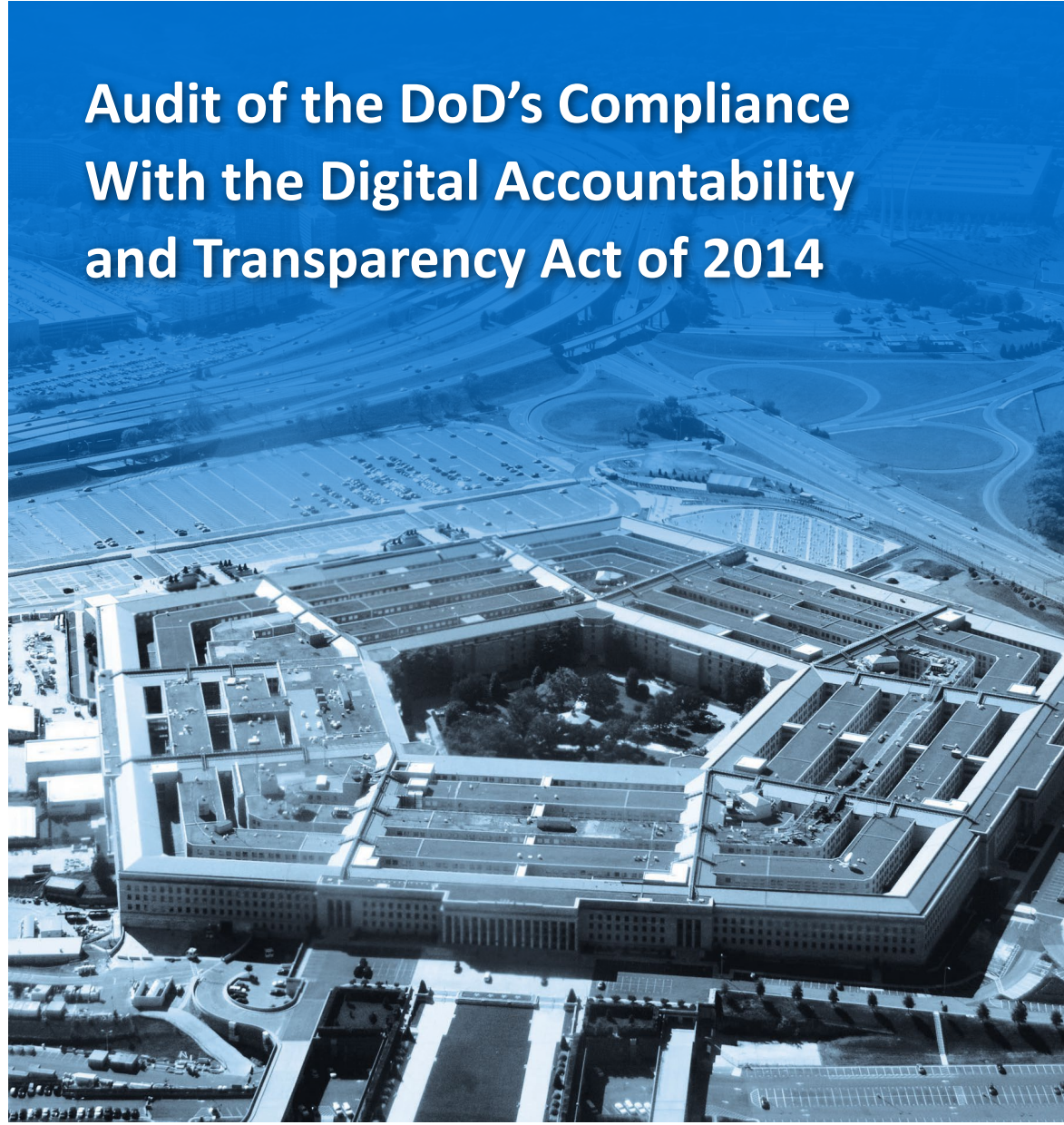
# INSPECTOR GENERAL

*U.S. Department of Defense*

NOVEMBER 8, 2021



## Audit of the DoD's Compliance With the Digital Accountability and Transparency Act of 2014



INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE







# Results in Brief

## *Audit of the DoD's Compliance With the Digital Accountability and Transparency Act of 2014*

November 8, 2021

### Objective

The objective of this audit was to determine whether the DoD complied with Public Law 113-101, "Digital Accountability and Transparency Act of 2014" (DATA Act). We assessed the accuracy, completeness, timeliness, and overall quality of the DoD's fourth quarter FY 2020 financial and award data submitted for publication on USAspending.gov. We also assessed the DoD's implementation and use of the Government-wide financial data standards (data elements) established by the Office of Management and Budget (OMB) and the Department of the Treasury (the Treasury).

### Background

On May 9, 2014, the President signed the DATA Act into law, expanding the requirements of the Federal Funding Accountability and Transparency Act of 2006 (FFATA). The FFATA required the OMB to establish a single searchable public website (USAspending.gov) to disclose information on Federal contract and grant awards to enable members of the public to track how their tax dollars are spent. The DATA Act expands the FFATA by requiring Federal agencies to submit their financial data quarterly, and to link that data to contract and grant award data to enable taxpayers and policy makers to track Federal spending more effectively. OMB and the Treasury developed financial data standards that define the data elements that agencies must report under the DATA Act. Data elements categorize Federal spending information displayed on USAspending.gov.

### Background (cont'd)

Federal agencies submit their financial and award data to the Treasury's DATA Act Broker application, which compiles agency data for publication on USAspending.gov. Agencies are required to use the DATA Act Broker to upload three files containing data from their internal financial systems and records.

- **File A – Appropriations Account.** File A contains the fiscal year cumulative appropriations account summary data.
- **File B – Object Class and Program Activity.** File B contains the appropriation account data listed in File A further defined by object class code and program activity name.
- **File C – Award Financial or Financial Data for Procurement and Grant Awards.** File C contains transaction-level financial data for all procurements and grants processed during the quarter.

The DATA Act Broker extracts spending data from Government-wide award reporting systems that contain data on Federal contracts, grants, and award recipients.

- **File D1 – Procurement.** File D1 contains procurement award and awardee data extracted from the Federal Procurement Data System-Next Generation.
- **File D2 – Grants.** File D2 contains grant award and awardee data extracted from the Financial Assistance Broker Submission system on grant and other financial assistance awards.
- **File E – Additional Awardee Data.** File E contains information extracted from the System for Award Management on the award recipients.
- **File F – Sub-award Data.** File F contains information extracted from the FFATA Sub-award Reporting System on awards made to sub-recipients under a prime contract or grant award.



# Results in Brief

## *Audit of the DoD's Compliance With the Digital Accountability and Transparency Act of 2014*

### Background (cont'd)

Federal agencies are required to designate a Senior Accountable Official (SAO), who is responsible for providing reasonable assurance that the agency's internal controls support the reliability and validity of the data reported for publication on USAspending.gov. The Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, designated the Deputy Chief Financial Officer as the DoD SAO.

### Findings

The DoD did not comply with all DATA Act requirements. Although the DoD implemented and used the Government-wide data standards and the DoD SAO certified the DoD fourth quarter FY 2020 DATA Act submission by the DoD deadline, some data elements included in the submission were not accurate, complete, or timely. Specifically,

- File A included variances because the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, officials manually removed data from File A to match File B to prevent an error that would block submission of Files A and B;
- File B was not complete because an internal DoD system was unable to generate File B data;
- File B contained 1,645 transactions with an inaccurate object class code because the DoD intentionally used a code not in OMB Circular No. A-11;
- File B contained 188 transactions with an inaccurate program activity name or code because the DoD did not submit timely new or revised codes to OMB MAX Collect; and
- Files C, D1, and D2 projected error rates were 6.5 percent for accuracy, 0.7 percent for completeness and 13.6 percent for timeliness. The errors were primarily attributable to errors

in the File D1 submission and were the result of information being improperly input into the Federal Data Procurement System-Next Generation.

Furthermore, of the 21 reported coronavirus disease-2019 (COVID-19) outlays we reviewed, none of them used COVID-19 supplemental funding. According to the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, the automated process used to generate the Disaster Emergency Fund Code to report COVID-19 supplemental funding from the CARES Act contained an error. In addition, the DoD Data Quality Plan was not updated before the fourth quarter FY 2020 submission to address the new reporting requirements related to reporting the Disaster Emergency Fund Code for outlays in the File C submission.

Based on the calculation required by the "CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act" (CIGIE Guide), the overall quality of the DoD data was in the "moderate" range. Although the quality of the financial and award data that the DoD submitted for the fourth quarter FY 2020 had improved when compared to the DoD's DATA Act submission for the first quarter of FY 2019, the DoD's DATA Act submission on USAspending.gov cannot be fully relied upon. The moderate quality of the data submission does not allow taxpayers and policy makers to track Federal spending effectively and undermines the DATA Act objective of providing quality and transparent Federal spending data published on USAspending.gov.

### Recommendations

We recommend that the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, update the DoD's DATA Act Data Quality Plan to include a process for documenting and disclosing changes to any DoD DATA Act submission, including the removal of any



# Results in Brief

## *Audit of the DoD's Compliance With the Digital Accountability and Transparency Act of 2014*

### **Recommendations (cont'd)**

information from data elements as well as changes related to exceptions and errors received from the DATA Act Broker, in the monthly and quarterly DATA Act submissions certification comments in the DATA Act Broker.

We also recommend that the Defense Pricing and Contracting Principal Director review the data element error rates as presented in this report, identify controls to improve the accuracy and completeness for the data elements, and revise the Procurement Data Improvement and Compliance Plan to include those controls.

### **Management Comments and Our Response**

The DoD Deputy Chief Financial Officer, responding for the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, and for the Defense Pricing and Contracting Principal Director, agreed with the recommendations. We will close the recommendations once we verify that the agreed upon actions are complete. Please see the Recommendations Table on the next page for the status of recommendations.

## Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Under Secretary of Defense (Comptroller)/ Chief Financial Officer, DoD	None	1	None
Principal Director, Defense Pricing and Contracting	None	2	None

**Note:** The following categories are used to describe agency management's comments to individual recommendations.

- **Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **Closed** – OIG verified that the agreed-upon corrective actions were implemented.



**INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE  
4800 MARK CENTER DRIVE  
ALEXANDRIA, VIRGINIA 22350-1500**

November 8, 2021

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)/  
CHIEF FINANCIAL OFFICER, DOD  
UNDER SECRETARY OF DEFENSE FOR ACQUISITION  
AND SUSTAINMENT

SUBJECT: Audit of DoD Compliance With the Digital Accountability and Transparency Act  
of 2014 (Report No. DODIG-2022-027)

The final report provides the results of the DoD Office of Inspector General's audit. We previously provided copies of the draft report and requested written comments on the recommendations. We considered management's comments on the draft report when preparing the final report. Those comments are included in the report.

The DoD DATA Act Senior Accountable Official agreed to address all the recommendations presented in the report; therefore, we consider the recommendations resolved and open. As described in the Recommendations, Management Comments, and Our Response section of this report, we will close the recommendations when you provide us documentation showing that all agreed-upon actions to implement the recommendations are completed. Therefore, please provide us within 90 days your response concerning specific actions in process or completed on the recommendations. Send your response to either [followup@dodig.mil](mailto:followup@dodig.mil) if unclassified or [rfunet@dodig.smil.mil](mailto:rfunet@dodig.smil.mil) if classified SECRET.

If you have any questions, please contact me at [REDACTED]. We appreciate the cooperation and assistance received during the audit.

A handwritten signature in dark ink, reading "Carol N. Gorman", is positioned above the printed name.

Carol N. Gorman  
Assistant Inspector General for Audit  
Cyberspace Operations



# Contents

---

## Introduction

Objective .....	1
Background .....	1
Review of Internal Controls .....	7

## **Finding. The DoD Did Not Comply With all DATA Act Requirements** .....

### 8

The DoD Used the Government-Wide Data Standards .....	9
The SAO Certified the DoD DATA Act Submission by the DoD Deadline .....	9
Financial Data in Files A and B Were Not Accurate or Complete .....	9
Financial and Award Data in Files C, D1, and D2 Were Not Accurate, Complete, or Timely .....	13
DoD COVID-19 Outlays Were Not Accurate or Complete .....	16
The DoD DATA Act Submission for the Fourth Quarter FY 2020 Was of Moderate Quality .....	17
The Quality of DoD Financial and Award Data Had Improved .....	18
The DoD Financial and Award Data on USAspending.gov Cannot Be Fully Relied Upon .....	18
Recommendations, Management Comments, and Our Response .....	18

## Appendixes

Appendix A. Scope and Methodology .....	20
Internal Control Assessment and Compliance .....	21
Use of Computer-Processed Data .....	21
Use of Technical Assistance .....	22
Appendix B. Prior Coverage .....	23
Appendix C. DATA Act Elements and Definitions .....	30
Appendix D. Data Elements Mapped to Files A to D2 .....	37
Appendix E. DATA Act Information Flow Diagram .....	40



## Contents (cont'd)

---

Appendix F. Additional CIGIE FAEC Reporting Requirements .....	41	
Appendix G. CIGIE’s DATA Act Anomaly Letter .....	45	
Appendix H. Comparative Results Table .....	47	
 <b>Management Comments</b>		
Office of the Under Secretary of Defense (Comptroller) .....	49	
 <b>Acronyms and Abbreviations</b> .....		52
 <b>Glossary</b> .....		53



# Introduction

---

## Objective

The objective of this audit was to determine whether the DoD complied with Public Law 113-101, “Digital Accountability and Transparency Act of 2014” (DATA Act).<sup>1</sup> We assessed the completeness, accuracy, timeliness, and overall quality of the DoD’s fourth quarter FY 2020 financial and award data submitted for publication on USAspending.gov. We also assessed the DoD’s implementation and use of the Government-wide financial data standards (data elements) established by the Office of Management and Budget (OMB) and the Department of the Treasury (the Treasury). See Appendix A for a discussion of the audit scope and methodology and Appendix B for prior audit coverage. See the Glossary for definitions of terms used in the report that relate to the DATA Act and the reporting of financial and award data.

## Background

On May 9, 2014, the President signed the DATA Act into law, expanding requirements of the Federal Funding Accountability and Transparency Act of 2006 (FFATA).<sup>2</sup> The FFATA required OMB to establish a single searchable public website that disclosed information on Federal contract and grant awards to enable members of the public to track how their tax dollars are spent. To meet the FFATA requirement, OMB established the website USAspending.gov and began reporting award data in 2008. The DATA Act expands the FFATA by requiring Federal agencies to submit their financial data quarterly, and to link that data to the contract and grant award data to enable taxpayers and policy makers to track Federal spending more effectively.<sup>3</sup>

The DATA Act also directed OMB and the Treasury to develop joint Government-wide financial data standards to ensure consistent DATA Act reporting across the Federal agencies. To meet the DATA Act requirement, OMB and the Treasury developed financial data standards that define 59 data elements that agencies

---

<sup>1</sup> Public Law 113-101, “Digital Accountability and Transparency Act of 2014,” May 9, 2014.

<sup>2</sup> Federal Funding Accountability and Transparency Act of 2006, Amended January 3, 2008.

Public Law No. 109-282, 120 Stat. 1186 (September 26, 2006), codified at 31 U.S.C. § 6101 note.

<sup>3</sup> Congressional Research Service, “Tracking Federal Awards: USAspending.gov and Other Data Sources,” October 24, 2017, Updated December 16, 2020.

must report under the DATA Act.<sup>4</sup> See Appendix C for the DATA Act elements and the data definitions. In addition, OMB and the Treasury developed standard reporting formats and issued guidance to Federal agencies on how to meet the DATA Act reporting requirements.

## ***DATA Act Submission***

Federal agencies submit their financial and award data to the Treasury's DATA Act Broker application, which compiles agency data for publication on USAspending.gov. Agencies are required to use the DATA Act Broker to upload three files containing data from their internal financial systems and records.

- **File A – Appropriations Account.** Contains the fiscal year cumulative appropriations account summary data. File A also contains 6 of the 59 data elements, including the amount appropriated and obligated during the fiscal year.<sup>5</sup> The data in File A should match the data reported in the agency's Standard Form 133 (SF 133), "Report on Budget Execution and Budgetary Resources," which is submitted to the Treasury each month.
- **File B – Object Class and Program Activity.** Contains the appropriation account data listed in File A and is further defined by object class code and program activity name. An object class code is a combination of digits used to identify obligations by the items or services purchased by the U.S. Government. The object class codes in File B should match the codes identified in Section 83 of OMB Circular No. A-11.<sup>6</sup> A program activity name and code is a specific activity or project listed in the program and financing schedules of the annual budget of the Federal agency. The program activity names and codes should match the names and codes defined in the President's budget and OMB MAX Collect.<sup>7</sup> In addition, the total amount of File B should equal File A.
- **File C – Award Financial or Financial Data for Procurement and Grant Awards.** Contains transaction-level financial data for all procurements and grants processed during the quarter. File C is a subset of File B and contains 9 of the 59 data elements.

---

<sup>4</sup> Federal Spending Transparency Data Standards, August 31, 2015.

<sup>5</sup> According to the GAO-16-464SP report, appropriations are a Federal agency's legal authority to spend or obligate funds. According to the Fiscal Law Overview from the DoD Standards of Conduct Office, an obligation is a commitment that creates a legal liability of the Government for payment. For example, when a contract is signed, it creates a legal liability for the Government to pay the contractor in accordance with the terms of the contract.

<sup>6</sup> OMB Circular No. A-11, "Preparation, Submission, and Execution of the Budget," June 2018, Revised December 23, 2020. Although OMB Circular No. A-11 was revised in April 2021, we used the December 2020 revision because the audit scope was the fourth quarter FY 2020.

<sup>7</sup> OMB MAX Collect is a shared database developed by OMB for Federal agencies to update program activity data in the President's budget.



The DATA Act Broker extracts spending data from Government-wide award reporting systems that contain data on Federal contracts, grants, and award recipients. Those systems include the Federal Procurement Data System–Next Generation (FPDS-NG), the System for Award Management, the Financial Assistance Broker Submission, and the FFATA Sub-award Reporting System. The following four files are produced with the extracted information.

- **File D1 – Procurement.** Contains procurement award and awardee data extracted from the FPDS-NG. The FPDS-NG is the single authoritative repository used to collect and report on Federal procurement award data. Contracting officers are required to submit complete and accurate contract information to the FPDS-NG within three business days after a contract is awarded. File D1 contains 41 of the 59 data elements, including award identification number, award description, and place of performance. Transactions can be traced from File D1 to File C using the award identification number.
- **File D2 – Grants.** Contains grant award and awardee data extracted from the Financial Assistance Broker Submission system on grant and other financial assistance awards. Grant officers are required to report accurate information to the Financial Assistance Broker Submission system within 30 days after grant award. File D2 contains 39 of the 59 data elements, including identification number, awardee or recipient legal entity name, place of performance, and period of performance.<sup>8</sup> Transactions can be traced from File D2 to File C using the award identification number.
- **File E – Additional Awardee Data.** Contains information extracted from the System for Award Management on the award recipients. The System for Award Management is a reporting website where business entities that would like to conduct business with the U.S. Government must register, and award recipients enter information on their five most highly compensated officers, managing partners, or other employees in management positions.
- **File F – Sub-award Data.** Contains information extracted from the FFATA Sub-award Reporting System on awards made to sub-recipients under a prime contract or grant award. The FFATA Sub-award Reporting System is the reporting website where Federal prime awardees, such as prime contractors and prime grants recipients, report information on sub-award recipients and executive compensation data.

<sup>8</sup> For the FY 2019 DATA Act audits, the Council of the Inspectors General on Integrity and Efficiency Federal Audit Executive Council required auditors to test 40 data elements in File D2; however, this number was reduced to 39 for the FY 2021 audits. Specifically, for the FY 2021 audit, the Current Total Value of Award data element is only required for File D1 (Procurement).

The DATA Act Broker validates the files before submitting them to USAspending.gov. The validation checks determine whether the files follow the standardized format and structure, and verify accuracy and completeness of the data. If a validation check identifies a discrepancy, the DATA Act Broker issues a warning message or error to the agency. The DATA Act Broker will still accept a submission if a warning message is issued but will not accept a submission if an error is issued. Agencies must resolve all errors before the DATA Act Broker will accept the submission. See Appendix D that lists the 59 data elements mapped to Files A through D2 and the linkages between the files. See Appendix E for the DATA Act Information Flow Diagram.

### ***Coronavirus Aid, Relief, and Economic Security Act Reporting Requirements***

In April 2020, OMB issued guidance that expands and modifies the DATA Act reporting requirements to allow Federal agencies to comply with reporting requirements in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) for reporting on the use of covered (supplemental) funds.<sup>9</sup> The guidance requires Federal agencies to include two additional data elements in their DATA Act submissions to provide transparency of spending in response to the coronavirus disease–2019 (COVID-19) pandemic, which increased the total number of reported data elements from 57 to 59. The two additional data elements are specific to supplemental funds expended in support of COVID-19 pandemic relief.

Agencies must include in Files B and C a Disaster Emergency Fund Code (DEFC), which indicates whether the funding is emergency or disaster spending with applicable appropriation and designation. OMB M-20-21 instructs agencies to use a DEFC “N” to indicate CARES Act supplemental funding designated as an emergency. Additionally, agencies must include the National Interest Action code, P20C, in their File D1 to identify any procurement actions related to the response to the COVID-19 pandemic. The OMB guidance also requires the agency’s submissions to include a running total of COVID-19 outlays for each award in File C funded with COVID-19 relief funds, which includes funding provided by COVID-19 relief legislation such as the CARES Act.<sup>10</sup>

---

<sup>9</sup> OMB Memorandum M-20-21, “Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease–2019 (COVID-19),” April 10, 2020.

Public Law 116-136, “Coronavirus Aid, Relief, and Economic Security Act (CARES Act),” March 27, 2020.

<sup>10</sup> An outlay is a payment to liquidate an obligation.

## ***Senior Accountable Official***

OMB requires Federal agencies to designate a Senior Accountable Official (SAO), who is responsible for providing reasonable assurance that the agency's internal controls support the reliability and validity of the agency data reported to the DATA Act Broker for publication on USAspending.gov.<sup>11</sup> The SAO is required to certify that the data in each DATA Act file submitted for display on USAspending.gov are valid and reliable. The Under Secretary of Defense (Comptroller)/Chief Financial Officer (CFO), DoD, designated the Deputy CFO as the DoD SAO.

To help the DoD SAO comply with the DATA Act, the Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD[A&S]) is responsible for overseeing procurement award data (File D1), and the Office of the Under Secretary of Defense for Research and Engineering is responsible for overseeing grant award data (File D2). The Federal agencies are required to develop a data quality plan that identifies a control structure for identifying risks related to data quality and development of controls to manage that risk.<sup>12</sup> The SAO certifications should be based on the controls and testing defined in the data quality plan and other internal controls documented by the agency.<sup>13</sup>

## ***Inspector General Responsibilities Under the DATA Act***

The DATA Act requires the Inspector General of each Federal agency to periodically report on the agency's DATA Act submission. Specifically, the DATA Act requires the Inspector General to review a statistically valid sample of the spending data contained in the agency's submission, and report on the completeness, accuracy, timeliness, and quality of the data sampled. In addition, the DATA Act requires an assessment of the agency's implementation and use of Government-wide financial data standards.

The Federal Audit Executive Council (FAEC), a subcommittee of the Council of the Inspectors General on Integrity and Efficiency (CIGIE), established the DATA Act Working Group in January 2015. The Working Group developed the "CIGIE FAEC Inspectors General Guide to Compliance Under the DATA Act" (CIGIE Guide) to assist the Inspector General community by developing a common methodology and

<sup>11</sup> OMB Memorandum No. M-15-12, "Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable," May 8, 2015.

OMB Management Procedures Memorandum No. 2016-03, "Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information," May 3, 2016.

<sup>12</sup> United States Department of Defense Digital Accountability and Transparency Act of 2014 Data Quality Plan FY 2021 – FY 2023, July 2, 2021.

<sup>13</sup> OMB Memorandum No. M-18-16, "Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk," June 6, 2018.

reporting approach to meeting the DATA Act requirements.<sup>14</sup> On December 4, 2020, the DATA Act Working Group updated the Guide to align with the additional reporting requirements established in OMB M-20-21. Specifically, for agencies that received supplemental funds in response to the COVID-19 pandemic, the CIGIE Guide requires the Inspector General to review a nonstatistical sample of COVID-19 outlay records.<sup>15</sup>

The CIGIE Guide defines accuracy, completeness, and timeliness of data elements as follows.

- **Accuracy:** When reported data element amounts match to the source documents (such as contracts and grants).
- **Completeness:** When required data elements that should have been reported, were reported in the appropriate File.
- **Timeliness:** When each of the required data elements were reported in accordance with the reporting schedules defined by the financial, procurement, and financial assistance requirements.

The CIGIE Guide states that if a data element is incomplete, it should also be considered inaccurate and untimely.

The quality of the data for the DATA Act submission is determined using a combination of statistical and nonstatistical testing results. Because the error rates are based on statistical and nonstatistical sampling, the CIGIE FAEC working group developed a quality assessment scorecard, which is used to calculate quality based on weighted scores of the statistical sampling results and the nonstatistical testing results. Table 1 provides the ranges to determine the quality of the DATA Act submission based on the overall quality score of the statistical and nonstatistical results.

Table 1. Ranges in Determining the Quality of the Data Elements of DATA Act Submissions

Range	Quality Level
0 – 69.9	Lower
70 – 84.9	Moderate
85 – 94.9	Higher
95 – 100	Excellent

Source: CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act.

<sup>14</sup> “CIGIE FAEC Inspectors General Guide to Compliance Under the DATA Act,” Updated December 4, 2020.

<sup>15</sup> Outlay records are those rows without a transaction obligated amount (obligation).



We obtained the fourth quarter FY 2020 financial and award data (Files A, B, C, D1, and D2) that the DoD submitted to the DATA Act Broker. To determine whether the DoD DATA Act submission was complete, we reviewed the DoD's submission to identify whether the transactions that should have been recorded were recorded in the proper files. To determine whether the data in Files A and B were complete, we compared data in both files to the SF 133, the authoritative source and compared File B data elements to OMB MAX Collect and OMB Circular No. A-11. To determine whether the data elements in File C, D1, and D2 were accurate, complete, and timely, we developed a statistical sample of 372 transactions from a universe of 438,603 transactions in File C. To determine whether the data elements associated with COVID-19 outlays were accurate, complete, and timely, we selected a nonstatistical sample of COVID-19 outlays to review from File C.<sup>16</sup>

### ***Date Anomaly in DATA Act Reporting***

CIGIE identified a timing anomaly with the oversight requirements contained in the DATA Act. The first Inspector General reports were due to Congress on November 2016; however, Federal agencies were not required to report spending data until May 2017. On December 22, 2015, CIGIE's chair issued a letter detailing the strategy for dealing with the Inspector General reporting date anomaly and communicated the strategy to the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform. See Appendix G for the CIGIE's DATA Act anomaly letter.

To address the reporting date anomaly, the Inspectors General provided Congress with their first required reports on 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.

## **Review of Internal Controls**

DoD Instruction 5010.40 requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the control.<sup>17</sup>

We identified internal control weaknesses in the extracting and reporting of the DoD fourth quarter FY 2020 financial and award data submitted for publication on USAspending.gov. We will provide a copy of the report to the senior official responsible for internal controls over the DoD DATA Act submission.

<sup>16</sup> We developed a nonstatistical sample using professional judgment rather than using a statistical method.

<sup>17</sup> DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013, Incorporating Change 1, Effective June 30, 2020.

## Finding

### The DoD Did Not Comply With all DATA Act Requirements

The DoD did not comply with all DATA Act requirements for its fourth quarter FY 2020 DATA Act submission. Although the DoD used the Government-wide data standards and the SAO certified the DoD DATA Act submission for the fourth quarter FY 2020 by the DoD deadline, some data elements included in the submission were not accurate, complete, and timely. Specifically,

- File A had a variance of \$6.5 billion in outlays and \$5.3 billion in obligations when compared to the DoD's SF 133s. The variances occurred because the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, (OUSD[C]) officials manually removed data from File A to match File B and prevent an error that would block submission of Files A and B to USAspending.gov. File B data was incomplete and did not match the SF 133s because a system upgrade prevented one of the DoD financial systems from populating File B.
- File B contained 1,645 transactions with an inaccurate object class code because the DoD intentionally used a code not in OMB Circular No. A-11.
- File B contained 188 transactions with an inaccurate program activity name or code because the DoD did not timely submit new or revised codes to OMB MAX Collect.
- Files C, D1, and D2 projected error rates were 6.5 percent for accuracy, 0.7 percent for completeness, and 13.6 percent for timeliness. The errors were primarily attributable to File D1 and occurred because data was inaccurately or untimely entered into the FPDS-NG.

In addition, none of the 21 COVID-19 outlays we reviewed used COVID-19 supplemental funds. According to the OUSD(C), the automated process used to generate the DEFC in File C contained an error in the selection of the DEFC "N" value that indicates the use of COVID-19 supplemental funding from the CARES Act, which resulted in non-COVID outlays receiving the DEFC "N."

Based on the calculation required by the CIGIE Guide, the overall quality of the DoD data was in the "Moderate" range. Although the quality of the financial and award data that the DoD submitted for the fourth quarter FY 2020 has improved when compared to the DoD's DATA Act submission for the first quarter of FY 2019,

the DoD's DATA Act submission on USAspending.gov cannot be fully relied upon. The moderate quality of the data submission does not allow taxpayers and policy makers to track Federal spending effectively and undermines the DATA Act objective of providing quality and transparent Federal spending data published on USAspending.gov.

## **The DoD Used the Government-Wide Data Standards**

The DoD reported its financial and award data using the Government-wide data standards established by OMB and the Treasury. Specifically, the DoD's fourth quarter FY 2020 DATA Act submission contained all applicable data elements standardized under the DATA Act in Files A and B, and the individual transactions we tested from Files C, D1, and D2. Each data element conformed to the standardized data definitions. We did not identify any instances where the DoD reported data using data definitions that differed from the standards developed by OMB and the Treasury.

## **The SAO Certified the DoD DATA Act Submission by the DoD Deadline**

The SAO certified the DoD DATA Act submission for the fourth quarter FY 2020 on January 15, 2021, 4 days before the DoD deadline of January 19, 2021. The Treasury generally requires Federal agencies to make their DATA Act submission within 45 days from the end of the quarter. However, on April 26, 2018, the OUSD(C) requested a waiver, citing the DoD's need to preserve operational security. The Treasury granted the DoD an additional 66 days to certify its DATA Act submission. Therefore, the DoD had a total of 111 days after the end of the fourth quarter FY 2020 to make its submission, which was January 19, 2021.

## **Financial Data in Files A and B Were Not Accurate or Complete**

The financial data in Files A and B were not accurate or complete. Specifically, File A had variances of \$6.5 billion in outlays and \$5.3 billion in obligations when compared to the DoD's SF 133s. In addition, File B contained 1,645 object class codes and 188 program activity names that were inaccurate.

## ***Outlays and Obligations Reported Were Not Complete***

The financial data in File A did not match the financial data reported in the SF 133s. The outlays and obligations reported on the DoD's SF 133s that were not reported in File A and the resultant variances are shown in Table 2.

*Table 2. The DoD's Obligations and Outlays Reported in File A and the DoD's SF 133s*

Account Type	Amount Reported in File A – Appropriations Summary (in Millions)	Amounts from Interagency Accounts Reported in File A (in Millions) <sup>1</sup>	Amount Reported in the DoD's SF 133 – Report on Budget Execution and Budgetary Resources (in Millions) <sup>2</sup>	Difference (in Millions)
Outlays	\$1,037, 562	\$130	\$1,043,936	\$6,504
Obligation	1,132, 224	148	1,137,431	5,354

<sup>1</sup> Amounts reported on other Federal agencies' SF 133s that the DoD is responsible for reporting in its File A submission.

<sup>2</sup> Excludes more than \$100.5 billion in outlays and nearly \$93 billion in obligations reported on the DoD's SF 133s, representing adjustments for accounts that other Federal agencies are responsible for reporting on their File A submission instead of the DoD.

Source: The DoD OIG.

The variances with the SF-133s occurred because OUSD(C) officials manually removed data from File A to match File B and prevent an error that would block submission of Files A and B to USAspending.gov. The DATA Act Broker performs a number of validation steps before accepting File A and File B data from Federal agencies. One of those steps is to ensure that all of the accounts in File A are in File B. If there are account variances between Files A and B, an error message is generated and the submission is rejected.

When OUSD(C) officials received an error message from a preliminary submission to the DATA Act Broker, they determined that File B was missing data from 109 accounts because a system upgrade affecting the Security Cooperation Account prevented the system from populating File B with that data. To reconcile the File A and File B data, the OUSD(C) removed the corresponding 109 accounts from File A. Removing the 109 accounts allowed the data to be accepted by the DATA Broker without error but resulted in the variances with the SF-133s.



The SAO did not disclose to the Treasury and OMB that there was a variance between File A and SF-133 data when he certified the fourth quarter FY 2020 submission, although the variance was known before the final submission was made to the DATA Act Broker. OMB No. M-17-04 states that where there are legitimate differences between files, the SAO should provide an explanation.<sup>18</sup> Furthermore, the DoD SAO certification states the following for Files A and B.

File A:

To the best of my knowledge and belief, the Department of Defense (DoD) account-level data reported in File A for display on USASpending.gov, in accordance with the Digital Accountability and Transparency Act of 2014 (DATA Act), is valid and reliable, and matches all TAS reported in the authoritative source (i.e., SF-133), with the noted exceptions.<sup>19</sup>

File B:

To the best of my knowledge and belief, the Department of Defense (DoD) account-level data reported in File B for display on USASpending.gov, in accordance with the Digital Accountability and Transparency Act of 2014 (DATA Act), is valid and reliable, and matches all TAS reported in the authoritative source (i.e., SF-133).

Therefore, the SAO should not have certified or submitted the files without an explanation of the variances (exceptions). The OUSD(C) has taken action since the fourth quarter FY 2020 submission to ensure that File A and the SF-133s match by manually adding account information from the missing 109 accounts to File B and not removing any financial data from File A. We verified this action was taken on the DoD's July 2021 DATA Act submission. However, the fourth quarter FY 2020 submission should have noted the exceptions when originally submitted and subsequent submissions should note exceptions if known, to ensure compliance with OMB No. M-17-04 and the SAO certification. Therefore, we recommend that the Under Secretary of Defense (Comptroller) update the Data Quality Plan to include a process for documenting and disclosing changes made to any DoD DATA Act submission, including the removal of any information from data elements and changes related to exceptions and errors received from the DATA Act Broker, in the monthly and quarterly DATA Act submissions certification comments in the DATA Act Broker.

<sup>18</sup> OMB Memorandum No. M-17-04, "Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability," November 4, 2016.

<sup>19</sup> TAS is an acronym for "Treasury Account Symbol," which is an identification code assigned by the Department of the Treasury, in collaboration with OMG and the owner Federal agency, to an individual appropriation, receipt, or other fund account.

### ***Object Class Code Data Were Not Accurate***

The DoD's object class code data were not accurate for 1,645 of the 23,783 transactions in the DoD File B submission. OMB Circular No. A-11 requires object class codes to match the codes defined in the Circular. To determine whether the object class codes were accurate, we reviewed the names and codes for all 23,783 File B transactions for the fourth quarter FY 2020 and matched them to the names and codes defined in OMB Circular No. A-11.

The 1,645 transactions had an object class code of "000," which the OMB Circular No. A-11 does not list. OUSD(C) officials stated that the code was used to report undistributed funding, disbursements, and other undistributed amounts originating from DoD legacy financial systems that did not report an object class code.<sup>20</sup> The OUSD(C) applied the 000 object class code as a placeholder for transactions that were otherwise missing an object class code because all File B transactions must report an object class code to be accepted by the Data Broker. Use of the 000 code generated a warning notification, but not an error, so the File B was accepted.

To resolve this variance in future submissions, the OUSD(C) officials raised the DoD's use of 000 as an object class code for discussion during the August 2021 meeting of the U.S. Department of Treasury's U.S. Standard General Ledger Issues Resolution Committee. This committee is the primary workgroup responsible for maintaining the U.S. Standard General Ledger whose members include OMB and the CFOs of major Federal departments and agencies. According to the August 2021 meeting minutes, the "999" object class code will be allowed during FY 2022 any time an entity cannot identify an object class code. As of October 4, 2021 OUSD(C) officials stated that before replacing the "000" object class code with "999," it will confirm with Treasury that this change will not cause an error during DATA Act Broker Validation.

### ***Program Activity Data Were Not Accurate***

The DoD's program activity data were not accurate for 188 of the 23,783 transactions in the DoD File B submission. OMB Circular No. A-11 requires that the program activity names and codes in File B match the program activity names and codes defined in the President's budget. OMB MAX Collect contains updated President's Budget information, including program activity names and codes.

---

<sup>20</sup> Undistributed amounts are amounts that are not yet reconciled to supporting documentation.

We reviewed the names and codes for all 23,783 File B transactions and compared them to the names and codes defined in OMB MAX Collect. Of the 23,783 File B transactions, 188 transactions contained a program activity name or code that did not match the OMB MAX Collect. Specifically, 143 transactions contained either a program activity name or code that did not match OMB MAX Collect, and 45 transactions contained both a program activity name and code that did not match OMB MAX Collect. For example, two File B transactions reported a misspelled variation of program activity name, "Closed Account Adjustments," and four transactions reported program activity code "20," though this program activity data was not available in OMB MAX Collect.

On September 3, 2021, the Office of the Secretary of Defense Budget Office sent a revised program activity data list to OMB to update the OMB MAX Collect site. The revised program activity data list has been implemented as of the DoD's monthly DATA Act compliance submission for August 2021. Using the July 2021 submission, we verified that the update to the OMB MAX Collect site will enable all of the DoD's program activity data, used as of July 2021, to match program activity data in OMB MAX Collect. Therefore, no additional actions are necessary to correct program activity data in the DoD's File B submission.

## **Financial and Award Data in Files C, D1, and D2 Were Not Accurate, Complete, or Timely**

The DoD's financial (File C) and award (Files D1 and D2) data were not accurate, complete, or timely. The projected error rates for accuracy, completeness, and timeliness were 6.5 percent, 0.7 percent, and 13.6 percent, respectively. See Appendix F for the projected error rates by individual data element.

To determine the error rates, we selected a statistical sample of 372 transactions to review from a universe of 438,603 transactions reported within the DoD's File C. For those 372 transactions, we reviewed 16,330 data elements required to be reported within Files C, D1, and D2. We identified 3,429 errors, 192 in File C, 3,179 in File D1, and 58 in File D2.

### ***Data Elements Were Not Consistently Accurate***

The projected error rate for accuracy of the File C, D1, and D2 data elements was 6.5 percent. A data element was considered accurate when it was recorded in accordance with OMB and the Treasury financial data standards and it agreed with the authoritative source records (DoD contract and grant award documentation).

We identified 1,073 instances of inaccurate or unsupported data elements across 344 of 372 transactions. Table 3 lists the three data elements with the highest individual projected error rates for accuracy.<sup>21</sup>

Table 3. Inaccurate or Unsupported File C, D1, and D2 Data Elements

Financial or Award Data Element Name	Inaccurate or Unsupported Transactions	Projected Error Rate (Percent)
Award Type	214	57.5
NAICS Code	138	37.4
Legal Entity Congressional District	74	20.4

Source: The DoD OIG.

Of the 214 inaccurate or unsupported award types, all were considered inaccurate because the data in Files D1 and D2 did not match the contract and grant award documentation. Of the 138 inaccurate North American Industrial Classification System (NAICS) Codes, 112 were considered inaccurate because the contract award documentation did not include a code, and 26 were considered inaccurate because the data in File D1 did not match the contract award documentation. Of the 74 inaccurate Legal Entity Congressional Districts, 71 were considered inaccurate because the data element field was blank in File D1, and three were considered inaccurate because the data in Files D1 and D2 did not match the contract and grant award documentation.

**Data Elements Were Not Consistently Complete**

The projected error rate for the completeness of the File C, D1, and D2 data elements was 0.7 percent. A data element was considered complete when the required data element that should have been reported was reported. We identified 118 instances of incomplete data elements across 90 of the 372 transactions. Of those 118 instances, 71 data elements were considered incomplete because DoD officials did not enter a Legal Entity Congressional District in File D1, as discussed above in the Data Element Accuracy section. Another 20 data elements were considered incomplete because DoD officials did not include a Primary Place of Performance, Primary Place of Performance Congressional District, Primary Place of Performance Country Code, and Primary Place of Performance Country Name in File D1 for five transactions.

<sup>21</sup> Data elements with high projected rates, but less than five errors were not included in the table.



### ***Data Elements Were Not Consistently Timely***

The projected error rate for timeliness of the File C, D1, and D2 data elements was 13.6 percent. A data element was considered timely when it was reported in accordance with the reporting schedules defined by the financial, procurement, and financial assistance requirements. Specifically, the DATA Act requires agencies to report contract and grant award financial data to File C in the quarter in which contracts and grants are awarded. The Federal Acquisition Regulation requires agencies to report contract award data in FPDS-NG within 3 business days after a contract is signed so the data will be included in File D1.<sup>22</sup> The FFATA requires agencies to report grant award data in Financial Assistance Broker Submission system no later than 30 days after the award so the data will be included in File D2.

We identified 2,238 instances of untimely data elements across 129 of the 372 transactions. Of those 2,238 instances, 2,199 instances were from File D1 and 39 instances were from File D2. Of the 2,199 File D1 instances, 2,083 File D1 data elements were considered untimely because the contract award data in File D1 were not input to FPDS-NG within 3 business days of the award. Another 37 File D2 data elements were considered untimely because the grant award data in File D2 were not input to the Financial Assistance Broker Submission system within 30 days of the award. Of the remaining 118 data elements that were untimely, 71 were considered untimely because DoD officials did not enter the Legal Entity Congressional District in FPDS-NG, as discussed above in the Data Element Accuracy section.

### ***Data Input to FPDS-NG Needs Improvement***

Of the 3,429 errors we identified in Files C, D1, and D2, 3,179 (92.7 percent) were attributable to File D1 and primarily occurred because data was inaccurately or untimely entered into FPDS-NG. The DoD Data Quality Plan states that the Office of Defense Pricing and Contracting (DPC), the OUSD(A&S) is responsible for oversight of FPDS-NG and the verification and validation of the contract award data reported in File D1.<sup>23</sup> The DPC is also responsible for maintaining and annually updating the DoD's Procurement Data Improvement and Compliance Plan, which is the DoD's plan for continual improvement of the data reported to DoD procurement systems, including FPDS-NG.<sup>24</sup> As shown in Appendix F, many of the File D1 errors were specific to certain data elements including the Funding Office Name, Primary Place of Performance Address, NAICS Code, Period of Performance,

<sup>22</sup> Federal Acquisition Regulation Part 4, "Administration Matters," Subpart 4.6, "Contract Reporting," Section 4.604, "Responsibilities."

<sup>23</sup> DoD Data Quality Plan DATA Act Data Quality Plan FY2020-FY2022, Updated January 29, 2020.

<sup>24</sup> Department of Defense, "FY2021 Procurement Data Improvement & Compliance Plan," December 16, 2020.

Current End Date, and Potential End Date. If the data input is improved for those data elements, the accuracy and timeliness error rates would significantly decrease. Therefore, we recommend that the Defense Pricing and Contracting Principal Director review the data element error rates as presented in this report, identify controls to improve the accuracy and completeness for the data elements, and revise the Procurement Data Improvement and Compliance Plan to include those controls.

## **DoD COVID-19 Outlays Were Not Accurate or Complete**

The DoD's COVID-19 outlays were not accurate or complete. Specifically, none of the outlays we reviewed that had a DEFC "N" actually used COVID-19 supplemental funds. OMB No. M-20-21 requires Federal agencies that receive COVID-19 relief funds to report COVID-19 outlays in File C and designate them as such by assigning the DEFC "N" in their financial systems.

To test the accuracy, completeness, and timeliness of the DoD's fourth quarter FY 2020 File C COVID-19 outlays, we selected a nonstatistical sample of 21 outlays from the universe of 7,342 outlays having a DEFC data element code of "N." The 21 outlays represented \$1.42 billion of the \$7.3 billion across all 7,342 outlays. The OUSD(C) provided the 6,117 disbursements underlying the 21 outlays, and we selected a nonstatistical sample of 566 disbursements worth \$1.42 billion to review, representing all 21 outlays.<sup>25</sup>

We requested documents to support that each of the 566 disbursements were in fact paid with COVID-19 supplemental funds. While executing this request, officials from the Defense Finance and Accounting Service, working with the OUSD(C), noticed that the first 300 of the 566 sampled disbursements did not use COVID-19 supplemental funds but erroneously had the DEFC "N." OUSD(C) officials requested that we stop further COVID outlay testing based on the incidence of error in our sample. Therefore, we determined that the OUSD(C) incorrectly assigned a DEFC "N" to at least the first 300 disbursements of our sampled disbursements, indicating low data quality.

According to OUSD(C) officials, the automated process used to generate the DEFC in File C contained an error that resulted in non-COVID outlays being assigned the DEFC "N."<sup>26</sup> During the audit, OUSD(C) officials stated that they fixed the error, and we reviewed a sample of six COVID-19 outlays from the DoD's first quarter FY 2021 File C, that had the DEFC "N." Of those six outlays, four were not COVID-19 outlays, indicating that the error still existed. However, we are not

---

<sup>25</sup> Disbursements are cash or cash equivalent payments for goods and services received. Gross outlays are equal to the cumulative amount of disbursements made for the fiscal period to date.

<sup>26</sup> OUSD(C) Memorandum, "DEFC Derivation Logic Error in FY2020 Q4 DATA ACT File C," May 21, 2021.

making a recommendation to address the error because a DoD Office of Inspector General Management Advisory Memorandum focused on the effects of COVID-19 on DoD Operations has a similar recommendation. The Management Advisory Memorandum should be issued in December 2021.

Although the COVID-19 outlays were not included in File C because of a process error, we also noted that the DoD Data Quality Plan was not updated to address additional reporting requirements established to track outlays associated with responding to the COVID-19 pandemic.<sup>27</sup> Specifically, OMB No. M-20-21 and M-18-16 state that agencies must update their data quality plans by identifying and assessing risks to reporting objectives and regulatory requirements related to COVID-19 relief funds. However, we are not making a recommendation to update the Data Quality Plan because the previously discussed DoD OIG Management Advisory Memorandum has a similar recommendation.

## The DoD DATA Act Submission for the Fourth Quarter FY 2020 Was of Moderate Quality

Based on the results of our assessments, the DoD fourth quarter FY 2020 DATA Act submission scored in the moderate quality rating range. Specifically, the DoD submission scored 80 out of the 100 maximum points possible. Table 4 provides the scorecard used to calculate the quality of the DoD submission.

*Table 4. Quality Scorecard for Data Act Submissions for Fourth Quarter FY 2020*

Criteria	Score	Maximum Points Possible (With COVID-19 Funding)
<b>Nonstatistical</b>		
Timeliness of Agency Submission	5.0	5.0
Completeness of Files A & B	3.3	10.0
Suitability of File C for Sample Selection	8.8	10.0
Record Level Linkages (Files C & D)	7.0	7.0
COVID-19 Outlay Testing Judgmental Sample	0.0	8.0
<b>Statistical</b>		
Data Elements – Accuracy	28.0	30.0
Data Elements – Completeness	14.9	15.0
Data Elements – Timeliness	13.0	15.0
<b>Overall Quality Score</b>	<b>80.0</b>	<b>100.0</b>

Source: CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act.

<sup>27</sup> OMB No. M-18-16 and M-20-21.

## The Quality of DoD Financial and Award Data Had Improved

The moderate quality of the DoD's financial and award data submitted for the fourth quarter FY 2020 improved over the low quality of the data submitted for the first quarter FY 2019, which we assessed in our previous DoD DATA Act audit. In this audit, we identified a lower number of errors in the summary-level financial data in File B (188 out of 23,783 transactions) than the previous audit (1,236 out of 22,288 transactions). We also identified a lower error rate for the File D1 data elements we tested in this audit. See Appendix H for a comparison of the projected error rates for File D1 data elements tested during both audits. The DoD's File C data elements were not available for review during our previous audit; therefore, we could not compare those elements. In addition, we only tested three File D2 elements in this audit; therefore, we did not include those elements in the comparison.

## The DoD Financial and Award Data on USAspending.gov Cannot Be Fully Relied Upon

Based on the calculation required by the CIGIE Guide, the overall quality of the DoD data was in the "Moderate" range. Although the quality of the financial and award data that the DoD submitted for the fourth quarter FY 2020 had improved when compared to the DoD's DATA Act submission for the first quarter of FY 2019, the DoD's DATA Act submission on USAspending.gov cannot be fully relied upon. The moderate quality of the data submission did not allow taxpayers and policy makers to track Federal spending effectively, and the moderate quality undermined the DATA Act objective of providing quality and transparent Federal spending data published on USAspending.gov.

## Recommendations, Management Comments, and Our Response

### ***Recommendation 1***

**We recommend that Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, update the DoD Digital Accountability and Transparency Act Data Quality Plan to include a process for documenting and disclosing changes made to any DoD Digital Accountability and Transparency Act submission, including the removal of any information from data elements and changes related to exceptions and errors received from the Digital Accountability and Transparency Act Broker, in the monthly and quarterly Digital Accountability and Transparency Act submissions certification comments in the Digital Accountability and Transparency Act Broker.**

### ***Deputy Chief Financial Officer Comments***

The DoD Deputy CFO, responding for the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, agreed stating that the DoD DATA Act Data Quality Plan will be updated to reflect the process for documenting and disclosing variances between submission files and authoritative references. He also stated that the update will reflect the requirement to expand monthly and quarterly comments in the DATA Act Broker, as applicable, for noted exceptions of known data variances. The Deputy CFO stated that the estimated completion date for the action is December 31, 2021.

### ***Our Response***

Comments from the DoD Deputy CFO addressed the specifics of the recommendation. Therefore, the recommendation is resolved but will remain open. We will close the recommendation after we verify that the update to the DoD DATA Act Data Quality Plan is complete.

## ***Recommendation 2***

**We recommend that the Defense Pricing and Contracting Principal Director review the data element error rates as presented in this report, identify controls to improve the accuracy and completeness for the data elements, and revise the Procurement Data Improvement and Compliance Plan to include those controls.**

### ***Deputy Chief Financial Officer Comments***

The DoD Deputy CFO, responding for the DPC Principal Director, agreed stating that the error rates will be reviewed and any appropriate controls that can be applied will be included in the annual update to the Office of the Secretary of Defense Procurement Data Improvement Plan. The Deputy CFO requested that, since some errors can be caused by a third party such as the General Services Administration, that the actions where errors were found be provided along with the specific item identified, so that they can be researched in detail. The Deputy CFO stated that the estimated completion date for the action is January 31, 2022.

### ***Our Response***

Comments from the DoD Deputy CFO addressed the specifics of the recommendation. Therefore, the recommendation is resolved but will remain open. We will coordinate with the Deputy CFO to identify any additional information required to research the errors in detail. We will close the recommendation once we verify that the update to the Procurement Data Improvement Plan is complete.

## Appendix A

---

### Scope and Methodology

We conducted this performance audit from November 2020 through October 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We reviewed the DoD fourth quarter FY 2020 financial and award data that the DoD submitted to the DATA Act Broker system for publication on USAspending.gov and any applicable procedures, certifications, documentation, and controls to achieve this process. We reviewed the DoD Data Quality Plan to determine whether the DoD maintained adequate internal controls that included periodic reviews, testing plans, and identification of high-risk elements that the DATA Act explicitly referenced and ensured that internal controls over the extraction and reporting of data elements were effective to achieve the objective of the DATA Act reporting.

We received guidance and process updates from Defense Finance and Accounting Service personnel in Columbus, Indianapolis, and Cleveland, and OUSD(C) officials to understand the DoD's systems, processes, and internal controls over financial and award data reported to USAspending.gov.

We reviewed policy and criteria, including guidance issued by OMB and the Treasury, to understand any regulatory criteria related to the DoD's responsibilities to report financial and award data under the DATA Act. To assess audit risk and design audit procedures, we assessed the internal and information system controls in place related to the data extracted from source systems and the data reported to the Treasury's DATA Act Broker system. Furthermore, we used the common methodology and reporting approach detailed in the CIGIE Guide to perform this audit.

We obtained the fourth quarter FY 2020 financial and award data (Files A through F) that the DoD submitted for publication on USAspending.gov. Subsequently, we reviewed and reconciled the appropriation summary-level data (File A) and obligation and disbursement information at program activity and object class levels (File B) to the Treasury balances derived from the DoD SF 133, "Report on Budget Execution and Budgetary Resources," and applicable guidance to determine any variances.



We statistically selected and tested 372 of 438,603 financial transactions related to procurement and grant awards (File C). We used a stratified sample approach at the 95-percent confidence interval level and 5-percent precision. Specifically, we separated File C universe into two groups: (1) Defense Logistics Agency and (2) other DoD Components. We statistically selected 304 transactions to review from a universe of 358,731 transactions from the Defense Logistics Agency and 68 transactions to review from a universe of 79,873 from other DoD Components. To test the completeness and accuracy of the DoD's fourth quarter FY 2020 File C COVID-19 outlays, we selected a nonstatistical sample of 21 reported COVID-19 outlays worth \$1.42 billion from a population of 7,342 reported COVID-19 outlays, each assigned a DEFC "N," worth more than \$7.3 billion. We followed guidance in the "CIGIE FAEC Inspectors General Guide to Compliance Under the DATA Act" to select the non-statistical sample of COVID-19 outlay records.

## Internal Control Assessment and Compliance

We assessed internal controls and compliance with laws and regulations necessary to satisfy the audit objective. In particular, we assessed the following control components and underlying principles.

- Control Activity:
  - Implement control activities;
  - Design control activities; and
  - Design activities for Information Systems.
- Monitoring: Performing monitoring activities.
- Risk Assessment: Identify, analyze, and respond to risk.

However, because our review was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

## Use of Computer-Processed Data

We used fourth quarter FY 2020 financial and award data submitted for publication on USAspending.gov. We compared the financial information extracted from USAspending.gov to the appropriation summary-level balances reported in the SF 133 reports and program activity names and codes downloaded from MAX.gov and identified variances. We tested DoD financial data derived from the DoD financial management system against authoritative source documentation. We determined that the data were sufficiently reliable to accomplish the audit objective and draw audit conclusions.

## **Use of Technical Assistance**

We obtained support from the DoD OIG Quantitative Methods Division to select a statistical sample used for testing File C transactions. We also obtained support from the DoD OIG Data Analytics Team to test the accuracy and completeness of File A.

## Appendix B

---

### Prior Coverage

During the last 5 years, the Government Accountability Office (GAO), and the DoD OIG issued 19 reports and 1 attestation discussing the DATA Act efforts. Unrestricted GAO reports can be accessed at <http://www.gao.gov>. Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/reports.html/>.

### GAO

Report No. GAO-20-540, “DATA ACT: OIGs Reported That Quality of Agency-Submitted Data Varied, and Most Recommended Improvements,” July 2020

The GAO reported that the OIGs’ audit results varied regarding the quality of the data submitted by their respective agencies. The report stated that using a 20 percent or lower error rate benchmark established by the OIG audit methodology guidance, 37 of 51 OIGs reported that their agencies’ data were of higher quality, and 11 OIGs reported data quality that was of moderate or lower quality. Further, the report stated that 47 OIGs reported that their agencies submitted data on time, but certain agencies’ submissions did not always contain all the data that should have been submitted.

The report also stated that 37 OIGs reported that agencies implemented and used the data standards established by OMB and the Treasury. However, 47 OIGs reported control deficiencies related to system limitations, quality control procedures, data from external systems, and other issues.

Report No. GAO-20-75, “DATA ACT: Quality of Data Submissions Has Improved but Further Action is Needed to Disclose Known Data Limitations,” November 2019

The GAO identified improvements in overall DATA Act data quality when comparing data submissions from the fourth quarter of FY 2018 to the second quarter of FY 2017 but stated that challenges remain for completeness, accuracy, use of data standards, disclosure of data limitations, and overall data governance.

Report No. GAO-19-299, "DATA ACT: Pilot Effectively Tested Approaches for Reducing Reporting Burden for Grants but Not for Contracts," April 2019

The GAO reported that OMB led the implementation of a pilot program, known as the Section 5 Pilot, aimed at developing recommendations for reducing recipient burden for Federal grantees and contractors. The GAO identified that the pilot program met many, but not all, of its statutory requirements. OMB partially met the requirement to reduce the burden for Federal award recipients because the guidance issued only applied to grants but not procurement.

Report No. GAO-19-284, "DATA Act: OMB Needs to Formalize Data Governance for Reporting Federal Spending," March 2019

The GAO reported that OMB and the Treasury have established some procedures for governing the data standards established under the DATA Act, but a formal governance structure has yet to be fully developed. Since enactment, OMB has relied on a shifting array of advisory bodies to obtain input on data standards. As of December 2018, some governance procedures are in place, but others continue to evolve.

Report No. GAO-19-72, "Treasury Could Better Align USAspending.gov With Key Practices and Search Requirements," December 13, 2018

The GAO reported that USAspending.gov aligns with several key practices. However, the Treasury has not fully aligned the website with all of the key practices, in accordance with the requirements of the FFATA and OMB Guidance.

Report No. GAO-18-546, "DATA ACT: Reported Quality of Agencies Spending Data Reviewed by OIGs Varied Because of Government-Wide and Agency Issues," July 2018

The GAO reviewed OIGs' DATA Act reports and determined that only half of the agencies met OMB and the Treasury requirements for the implementation and use of data standards. The OIGs also reported that most agencies' first data submissions were not complete, timely, accurate, or of quality. Further, the OIGs generally reported higher (projected) overall error rates for the accuracy of data than for completeness and timeliness.

Report No. GAO-18-138, "DATA ACT: OMB, Treasury, and Agencies Need to Improve Completeness and Accuracy of Spending Data and Disclose Limitations," November 2017

The GAO reported that a total of 78 Federal agencies submitted data by May 2017, as required by the DATA Act. However, the GAO identified issues and challenges with the completeness and accuracy of the data submitted, use of data elements, and presentation of the data on Beta.USAspending.gov. The GAO reported that awards for 160 financial assistance programs were omitted from the data for the second quarter of FY 2017, and that 13 agencies submitted the file intended to link budgetary and award information without providing any data. In addition, the GAO reported that data accuracy differed sharply between budgetary and award records, and agencies differ in how they interpret and apply OMB's definitions for data elements.

Report No. GAO-17-496, "DATA ACT: As Reporting Deadline Nears, Challenges Remain That Will Affect Data Quality," April 2017

The GAO reported that internal control weaknesses and other challenges pose risks to data quality. The Inspectors General assessed the readiness of an agency to meet the DATA Act reporting requirements and identified several widespread and longstanding issues: (1) accounting and financial management, (2) financial management systems, and (3) information technology security and controls. The GAO has also reported weaknesses and challenges in Government-wide financial management systems used for DATA Act reporting.

The GAO reported that challenges with guidance will impact data quality. Specifically, challenges related to how agencies report certain intragovernmental transactions, reconcile recipient address information, and align required DATA Act files with missing data continue to present risks to the quality of data displayed on USAspending.gov.

Report No. GAO-17-460, "DATA ACT: Office of Inspector General Reports Help Identify Agencies Implementation Challenges," April 2017

The GAO found that, as of January 31, 2017, 30 Inspectors General had completed DATA Act readiness reviews. Of the 30 Inspectors General who completed the reviews:

- 3 Inspectors General reported that their agency was not on track to meet DATA Act requirements;
- 2 Inspectors General reported that their agency would not submit complete data by the May 2017 reporting deadline;

- 12 Inspectors General did not specifically report whether their agency would meet requirements and reported that their agencies faced challenges; and
- 13 Inspectors General reported that their agency would meet DATA Act requirements.

Report No. GAO-17-156, “DATA ACT: OMB and Treasury Have Issued Additional Guidance and Have Improved Pilot Design but Implementation Challenges Remain,” December 2016

The GAO identified four categories of challenges reported by agencies that may impede their ability to implement the DATA Act: (1) systems integration issues, (2) lack of resources, (3) evolving and complex reporting requirements, and (4) inadequate guidance.

The GAO reported that OMB issued additional guidance; however, this guidance does not provide sufficient detail in areas such as the process for providing assurance on data submissions or addresses how agencies should operationalize the definitions for data elements. The Treasury also released a new version of the DATA Act Broker and made minor adjustments to its functionality.

Report No. GAO-16-824R, “DATA Act: Initial Observations on Technical Implementation,” August 2016

The GAO reported that OMB and the Treasury have taken steps to assure the quality of the Federal spending data that will be made available to the public. These steps include creating a broker system to:

- check that submitted data follow a standardized format that will allow for aggregation and comparison across government; and
- validate selected data elements to ensure that the data are accurate.

The report also stated the broker will apply a series of format and formula checks to the budget and financial data elements submitted by the agencies to ensure that the data are in the required standard format and correctly calculated. The broker will also validate the budget and financial data by comparing the data to multiple sources. In addition, the Treasury issued data validation rules intended to ensure that the amounts for budget and financial data elements submitted by agencies are derived in a standard way. Finally, the broker is designed to extract and standardize the format of award data pulled from existing award reporting systems. However, the broker will not validate the data to ensure it is accurate.



Report No. GAO-16-698, "DATA ACT: Improvements Needed in Reviewing Agency Implementation," July 2016

The GAO reported that OMB and the Treasury have not designed and implemented controls or fully documented processes related to the review and use of agency implementation plans for the DATA Act. In addition, as of July 2016, OMB had not determined the complete population of agencies that are required to report spending data under the DATA Act and submit implementation plans to OMB. Lacking fully documented controls and processes as well as a complete population of agencies increases the risk that the purposes and benefits of the DATA Act may not be fully achieved, and could result in incomplete spending data being reported.

Based on OMB and the Treasury guidance, the GAO identified 51 plan elements in four separate categories-timeline, cost estimate, narrative, and project plan-to be included in agency implementation plans. None of the 42 implementation plans the GAO received and reviewed contained all 51 plan elements described in OMB and the Treasury guidance, due to the lack of consistent and complete agency implementation plans.

Report No. GAO-16-438, "DATA ACT: Section 5 Pilot Design Issues Need to Be Addressed to Meet Goal of Reducing Recipient Reporting Burden," April 2016

The GAO reported that, as required by the DATA Act, OMB is conducting a pilot program, known as the Section 5 Pilot, aimed at developing recommendations for reducing recipient reporting burden for grantees and contractors. OMB collaborated with the Department of Health and Human Services to design and implement the grants portion of the pilot, and with the General Services Administration to implement the procurement portion. OMB launched the Section 5 Pilot in May 2015 and expects to continue pilot-related activities until at least May 2017. If implemented according to the Department of Health and Human Services proposed plan, the grants portion of the pilot will likely meet the requirements established under the DATA Act. In contrast, the GAO has concerns with how the procurement portion of the pilot will contribute to the Section 5 Pilot's design requirements.

Report No. GAO-16-261, “DATA ACT: Data Standards Established but More Complete and Timely Guidance is Needed to Ensure Effective Implementation,” January 2016

The GAO reported that OMB and the Treasury issued definitions for 57 Federal spending data elements. The GAO found that most definitions adhered to leading practices derived from international standards for formulating data definitions. Specifically, 12 of the 57 definitions met all 13 leading practices, and none met fewer than 9 leading practices. However, the GAO found several definitions that could lead to inconsistent reporting. In addition, OMB and the Treasury have not issued the final technical guidance. The GAO reported if guidance is not aligned with agency implementation timelines, agencies may delay taking key steps or need to revise existing plans once final technical guidance is released, hindering their ability to meet DATA Act requirements and timelines.

### ***DoD OIG***

Report No. DODIG-2021-050, “Audit of Contracts for DoD Information Technology Products and Services Procured by DoD Components in Response to the Coronavirus Disease–2019 Pandemic” February 12, 2021

The DoD OIG determined that the Army, Navy, Air Force, Defense Health Agency, and Defense Information Systems Agency procured information technology products and services in accordance with the CARES Act and other Federal and DoD requirements.

Report No. DODIG-2020-0010, “DoD Compliance With the Digital Accountability and Transparency Act of 2014” November 7, 2019

The DoD OIG determined that the DoD did not comply with all DATA Act requirements. Although the DoD implemented and used the required Government-wide data standards and the DoD DATA Act submission for the first quarter of FY 2019 was timely, the submission was not complete nor accurate.

Report No. DODIG-2020-007, “Audit of U.S. Army Corps of Engineers Compliance With the Digital Accountability and Transparency Act of 2014”, November 7, 2019

The DoD OIG determined that the USACE did not comply with all DATA Act requirements. Although the USACE implemented and used the required Government-wide data standards and the USACE DATA Act submission for the first quarter of FY 2019 was timely, the submission was not complete.

Report No. DODIG-2018-020, “DoD Compliance With the Digital Accountability and Transparency Act of 2014,” November 8, 2017

The DoD OIG determined that the DoD SAO did not comply with the DATA Act. Specifically, for the second quarter of FY 2017, the DoD SAO did not certify and submit complete award data, timely award data, accurate financial and award data, and quality financial and award data for publication on USAspending.gov. In addition, the DoD did not implement and use all Government-wide data elements. The DoD did not implement and use the Government-wide data elements applicable to award data established by OMB and the Treasury.

Report No. DODIG-2018-021, “USACE Compliance With the Digital Accountability and Transparency Act of 2014,” November 8, 2017

The DoD OIG determined that USACE did not comply with the DATA Act. The SAO certified timely second quarter FY 2017 financial data. However, the SAO did not certify and submit complete award data, complete financial data related to procurement awards, accurate financial data, and quality financial data for publication on USAspending.gov. In addition, the DoD SAO did not implement and use all required Government-wide financial data elements established by OMB and the Treasury.

Report No. DODIG-2017-022, “Independent Attestation Review on the DoD’s Progress to Comply With the Digital Accountability and Transparency Act of 2014,” November 17, 2016

The DoD OIG determined that the DoD incorporated 8 steps established by OMB and the Treasury into its DATA Act Implementation Plan and completed steps 1, 2, and 4 of the 8 steps; however, the DoD partially complied with the standards established by OMB and the Treasury for step 3. In addition, the DoD planned to extend the reporting deadline for the transaction-level financial data by 1 year, or until second quarter 2018. There were no indicators that suggested the DoD did not make efforts to comply with the DATA Act.

## Appendix C

### DATA Act Elements and Definitions

Data Element No.	Data Element Name	Data Element Definition
<b>Awardee and Recipient Entity Data Standards</b> These data elements describe the recipients/awardees of Federal funds.		
1	Awardee/Recipient Legal Entity Name	The name of the awardee or recipient that relates to the unique identifier. For U.S.-based companies, this name is what the business ordinarily files in formation documents with individual states (when required).
2	Awardee/Recipient Unique Identifier	The unique identification number for an awardee or recipient. Currently, the identifier is the 9-digit number assigned by Dun & Bradstreet referred to as the DUNS® number.
3	Ultimate Parent Unique Identifier	The unique identification number for the ultimate parent of an awardee or recipient. Currently, the identifier is the 9-digit number maintained by Dun & Bradstreet as the global parent DUNS® number.
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.
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. In most cases, this should match what the entity has filed with the State in its organizational documents, if required. The address is made up of five components: Address Lines 1 and 2, City, State Code, and ZIP+4 or Postal Code.
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-U.S. addresses.
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."
8	Legal Entity Country Name	The name corresponding to the Country Code.

## DATA Act Elements and Definitions (cont'd)

Data Element No.	Data Element Name	Data Element Definition
9	Highly Compensated Officer Name	<p><b>First Name:</b> The first name of an individual identified as one of the five most highly compensated "Executives." "Executive" means officers, managing partners, or any other employees in management positions.</p> <p><b>Middle Initial:</b> The middle initial of an individual identified as one of the five most highly compensated "Executives."</p> <p><b>Last Name:</b> The last name of an individual identified as one of the five most highly compensated "Executives."</p>
10	Highly Compensated Officer Total Compensation	The cash and noncash dollar value earned by the one of the five most highly compensated "Executives" during the awardee's preceding fiscal year and includes the following (for more information see 17 C.F.R. § 229.402(c)(2)): salary and bonuses, awards of stock, stock options, and stock appreciation rights, earnings for services under non-equity incentive plans, change in pension value, above-market earnings on deferred compensation which is not tax qualified, and other compensation.
<b>Award Amount Data Standards</b> These data elements describe characteristics that apply to amount information for financial assistance and/or procurement awards.		
11	Amount of Award	The cumulative amount obligated by the Federal Government for an award, which is calculated by USAspending.gov or a successor site. For procurement and financial assistance awards except loans, this is the sum of Federal Action Obligations. For loans or loan guarantees, this is the Original Subsidy Cost.
12	Non-Federal Funding Amount	For financial assistance, the amount of the award funded by non-Federal source(s), in dollars. Program Income (as defined in 2 C.F.R. § 200.80) is not included until such time that Program Income is generated and credited to the agreement.
13	Federal Action Obligation	Amount of Federal Government's obligation, de-obligation, or liability, in dollars, for an award transaction.
14	Current Total Value of Award	For procurement, the total amount obligated to date on a contract, including the base and exercised options.
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.

*DATA Act Elements and Definitions (cont'd)*

Data Element No.	Data Element Name	Data Element Definition
<b>Award Characteristic Data Standards</b> These data elements describe characteristics that apply to specific financial assistance and/or procurement awards.		
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.
17	North American Industrial Classification System (NAICS) Code	The identifier that represents the North American Industrial Classification System (NAICS) Code assigned to the solicitation and resulting award identifying the industry in which the contract requirements are normally performed.
18	North American Industrial Classification System (NAICS) Description	The title associated with the NAICS Code.
19	Catalog of Federal Domestic Assistance (CFDA) Number	The number assigned to a Federal area of work in the Catalog of Federal Domestic Assistance.
20	Catalog of Federal Domestic Assistance (CFDA) Title	The title of the area of work under which the Federal award was funded in the Catalog of Federal Domestic Assistance.
<b>Account Level Data Standards</b> This data element describes the appropriations accounts from which agencies fund Federal awards.		
21	Treasury Account Symbol (TAS) (excluding Sub-Account)	The account identification codes assigned by the Department of the Treasury to individual appropriation, receipt, or other fund accounts. All financial transactions of the Federal Government are classified by TAS for reporting to the Treasury and OMB.
<b>Award Characteristic Data Standards</b> These data elements describe characteristics that apply to specific financial assistance and/or procurement awards.		
22	Award Description	A brief description of the purpose of the award.
23	Award Modification/Amendment Number	The identifier of an action being reported that indicates the specific subsequent change to the initial award.
24	Parent Award Identification Number	The identifier of the procurement award under which the specific award is issued, such as a Federal Supply Schedule. This data element currently applies to procurement actions only.
25	Action Date	The date the action being reported was issued/signed by the Government or a binding agreement was reached.



*DATA Act Elements and Definitions (cont'd)*

Data Element No.	Data Element Name	Data Element Definition
26	Period of Performance Start Date	The date on which, for the award referred to by the action being reported, awardee effort begins or the award is otherwise effective.
27	Period of Performance Current End Date	The current date on which, for the award referred to by the action being reported, awardee effort completes or the award is otherwise ended. Administrative actions related to this award may continue to occur after this date. This date does not apply to procurement indefinite delivery vehicles under which definitive orders may be awarded.
28	Period of Performance Potential End Date	For procurement, the date on which, for the award referred to by the action being reported if all potential pre-determined or pre-negotiated options were exercised, awardee effort is completed or the award is otherwise ended.
29	Ordering Period End Date	For procurement, the date on which, for the award referred to by the action being reported, no additional orders referring to it may be placed. This date applies only to procurement indefinite delivery vehicles (such as indefinite delivery contracts or blanket purchase agreements). Administrative actions related to this award may continue to occur after this date. The period of performance end dates for procurement orders issued under the indefinite delivery vehicle may extend beyond this date.
30	Primary Place of Performance Address	The address where the predominant performance of the award will be accomplished. The address is made up of four components—City, State Code, and ZIP+4 or Postal Code.
31	Primary Place of Performance Congressional District	U.S. congressional district where the predominant performance of the award will be accomplished. This data element will be derived from the Primary Place of Performance Address.
32	Primary Place of Performance Country Code	Country code where the predominant performance of the award will be accomplished.
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.
34	Award Identification Number	The unique identifier of the specific award being reported, for example, Federal Award Identification Number (FAIN) for financial assistance and Procurement Instrument Identifier (PIID) for procurement.
35	Record Type	Code indicating whether an action is an individual transaction or aggregated. This data element applies to financial assistance only.

*DATA Act Elements and Definitions (cont'd)*

Data Element No.	Data Element Name	Data Element Definition
36	Action Type	Description (and corresponding code) that provides information on any changes made to the Federal prime award. There are typically multiple actions for each award. (Note: This definition encompasses current data elements "Type of Action" for financial assistance and "Reason for Modification" for procurement.)
37	Business Type	A collection of indicators of different types of recipients based on socio-economic status and organization/business areas.
<b>Funding Entity Data Standards</b> These data elements describe the characteristics of the entity that provided the funding for an award.		
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.
39	Funding Agency Code	The 3-digit Common Government-wide Accounting Classification (CGAC) 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.
40	Funding Sub-Tier Agency Name	Name of the level 2 organization that provided the preponderance of the funds obligated by this transaction.
41	Funding Sub-Tier Agency Code	Identifier of the level 2 organization that provided the preponderance of the funds obligated by this transaction.
42	Funding Office Name	Name of the level n organization that provided the preponderance of the funds obligated by this transaction.
43	Funding Office Code	Identifier of the level n organization that provided the preponderance of the funds obligated by this transaction.
<b>Awarding Entity Data Standards</b> These data elements describe the characteristics of the entity that made the award.		
44	Awarding Agency Name	The name associated with a department or establishment of the Government as used in the Treasury Account Fund Symbol (TAFS).
45	Awarding Agency Code	A department or establishment of the Government as used in the TAFS.
46	Awarding Sub-Tier Agency Name	Name of the level 2 organization that awarded, executed, or is otherwise responsible for the transaction.

*DATA Act Elements and Definitions (cont'd)*

Data Element No.	Data Element Name	Data Element Definition
47	Awarding Sub-Tier Agency Code	Identifier of the level 2 organization that awarded, executed, or is otherwise responsible for the transaction.
48	Awarding Office Name	Name of the level n organization that awarded, executed, or is otherwise responsible for the transaction.
49	Awarding Office Code	Identifier of the level n organization that awarded, executed, or is otherwise responsible for the transaction.
<b>Account Level Data Standards</b> These data elements describe the appropriations accounts from which agencies fund Federal awards.		
50	Object Class	Categories in a classification system that presents obligations by the items or services purchased by the Federal Government. Each specific object class is defined in OMB Circular A-11 § 83.6.
51	Appropriations Account	<p>The basic unit of an appropriation generally reflecting each unnumbered paragraph in an appropriation act. An appropriations account is represented by a TAFS created by the Treasury in consultation with OMB.</p> <p><b>Treasury Appropriation Fund Symbol:</b> The components of a Treasury Account Symbol—allocation agency, agency, main account, period of availability and availability type—that directly correspond to an appropriations account established by Congress.</p>
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. Usually, but not always, an appropriation provides budget authority.
53	Obligation	A legally binding agreement that will result in outlays, immediately or in the future. When you place an order, sign a contract, award a grant, purchase a service, or take other actions that require the Government to make payments to the public or from one Government account to another, you incur an obligation. It is a violation of the Antideficiency Act (31 U.S.C. § 1341(a)) to involve the Federal Government in a contract or obligation for payment of money before an appropriation is made, unless authorized by law.
54	Unobligated Balance	The cumulative amount of budget authority that remains available for obligation under law in unexpired accounts at a point in time. The term “expired balances available for adjustment only” refers to unobligated amounts in expired accounts.

*DATA Act Elements and Definitions (cont'd)*

Data Element No.	Data Element Name	Data Element Definition
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.
56	Program Activity	A specific activity or project as listed in the program and financing schedules of the annual budget of the U.S. Government.
57	Outlay	Payments made to liquidate an obligation (other than the repayment of debt principal or other disbursements that are “means of financing” transactions). Outlays generally are equal to cash disbursements but also are recorded for cash-equivalent transactions, such as the issuance of debentures to pay insurance claims, and in a few cases are recorded on an accrual basis such as interest on public issues of the public debt. Outlays are the measure of Government spending.
58	National Interest Action (Data Element 163)	A code that represents the national interest for which the contract is created.
59	Disaster Emergency Fund Code (Data Element 430)	Distinguishes whether the budgetary resources, obligations incurred, unobligated and obligated balances, and outlays are classified as disaster, emergency, wildfire suppression, or none of the three.

Source: OMB and the Treasury.

## Appendix D

### Data Elements Mapped to Files A to D2

59 Data Elements Mapped to Files A to D2							
DAIMS Element #	Data Element Name	Links among Files					Notes
		File A	File B	File C	File D1	File D2	
1	Awardee/Recipient Legal Entity Name				•	•	
2	Awardee/Recipient Unique Identifier				•	•	
3	Ultimate Parent Unique Identifier				•	•	
4	Ultimate Parent Legal Entity Name				•	•	
5	Legal Entity Address				•	•	
6	Legal Entity Congressional District				•	•	
7	Legal Entity Country Code				•	•	
8	Legal Entity Country Name				•	•	
9	Highly Compensated Officer Name						Reported in Files E and F
10	Highly Compensated Officer Total Compensation						Reported in Files E and F
11	Amount of Award					•	
12	Non-Federal Funding Amount					•	
13	Federal Action Obligation				•	•	
14	Current Total Value of Award				•		
15	Potential Total Value of Award				•		
16	Award Type				•	•	
17	NAICS Code				•		
18	NAICS Description				•		
19	Catalog of Federal Domestic Assistance Number					•	
20	Catalog of Federal Domestic Assistance Title					•	
21	Treasury Account Symbol						Included with Data Element #51
22	Award Description				•	•	
23	Award Modification / Amendment Number				•	•	
24	Parent Award ID Number			•	•		
25	Action Date				•	•	

## Data Elements Mapped to Files A to D2 (cont'd)

59 Data Elements Mapped to Files A to D2							
DAIMS Element #	Data Element Name	Links among Files					Notes
		File A	File B	File C	File D1	File D2	
26	Period of Performance Start Date				•	•	
27	Period of Performance Current End Date				•	•	
28	Period of Performance Potential End Date				•		
29	Ordering Period End Date				•		
30	Primary Place of Performance Address				•	•	
31	Primary Place of Performance Congressional District				•	•	
32	Primary Place of Performance Country Code				•	•	
33	Primary Place of Performance Country Name				•	•	
34	Award ID Number (PIID/FAIN)			•	•	•	
35	Record Type					•	
36	Action Type				•	•	
37	Business Types					•	
38	Funding Agency Name				•	•	
39	Funding Agency Code				•	•	
40	Funding Sub Tier Agency Name				•	•	
41	Funding Sub Tier Agency Code				•	•	
42	Funding Office Name				•	•	
43	Funding Office Code				•	•	
44	Awarding Agency Name				•	•	
45	Awarding Agency Code				•	•	
46	Awarding Sub Tier Agency Name				•	•	
47	Awarding Sub Tier Agency Code				•	•	
48	Awarding Office Name				•	•	
49	Awarding Office Code				•	•	
50	Object Class		•	•			
51	Appropriations Account	•	•	•			
52	Budget Authority Appropriated	•					
53	Obligation	•	•	•			
54	Unobligated Balance	•	•	•			
55	Other Budgetary Resources	•					



*Data Elements Mapped to Files A to D2 (cont'd)*

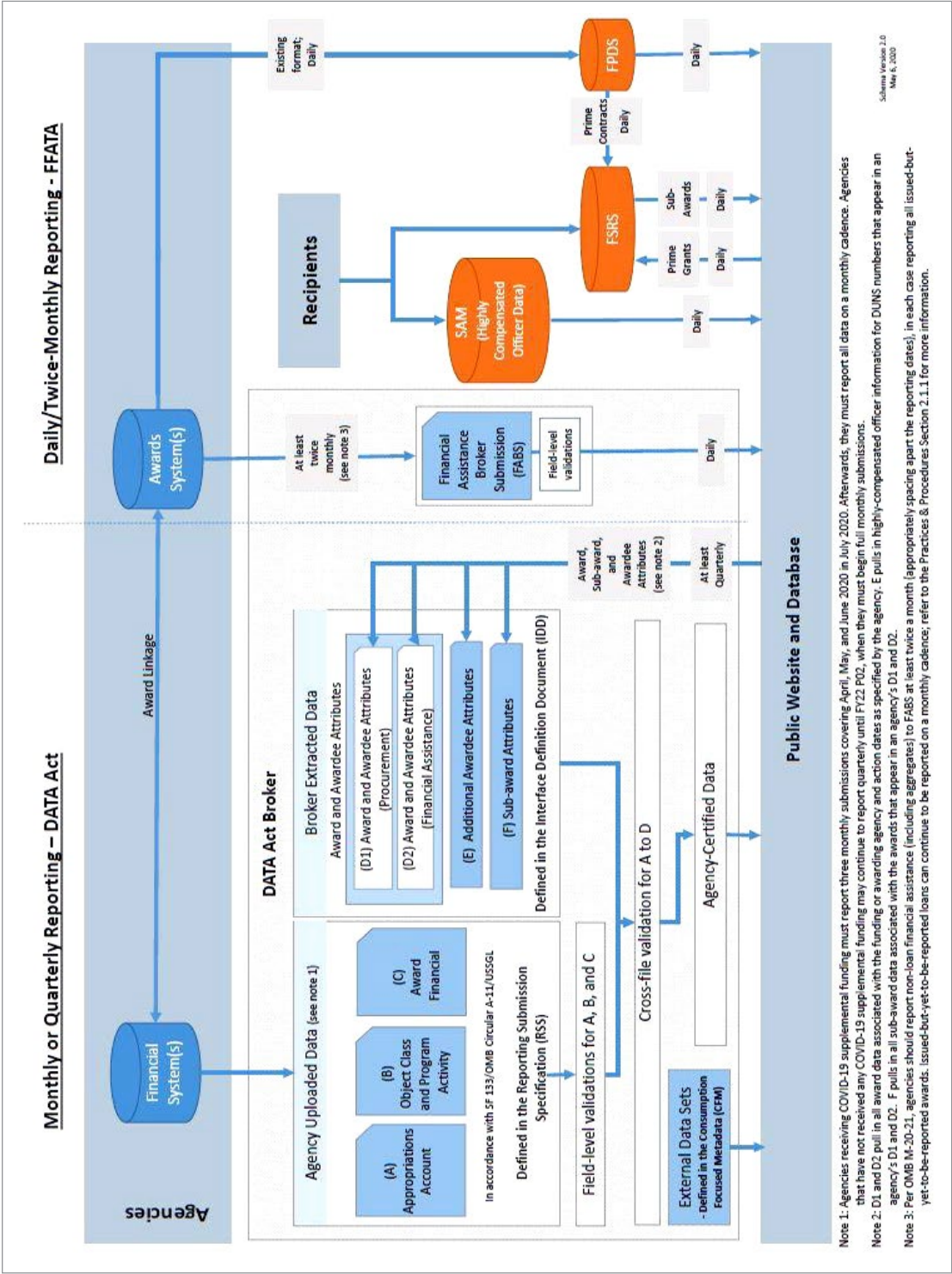
59 Data Elements Mapped to Files A to D2							
DAIMS Element #	Data Element Name	Links among Files					Notes
		File A	File B	File C	File D1	File D2	
56	Program Activity		●	●			
57	Outlay*	●	●	●			
163	National Interest Action (No.58)				●		
430	Disaster Emergency Fund Code (No.59)		●	●			

\* Agencies previously had the option to report File C outlays on a quarterly basis. Under OMB M-20-21, agencies with COVID-19 funding are now required to report outlays on a monthly basis for COVID-19 funded awards.

Source: The CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act.

Appendix E

DATA Act Information Flow Diagram



Source: The Treasury.

## Appendix F

### Additional CIGIE FAEC Reporting Requirements

The “CIGIE FAEC Inspectors General Guide to Compliance Under the DATA Act” sets a common methodological and reporting approach for the OIG community to ensure Inspector General audits meet the requirements of the DATA Act. Below are the additional CIGIE FAEC reporting requirements.

### ***Analysis of Errors in Files C, D1, and D2***

The purpose of Table 5 is to inform the stakeholders which data elements may be more reliable than others.

*Table 5. The DoD's Results for Data Elements in the DoD's Files C, D1, and D2 DATA Act Submissions*

The DoD's File C, D1, and D2 Results Listed in Descending Order by Accuracy Error Rate				
Accuracy (A), Completeness (C), Timeliness (T)				
Data Element No.	Data Element Name	Error Rate (percent)*		
		A	C	T
29	Ordering Period End Date	60.0	0.0	0.0
16	Award Type	57.5	0.0	15.1
17	NAICS Code	37.4	0.0	14.9
6	Legal Entity Congressional District	20.4	19.6	30.9
59	Disaster Emergency Fund Code (DE 430)	17.2	0.0	0.0
25	Action Date	14.5	0.0	15.1
26	Period of Performance Start Date	14.2	0.0	14.9
53	Obligation	14.0	0.0	0.0
50	Object Class	13.2	0.0	0.0
4	Ultimate Parent Legal Entity Name	11.0	0.3	15.3
15	Potential Total Value of Award	10.6	0.3	15.2
36	Action Type	10.0	0.0	10.0
14	Current Total Value of Award	7.9	0.5	15.4
30	Primary Place of Performance Address	7.3	4.0	18.0
42	Funding Office Name	7.3	0.0	15.1
27	Period of Performance Current End Date	7.0	1.3	16.4
43	Funding Office Code	6.7	0.0	15.1

*Table 5. The DoD's Results for Data Elements in the DoD's Files C, D1, and D2 DATA Act Submissions (cont'd)*

The DoD's File C, D1, and D2 Results Listed in Descending Order by Accuracy Error Rate				
Accuracy (A), Completeness (C), Timeliness (T)				
Data Element No.	Data Element Name	Error Rate (percent)*		
		A	C	T
51	Appropriations Account	6.5	0.0	0.0
28	Period of Performance Potential End Date	6.0	1.4	16.3
22	Award Description	5.1	0.0	15.1
31	Primary Place of Performance Congressional District	3.6	1.6	16.5
5	Legal Entity Address	3.2	0.0	15.1
13	Federal Action Obligation	3.0	0.5	15.6
33	Primary Place of Performance Country Name	1.9	1.3	16.4
32	Primary Place of Performance Country Code	1.6	1.3	16.4
1	Awardee or Recipient Legal Entity Name	1.3	0.0	15.1
2	Awardee or Recipient Unique Identifier	1.3	0.0	15.1
3	Ultimate Parent Unique Identifier	1.3	0.0	15.1
40	Funding Sub Tier Agency Name	1.1	0.0	15.1
18	NAICS Description	0.8	0.0	14.9
39	Funding Agency Code	0.8	0.0	15.1
45	Awarding Agency Code	0.8	0.0	15.1
24	Parent Award Identification Number	0.3	0.0	18.5
41	Funding Sub Tier Agency Code	0.3	0.0	15.1
46	Awarding Sub Tier Agency Name	0.3	0.0	15.1
48	Awarding Office Name	0.3	0.0	15.1
58	National Interest Action (DE 163)	0.3	0.0	14.9
7	Legal Entity Country Code	0.0	0.0	15.1
8	Legal Entity Country Name	0.0	0.0	15.1
11	Amount of Award	0.0	0.0	33.3
12	Non-Federal Funding Amount	0.0	0.0	33.3
19	Catalog of Federal Domestic Assistance Number	0.0	0.0	33.3
20	Catalog of Federal Domestic Assistance Title	0.0	0.0	33.3
23	Award Modification or Amendment Number	0.0	0.0	12.9
34	Award Identification Number (PIID/FAIN)	0.0	0.0	15.1

*Table 5. The DoD's Results for Data Elements in the DoD's Files C, D1, and D2 DATA Act Submissions (cont'd)*

The DoD's File C, D1, and D2 Results Listed in Descending Order by Accuracy Error Rate				
Accuracy (A), Completeness (C), Timeliness (T)				
Data Element No.	Data Element Name	Error Rate (percent)*		
		A	C	T
35	Record Type	0.0	0.0	33.3
37	Business Types	0.0	0.0	33.3
38	Funding Agency Name	0.0	0.0	15.1
44	Awarding Agency Name	0.0	0.0	15.1
47	Awarding Sub Tier Agency Code	0.0	0.0	15.1
49	Awarding Office Code	0.0	0.0	15.1

\* These error rates do not reflect projected error rates to the population, but are the error rates from the sample alone.

Source: The DoD OIG.

## ***Analysis of the Accuracy of Dollar Value-Related Data Elements***

Table 6 summarizes our results for the analysis of the accuracy of dollar value-related data elements tested in Files C, D1, and D2 for the fourth quarter FY 2020.

*Table 6. Accuracy of the DoD's File C, D1, and D2 Dollar-Value Related Data Elements*

Accuracy of Dollar-Value Related Data Elements <sup>1</sup>								
PIID/FAIN	Data Element		Accurate	Not Accurate	N/A <sup>2</sup>	Total Tested	Error Rate	Absolute Value of Errors
FAIN	DE 11	Amount of Award	3	0	0	3	0.0%	\$0.00
FAIN	DE 12	Non-Federal Funding Amount	3	0	0	3	0.0%	\$0.00
FAIN	DE 13	Federal Action Obligation	3	0	0	3	0.0%	\$0.00
PIID	DE 13	Federal Action Obligation	358	11	0	369	3.0%	\$27,512,818.32
PIID	DE 14	Current Total Value of Award	339	30	0	369	8.0%	\$363,600,700.08

Table 6. Accuracy of the DoD's File C, D1, and D2 Dollar-Value Related Data (cont'd)

Accuracy of Dollar-Value Related Data Elements <sup>1</sup>								
PIID/ FAIN	Data Element		Accurate	Not Accurate	N/A <sup>2</sup>	Total Tested	Error Rate	Absolute Value of Errors
PIID	DE 15	Potential Total Value of Award	330	39	0	369	11.0%	\$806,547,899,855.29
FAIN	DE 53	Obligation	1	2	0	3	66.7%	\$11,734,796.86
PIID	DE 53	Obligation	319	50	0	369	14.0%	\$49,128,136.96
Total			1,354	134	0	1,488		

<sup>1</sup> The results are not projectable because the statistical sample was performed on attributes, not monetary amounts associated with each data element.

<sup>2</sup> N/A = Not applicable because the data element was optional and DoD did not report the data.

Source: The DoD OIG.

## Appendix G

### CIGIE's DATA Act Anomaly Letter



December 22, 2015

The Honorable Ron Johnson  
Chairman  
The Honorable Thomas Carper  
Ranking Member  
Committee on Homeland Security  
and Governmental Affairs  
United States Senate  
Washington, D.C.

The Honorable Jason Chaffetz  
Chairman  
The Honorable Elijah Cummings  
Ranking Member  
Committee on Oversight and Government Reform  
U.S. House of Representatives  
Washington, D.C.

Dear Mr. Chairmen and Ranking Members:

The Council of the Inspectors General on Integrity and Efficiency (CIGIE) recognizes and appreciates your leadership on issues of Government transparency and accountability. In particular, we believe the enactment last year of the Digital Accountability and Transparency Act of 2014 (DATA Act) will significantly improve the quality of Federal spending data available to Congress, the public, and the accountability community if properly implemented. To make sure this happens, the DATA Act provides for strong oversight by way of the Federal Inspectors General and the Government Accountability Office (GAO). In particular, the DATA Act requires a series of reports from each to include, among other things, an assessment of the completeness, timeliness, quality, and accuracy of data submitted by agencies under the DATA Act.

I am writing this letter on behalf of CIGIE to inform you of an important timing anomaly with the oversight requirement for Inspectors General in the DATA Act. Your staffs have been briefed on this timing anomaly, which affects the first Inspector General reports required by the DATA Act. Specifically, the first Inspector General reports are due to Congress in November 2016. However, the agencies we oversee are not required to submit spending data in compliance with the DATA Act until May 2017. As a result, Inspectors General would be unable to report on the spending data submitted under the Act, as this data will not exist until the following year. This anomaly would cause the body of reports submitted by the Inspectors General in November 2016 to be of minimal use to the public, the Congress, the Executive Branch, and others.

To address this reporting date anomaly, the Inspectors General plan to provide Congress with their first required reports in November 2017, a one-year delay from the due date in statute, with subsequent reports following on a two-year cycle, in November 2019 and November 2021. We believe that moving the due dates back one year will enable the Inspectors General to meet the

1717 H Street, NW, Suite 825, Washington, DC 20006



## CIGIE's DATA Act Anomaly Letter (cont'd)

Page 2

intent of the oversight provisions in the DATA Act and provide useful reports for the public, the Congress, the Executive Branch, and others.

Although we think the best course of action is to delay the Inspector General reports, CIGIE is encouraging the Federal Inspector General Community to undertake DATA Act "readiness reviews" at their respective agencies well in advance of the first November 2017 report. Through a working group, CIGIE has developed guidance for these reviews. I am pleased to report that several Inspectors General have already begun reviews at their respective agencies, and many Inspectors General are planning to begin reviews in the near future. We believe that these reviews, which are in addition to the specific oversight requirements of the Act, will assist all parties in helping to ensure the success of the DATA Act implementation.

We have kept GAO officials informed about our plan to delay the first Inspector General reports for one year, which they are comfortable with, and our ongoing efforts to help ensure early engagement through Inspector General readiness reviews.

Should you or your staffs have any questions about our approach or other aspects of our collective DATA Act oversight activities, please do not hesitate to contact me at (202) 514-3435.

Sincerely,



Michael E. Horowitz  
Chair, Council of the Inspectors General on Integrity and Efficiency  
Inspector General, U.S. Department of Justice

cc: The Honorable David Mader, Controller, OMB  
The Honorable Gene Dodaro, Comptroller General, GAO

SOURCE: CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act.

## Appendix H

### Comparative Results Table

See Table 7 for a comparison of the projected accuracy error rates for the File D1 data elements tested during both the FY 2021 and FY 2019 DATA Act audits.

We did not review the DoD's File C data elements during our FY 2019 audit, and we only tested three File D2 transactions for the FY 2021 audit; therefore, we could not compare those elements

*Table 7. Comparison of Projected Accuracy Error Rates for the File D1 Data Elements Tested for the FY 2021 and FY 2019 DoD DATA Act Audits*

Comparative Results for the Accuracy of File D1 Data Elements Reviewed Between the FY 2019 and FY 2021 DATA Act Audits <sup>1</sup>				
Data Element No.	Data Element Name	Accuracy (Percent)		
		Fourth Quarter FY 2020	First Quarter FY 2019	Change in Error Rate <sup>2</sup>
1	Awardee or Recipient Legal Entity Name	1.4	0.3	(1.1)
2	Awardee or Recipient Unique Identifier	0.8	0.8	0.0
3	Ultimate Parent Unique Identifier	0.8	0.0	(0.8)
4	Ultimate Parent Legal Entity Name	11.1	0.5	(10.6)
5	Legal Entity Address	3.0	3.9	0.9
6	Legal Entity Congressional District	20.3	11.2	(9.1)
7	Legal Entity Country Code	0.0	1.8	1.8
8	Legal Entity Country Name	0.0	1.8	1.8
13	Federal Action Obligation	3.0	N/A	N/A
14	Current Total Value of Award	7.9	11.4	3.5
15	Potential Total Value of Award	10.6	11.7	1.1
16	Award Type	57.7	25.7	(32.0)
17	NAICS Code	37.4	0.5	(36.9)
18	NAICS Description	0.8	0.5	(0.3)
22	Award Description	5.1	9.6	4.5
23	Award Modification or Amendment Number	0.0	0.0	0.0
24	Parent Award Identification Number	0.3	6.0	5.7
25	Action Date	14.6	7.8	(6.8)
26	Period of Performance Start Date	14.4	7.8	(6.6)
27	Period of Performance Current End Date	7.0	15.1	8.1

*Table 7. Comparison of Projected Accuracy Error Rates for the File D1 Data Elements Tested for the FY 2021 and FY 2019 DoD DATA Act Audits (cont'd)*

Comparative Results for the Accuracy of File D1 Data Elements Reviewed Between the FY 2019 and FY 2021 DATA Act Audits <sup>1</sup>				
Data Element No.	Data Element Name	Accuracy (Percent)		
		Fourth Quarter FY 2020	First Quarter FY 2019	Change in Error Rate <sup>2</sup>
28	Period of Performance Potential End Date	6.0	15.8	9.8
29	Ordering Period End Date	60.0	0.8	(59.2)
30	Primary Place of Performance Address	6.8	66.5	59.7
31	Primary Place of Performance Congressional District	2.8	68.3	65.5
32	Primary Place of Performance Country Code	1.4	64.4	63.0
33	Primary Place of Performance Country Name	1.6	64.4	62.8
34	Award ID Number	0.0	5.7	5.7
36	Action Type	10.5	1.0	(9.5)
38	Funding Agency Name	0.0	5.7	5.7
39	Funding Agency Code	0.8	6.2	5.4
40	Funding Sub Tier Agency Name	0.8	8.8	8.0
41	Funding Sub Tier Agency Code	0.0	8.8	8.8
42	Funding Office Name	7.0	11.4	4.4
43	Funding Office Code	6.8	9.4	2.6
44	Awarding Agency Name	0.0	5.7	5.7
45	Awarding Agency Code	0.8	6.2	5.4
46	Awarding Sub Tier Agency Name	0.3	5.7	5.4
47	Awarding Sub Tier Agency Code	0.0	5.7	5.7
48	Awarding Office Name	0.3	7.0	6.7
49	Awarding Office Code	0.0	5.7	5.7
163	National Interest Action	0.3	N/A	N/A

<sup>1</sup> File D1 sample exclusively in 2019. From the FY 2020 File D1 submission, we tested a sample of 369 procurement transactions.

<sup>2</sup> The numbers in parenthesis represent negative values.

Source: The DoD OIG.

# Management Comments

## Office of the Under Secretary of Defense (Comptroller)



COMPTROLLER

## OFFICE OF THE UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1100

November 3, 2021

MEMORANDUM FOR PROGRAM DIRECTOR, AUDIT, CYBERSPACE OPERATIONS,  
DEPARTMENT OF DEFENSE OFFICE OF INSPECTOR  
GENERAL

SUBJECT: Audit of the DoD's Compliance with the Digital Accountability and Transparency  
Act of 2014 (Project No. D2021-D000CS-0039.000)

As the DoD Senior Accountable Official (SAO) for DoD implementation of the Digital Accountability and Transparency Act of 2014 (DATA Act), I have reviewed the subject report and concur with both audit recommendations.

The intent of the DATA Act is to enable taxpayer transparency and provide policy makers an ability to track Federal spending more effectively. Since implementation of the DATA Act in 2017, the DoD has made tremendous progress in our ability to link procurement and award assistance information with spending data in our accounting systems. DoD accepts full responsibility for the accuracy, quality, and completeness of the information reported in our DATA Act submission. It is also critical to note that procurement and award assistance data is extracted from reporting systems outside of DoD, a fact that makes timely and cost-effective validation of our data particularly challenging.

We appreciate your audit team's cooperative efforts and rigorous evaluation of this program. Thank you for the opportunity to review and comment on the draft audit report. My point of contact for the DATA Act is [REDACTED], who can be reached at [REDACTED] or [REDACTED]

GLENN.DOU  
GLAS.A. [REDACTED]  
[REDACTED]  
Douglas A. Glenn  
Deputy Chief Financial Officer

Attachment:  
DoD SAO Response

cc:  
Principal Director, Defense Pricing and Contracting, Office of the Under Secretary of Defense  
for Acquisition and Sustainment

## Office of the Under Secretary of Defense (Comptroller) (cont'd)

DOG OIG DRAFT REPORT – DATED OCTOBER 28, 2021  
OIG PROJECT NO. D2021-D000CS-0039.000

### “AUDIT OF THE DOD’S COMPLIANCE WITH THE DIGITAL ACCOUNTABILITY AND TRANSPARENCY ACT OF 2014”

#### SENIOR ACCOUNTABLE OFFICIAL (SAO) RESPONSES TO RECOMMENDATIONS

**RECOMMENDATION 1:** We recommend that DoD Under Secretary of Defense (Comptroller), DoD, update the U.S. DoD Digital Accountability and Transparency Act Data Quality Plan to include a process for documenting and disclosing changes made to any DoD DATA Act submission, including the removal of any information from data elements and changes related to exceptions and errors received from the DATA Act Broker, in the monthly and quarterly Digital Accountability and Transparency Act submissions certification comments in the DATA Act Broker.

**SAO RESPONSE TO RECOMMENDATION 1:** The DoD Digital Accountability and Transparency Act of 2014 (DATA Act) Data Quality Plan (DQP) will be updated to reflect the process for documenting and disclosing variances between submission files and authoritative references. This update will reflect the requirement to expand monthly and quarterly comments in the DATA Act Broker, as applicable, for noted exceptions of known data variances. Specifically, this update will be reflected in the monthly Data Corrections Summary and in the following sections of the DoD DQP:

- Section 4.6, Senior Accountable Official Certification
- Appendix C, Process Steps for DATA Act Files

Estimated completion date is December 31, 2021.

**RECOMMENDATION 2:** We recommend that the Defense Pricing and Contracting Principal Director review the data element error rates as presented in this report, identify controls to improve the accuracy and completeness for the data elements, and revise the Procurement Data Improvement and Compliance Plan to include those controls.

**SAO RESPONSE TO RECOMMENDATION 2:** As part of the annual update to the Office of the Secretary of Defense (OSD) Procurement Data Improvement Plan, the data element error rates presented in the report will be reviewed and any appropriate controls that can be applied shall be included. However, as the report does not include the identification of the actual actions where the errors were found, it is difficult to assess what actions can be taken. While some may be actual errors that can be addressed by DoD, others may be:

1. Errors caused by a third party such as the General Services Administration (e.g., “Legal Entity Congressional District,” “Ultimate Parent Legal Entity Name”) that DoD cannot address, since DoD does not enter that information; or

Attachment

## Office of the Under Secretary of Defense (Comptroller) (cont'd)

2. Not actual errors, but specific items allowed by procurement policy (e.g., the “NAICS Code” is not required to be shown on all award documents; “Primary Place of Performance Address” and “Funding Office Code” are not required to be shown on award documents).

DoD requests that the actions where errors were found be provided, with the specific items identified, so that they can be researched in detail.

Estimated completion date of the update to the OSD Procurement Data Improvement Plan is January 31, 2022.

## Acronyms and Abbreviations

---

<b>CARES Act</b>	Coronavirus Aid, Relief, and Economic Security Act
<b>CFO</b>	Chief Financial Officer
<b>CIGIE</b>	Council of the Inspectors General on Integrity and Efficiency
<b>CFDA</b>	Catalog of Federal Domestic Assistance
<b>COVID-19</b>	Coronavirus Disease–2019
<b>DATA Act</b>	Digital Accountability and Transparency Act of 2014
<b>DEFC</b>	Disaster Emergency Fund Code
<b>DPC</b>	Defense Pricing and Contracting
<b>FAEC</b>	Federal Audit Executive Council
<b>FAIN</b>	Federal Award Identification Number
<b>FFATA</b>	Federal Funding Accountability and Transparency Act of 2006
<b>FPDS-NG</b>	Federal Procurement Data System–Next Generation
<b>GAO</b>	Government Accountability Office
<b>NAICS</b>	North American Industrial Classification System
<b>NIA</b>	National Interest Action
<b>OIG</b>	Office of Inspector General
<b>OMB</b>	Office of Management and Budget
<b>OUSDA&amp;S)</b>	Office of the Under Secretary of Defense for Acquisition and Sustainment
<b>OUSDA(C)</b>	Office of the Under Secretary of Defense (Comptroller)
<b>PIID</b>	Procurement Instrument Identifier
<b>SAO</b>	Senior Accountable Official
<b>TAFS</b>	Treasury Account Fund Symbol
<b>TAS</b>	Treasury Account Symbol
<b>USACE</b>	U.S. Army Corps of Engineers



## Glossary

---

**Appropriations Account.** Appropriation authority provides authorization by an act of Congress, which permits Federal entities to incur obligations and to make payments out of the Treasury for specified purposes. Appropriation accounts for 1-year or multiple-year appropriations are available for obligation for a definite period. No-year accounts are available for obligation for an indefinite period of time.

**DATA Act Broker System.** A system created by the Treasury to collect and validate agency data. The system processes Federal spending data from an agency's award and financial systems, validates it, and standardizes it in accordance with rules established by OMB and the Treasury.

**DATA Act Working Group.** Established by the Federal Audit Executive Council to assist the Inspector General community in adopting a common methodology and reporting approach in accordance with the DATA Act.

**Federal Audit Executive Council.** A subcommittee of CIGIE formed to discuss and coordinate issues affecting the Federal audit community, especially regarding audit policy and operations of interest to members.

**Object Class Code.** Combination of digits used to further organize and identify general categories (object classes) that presents obligations by the items or services purchased by the Federal Government. They are designated by OMB Circular No. A-11.

**Outlay.** A payment to liquidate an obligation (other than the repayment of debt principal or other disbursements that are "means of financing" transactions). Outlays are generally equal to cash disbursements but also are recorded for cash-equivalent transactions, such as the issuance of debentures to pay insurance claims, and in a few cases are recorded on an accrual basis such as interest on public issues of the public debt. Outlays are the measure of Government spending.

**Prime Awardee.** The recipient of an award.

**Program and Financing Schedule.** Document printed in the President's Budget Appendix. Presents information on agency programs, the allocation of budgetary resources by activity, the status of those resources, and spending patterns.

**Treasury Account Symbol (TAS).** An identification code assigned by the Treasury, in collaboration with OMB and the owner agency, to an individual appropriation, receipt, or other fund account. All financial transactions of the U.S. Government are classified by Treasury Account Symbol for reporting to OMB and the Treasury.

**USAspending.gov.** Publicly accessible, searchable website mandated by FFATA to give the American public access to information on how their tax dollars are spent

# **Whistleblower Protection**

## **U.S. DEPARTMENT OF DEFENSE**

*Whistleblower Protection safeguards DoD employees against retaliation for protected disclosures that expose possible fraud, waste, and abuse in Government programs. For more information, please visit the Whistleblower webpage at <http://www.dodig.mil/Components/Administrative-Investigations/Whistleblower-Reprisal-Investigations/Whistleblower-Reprisal/> or contact the Whistleblower Protection Coordinator at [Whistleblowerprotectioncoordinator@dodig.mil](mailto:Whistleblowerprotectioncoordinator@dodig.mil)*

**For more information about DoD OIG  
reports or activities, please contact us:**

**Congressional Liaison**  
703.604.8324

**Media Contact**  
[public.affairs@dodig.mil](mailto:public.affairs@dodig.mil); 703.604.8324

**DoD OIG Mailing Lists**  
[www.dodig.mil/Mailing-Lists/](http://www.dodig.mil/Mailing-Lists/)

**Twitter**  
[www.twitter.com/DoD\\_IG](http://www.twitter.com/DoD_IG)

**DoD Hotline**  
[www.dodig.mil/hotline](http://www.dodig.mil/hotline)



DEPARTMENT OF DEFENSE | OFFICE OF INSPECTOR GENERAL

4800 Mark Center Drive  
Alexandria, Virginia 22350-1500  
[www.dodig.mil](http://www.dodig.mil)  
DoD Hotline 1.800.424.9098

