



Federal Election Commission
Office of Inspector General

Required Review Under the DATA Act

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FEC OIG Required Review under the DATA Act

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Executive Summary

The *Digital Accountability and Transparency Act of 2014* (DATA Act),¹ enacted in May 2014, requires Federal agencies to report, by May 2017, financial and payment data according to data standards established by the Office of Management and Budget (OMB) and the Department of the Treasury (the Treasury). The DATA Act also mandates that Federal agency Offices of Inspector General (OIG) review the efforts of their respective agencies.

Specifically, Inspectors General (IGs) are required to:

- (1) Review a statistically valid sample of spending data submitted by their agency pursuant to the statute; and*
- (2) Report on the completeness, timeliness, quality, and accuracy of the data, as well as the implementation and use of government-wide data standards.*

In May 2015, the OMB and the Treasury published 57² data definition standards (see Appendix B for list of the 57 standard data elements) and required Federal agencies to report financial data in accordance with these standards for DATA Act reporting, beginning in January 2017. According to the DATA Act Model Schema (DAIMS),³ agencies are required to submit seven data files (as applicable) to the Treasury DATA Act Broker (The Broker).⁴ The seven DATA files to be submitted to the Broker are (for more details about the DATA Files, see Appendix A):

1. File A (Appropriations Account)
2. File B (Program Activity & Object Class)
3. File C (Award Financial Attributes)
4. File D1 (Procurement Award Attributes)
5. File D2 (Grants and Financial Assistance Award Attributes)
6. File E (Additional Awardee Attributes)
7. File F (Subaward Attributes)

¹ The DATA Act, Public Law 113-101 (May 9, 2014), requires the establishment of Government-wide standards for information on spending by Federal agencies, and all agencies must begin reporting spending data in compliance with the DATA Act. According to the Office of Management and Budget's Management Procedures Memorandum (MPM) No. 2016-03, data reported by Federal agencies in fiscal year (FY) 2017 second quarter will be displayed on USASpending.gov by May 2017.

² Under the *Federal Funding Accountability and Transparency Act of 2006* (FFATA), Federal agencies report 259 data elements to USASpending.gov. However, the Treasury and OMB identified 49 existing elements, deemed controversial in nature, and 8 new data elements requiring standardization. This audit only covers the 57 Government-wide financial data standards. The 57 data elements including definitions can be found at <https://fedspendingtransparency.github.io/data-elements/>.

³ The DAIMS v 1.0 depicts how Federal dollars are spent. It includes, in part, a conceptual model to represent the information domain for public reporting of Federal spending as well as technical guidance describing the submission file formats Federal agencies are required to follow. It is described, expressed, and represented in multiple complementary artifacts including the DATA Act elements definitions and how Data Act elements are derived, captured, and linked between files.

⁴ The Treasury created the DATA Broker to capture/consolidate the required data from the agencies which will be used as the mechanism to display on USASpending.gov.

Based on audit work performed around the Federal Election Commission's (FEC) 2nd Quarter FY 2017 data submissions to the Broker, the OIG concludes that the FEC did, in general, properly implement and make proper use of the Government-wide financial data standards. We can give reasonable assurance that the internal controls over the FEC's sourced systems are adequate. We also conclude that Files A and B are complete, accurate, and of quality. However, the OIG notes that none of the FEC's DATA files were timely submitted to the Broker. The OIG acknowledges that the FEC is dependent on their Financial Shared Service Provider (FSSP), which is the United States Department of Agriculture (USDA), to submit Files A through C on the FEC's behalf. At this time, the OIG is not able to confirm or corroborate the root cause of the delays. We also note that both the USDA and the FEC requested an extension from the OMB/Treasury, but the OIG did not receive confirmation if the requests were approved.

In addition, we identified several significant findings that have impacted our ability to give reasonable assurance over the completeness, accuracy, and quality of the data submitted for Files C, D1, and E for 2nd Quarter FY 2017 which are detailed below:

1. For the period under review, the FEC did not implement adequate controls or processes to ensure data submitted to the Treasury Broker is complete, timely, accurate, and of quality. According to the DATA Act and related OMB guidance, *Agencies are required to implement adequate control procedures to reconcile, validate, data prior to certifying and submitting data.* The OIG notes that the FEC listed the lack of resources and competing priorities as a risk to fully implementing the DATA Act in their revised DATA Act Implementation Plan submitted to OMB in August 2016. If adequate resources are not assigned to this program, corrective actions to ensure DATA submissions are complete, accurate, timely, and of quality may not be achieved.
2. Due to scope limitations, we were unable to determine the completeness and accuracy of the data submitted for Files C and E due to the following:
 - a. The FEC submitted a partial File C (only three transactions) to the Broker. The OIG notes that the FEC uses its FSSP, the USDA, for financial reporting which is the source of the data included in File C. Therefore, the OIG was unable to assess the agency's methodology for ensuring that File C contains all the transactions and links that it should and contains only those transactions that it should. Although the FEC relies on the FSSP financial system and to transmit File C, it is important to note that the burden of this determination falls on the agency to explain both completeness and accuracy.
 - b. Files E and F contain additional awardee attribute information extracted from the System for Award Management (SAM) and/or the FFATA Sub-award Reporting System (FSRS). It is the prime awardee's responsibility to report sub-award and executive compensation information in SAM and FSRS. As outlined in the OMB MPM 2016-03, the authoritative sources for the data reported in Files E and F are SAM and FSRS, respectively, with no additional action required of Federal agencies. As such, we did not assess the completeness, accuracy, timeliness, and quality of the data extracted from SAM and FSRS via the DATA Broker.

3. We have identified significant errors in File D1 that have contributed to our inability to give reasonable assurance that File D1 is accurate and of quality due to the following:
 - a. Some of the data errors are related to government-wide data issues that appear to be related to implementation of the Treasury DATA Broker, which the agency does not have any control over. The Treasury's DATA Act Program Management Office (PMO) officials confirmed that they are aware of these issues and have taken steps to avoid these kind of errors in future reporting periods. However, as the FEC does not have responsibility for how data is extracted by the broker, the OIG did not evaluate the reasonableness of the Treasury's planned corrective action and does not plan to issue recommendations related to these issues to FEC Management.
 - b. Excluding the Government-wide issues above, 89% (33 of 38) of the total awards processed in 2nd Quarter FY 2017 had other information included in File D1 that did not agree with the agency's underlying sourced records (e.g., contract, service agreement, modification). The majority of these errors are due to FEC program offices entering incorrect non-financial information into the procurement system which is not verified by the Office of the Chief Financial Officer (OCFO) for accuracy.

Until the deficiencies identified in this report are addressed, any efforts to assess the quality of the FEC data submitted for File C and File D1 for publication on Beta.USAspending.gov will be limited.

The Summary of DATA Act Results can be found at page 15, and the detailed findings along with four recommendations to help management fully implement the requirements of the DATA Act are included in the Audit Findings and Recommendations section beginning on page 5.

Audit Findings & Recommendations

I. Completeness, Accuracy, Timeliness, and Quality

Based on audit work performed, the OIG makes the following conclusions for the attributes required under the DATA Act as follows:

The FEC File C submission was incomplete.

A. Completeness

According to the General Accountability Office (GAO), completeness is measured in two ways: (1) all transactions that should have been recorded are recorded in the proper reporting period and (2) the percentage of transactions containing all applicable data elements required by the DATA Act.

Conclusion: The OIG concludes that the FEC's File A and File B are complete. However, because the FEC's File C submission only included three transactions, we were unable to test standard data elements in File C as well as the linkages between File C and B, D1, and E, which gives assurance that all files are complete. In addition, there was a 9% completion error rate for awards tested in File D1 (see Summary of DATA Act Results on page 15).

Cause/Effect: The OIG was informed that the USDA (the FSSP) was having technical difficulties prior to the due date and received a waiver/extension from OMB that postponed its submission files. It appears that the technical issues at the FSSP could be the cause of the FEC only submitting a partial File C. However, the OIG was unable to confirm or substantiate whether the FSSP's technical issues were the root cause of the delay in FEC's data submissions for File C to the Broker.

B. Accuracy

According to the GAO, accuracy is the percentage of transactions that are complete and consistent with the system(s) of record or other authoritative sources.

File D1 is not accurate which is partially related to Government-wide data issues and FEC program office staff entering incorrect data into procurement system.

Conclusion: The OIG concludes that the FEC's summary data in File A and B is accurate. However, because we were unable to test the standard data elements in File C and the linkages between File C and File D1, and there was a 89% error rate (excluding the Government-wide data reporting issues) for awards tested in File D1 (see Summary of DATA Act Results), we cannot give reasonable assurance of the accuracy of Files C and D1.

Cause/Effect: There are several causes for the different types of errors in File D1 which are listed below:

- Government-wide Data Reporting Issues - The OIG notes that there are several known Government-wide data reporting issues related to the DATA Broker that are impacting the accuracy of several standard data elements.
 - Data element #14 (A)(Current Total Value of Award)⁵ and #15(Potential Total Value of Award)⁶ - These data elements are extracted from the Federal Procurement Data System – Next Generation (FPDS-NG) via the legacy USAspending.gov and provided to the DATA Act broker (broker).⁷ Specifically, data for these elements are extracted from the following FPDS-NG fields respectively: (1) base and exercised options value and (2) base and all options value. These two fields are categorized in FPDS-NG under two columns for data entry labeled “Current” and “Total.” The “Current” column contains amounts entered into the system by the agency. The “Total” column contains cumulative amounts computed by FPDS-NG based on the modification amounts entered into the system by the agency. Procurement award modifications, included in our sample, reported values for these elements from FPDS-NG’s “Current” column, which displays the modification amount, rather than the “Total” column, which displays the total award value. As a result, data for the Current Total Value of Award and Potential Total Value of Award elements were inconsistent with agency records. A no-cost modification would cause the “Total” column to display an erroneous zero balance. Procurement awards (base awards) that were not modified did not produce these same errors.
 - Data element #16 (B) (Indefinite Delivery Vehicle (IDV) Type – The data from the IDV Type element should be extracted from FPDS-NG and provided to the broker. The FPDS-NG atom feed3 delivers the IDV Type and Contract Award Type in the same field. The broker did not break down the data for IDV Type which resulted in inconsistencies with agency records.
 - Data element #31(Primary Place of Performance County Name) – the interface definition document, a DAIMS artifact, states that these data elements are extracted via Treasury’s Award Submission Portal (ASP). During fieldwork, we noted that data for this field was consistently blank. A Treasury official explained that data derived for Primary Place of Performance County Name would not be implemented until September 2017. Because data for these elements were not derived or implemented, these data fields were consistently blank and therefore not reported for display on USAspending.gov.

⁵ The OMB defines the current total value of award data element as the total amount obligated to date on a contract, including the base and exercised options.

⁶ OMB defines Potential Total Value of award data element as the total amount that could be obligated on a contract, if the base and all options are exercised.

⁷ The legacy USAspending.gov uses FPDS Version 1.4 to extract and map that data from FPDS-NG. This was a one-time extraction for 2nd quarter transactions.

The Treasury's DATA Act PMO officials confirmed that they are aware of these issues and have taken steps to avoid these kind of errors in future reporting periods. However, as the FEC does not have responsibility for how data is extracted by the broker, the FEC OIG did not evaluate the reasonableness of the Treasury's planned corrective action and do not plan to issue recommendations related to these issues to FEC Management.

- FEC related data errors- 89% (33 of 38) of awards included in File D1 had errors mainly related to certain standard data elements (#5, 25, 26, 27) that did not agree to the agency's underlying sourced records (e.g. contract/contract modification). The OIG notes that some financial data and most non-financial data related to awards are entered into the procurement management system by FEC program offices during the time procurement requests are initiated. The data entered is not verified by someone in the OCFO to ensure accurate and proper. As a result, inaccurate data specifically related to non-financial data may not be detected.

C. Timeliness

According to the OMB, timeliness is determined based on whether the transactions/files were submitted and reported within 30 days of quarter-end.

Conclusion: We conclude the FEC's data was not timely as all data files were submitted to the DATA Broker on May 4, 2017, four days past the required due date.

Cause/Effect: The OIG notes that the FEC entered into a service agreement modification with the USDA to have the USDA submit Files A- C on the FEC's behalf. We were also informed that the USDA was having technical difficulties at the due date and received a waiver/extension from the OMB for their agency's submission file. The FEC was also advised to submit a waiver to the OMB. However, during the period under review, we were unable to confirm whether an extension was approved.

D. Quality

According to the OMB, quality⁸ focuses on the utility, objectivity, and integrity of disseminated information.

Conclusion/Cause/Effect: We conclude that Files A and B are of quality. However, due to the error rates found in File D1 (see Summary of DATA Act Results), scope limitations addressed, and the government-wide issues discussed above, we are unable to assess to the quality of the data for Files C, D1, and E.

Recommendations

1. The FEC DATA Act PMO and Senior Accountable Official (SAO) should work with the FSSP to ensure appropriate corrective actions are implemented to ensure all future DATA Act submissions are submitted on time and the files are complete. Also, see recommendation number 3 below.

⁸ OMB's Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility, and Integrity of Information Disseminated by Federal Agencies (February 22, 2002).

Management Response: Management concurs with this recommendation. The OCFO agrees that the FEC DATA Act PMO and SAO should work with the Financial Shared Service Provider (FSSP) to make sure all future DATA Act submissions are submitted on time. The FEC has already communicated with the FSSP about this issue.

OIG Comment: The OIG looks forward to reviewing corrective actions once fully implemented by management to ensure that they fully address this recommendation.

2. The SAO should ensure that proper controls are in place to ensure all non-financial data related to standard data elements are entered into the procurement system correctly.

Management Response: Management concurs with this recommendation. The SAO agrees that the OCFO should ensure that proper controls are in place to ensure the data is submitted in the system correctly. The entire agency is principally responsible for the entering the correct data into the Procurement system. The OCFO is working with Program Offices to provide training and awareness to the Agency on the importance of correct procurement data.

OIG Comment: The OIG looks forward to reviewing corrective actions once fully implemented by management to ensure that they fully address this recommendation.

II. Implementation and Use of Government-wide data standards

To determine whether the FEC properly implemented and made proper use of the Government-wide financial data standards, the OIG leveraged the work conducted during the Readiness Review, as well as the following:

- Evaluated whether all transactions and awards, made and/or modified after January 1, 2017, were properly recorded in File D1;
- Evaluated whether each transaction tested contained all required standardized data elements for that particular transaction;
- Determined whether each required data element is presented in conformance with the established data standard for that element;
- Evaluated the agency's process to review the 57 standard data elements and associated definitions established by the OMB and the Treasury. Where applicable, assessed the agency's efforts to communicate and resolve all data definition concerns/issues with the USDA as well as the OMB and the Treasury; and
- Assessed the reasonableness of the agency's process to resolve all variances and document any unusual or unexplained variances.

The FEC did not implement control procedures to ensure data submissions are complete, timely, accurate, and of quality.

Conclusion: The OIG concludes that the FEC did, in general, make proper use of the Government-wide financial data standards with a few exceptions. However, we determined that the FEC did not implement adequate control procedures to support the quarterly DATA Act submission and certification processes to ensure DATA files are complete, timely, accurate, and of quality.

According to the DATA Act and OMB MBM-2016-03, The senior accountable official (SAO) for each Federal agency is required to certify data files for its agency's financial and award data to be published on USASpending.gov...Agencies are required to implement adequate control procedures to reconcile and validate data prior to certifying and submitting data.

Cause/Effect: Although there is a SAO, the OIG believes the SAO has not been fully engaged in the DATA Act process, which could be partially due to competing priorities, as well as a lack of resources, which the FEC did include as a risk in their DATA Act Implementation plan. The OIG notes that this potentially contributed to why some of the errors in File D1 were not detected and a complete File C was not submitted or certified timely.

Recommendations

3. The SAO should ensure adequate control procedures are implemented to ensure data files are complete, accurate, timely, reconciled, and properly linked.

Management Response: Management concurs with this recommendation.

The SAO duties are currently being assumed by the Budget Director, who has been acting as the CFO since September of 2016. In addition to this vacancy the Director of Accounting position has been vacant since February of 2016. Currently 2 of the top 4 managerial OCFO positions are vacant and the SAO is performing the fill-in duties of 3 managerial positions. This puts the agency at risk for missing assignments. The Acting CFO continues to perform the SAO duties as best as possible given the demanding workload and lack of resources.

OIG Comment: The OIG believes that if adequate resources are not assigned to this function, the corrective actions required to address this recommendation may not be achieved. The OIG will assess during the follow-up review process.

4. The SAO should review the validation and reconciliation documentation before certifying DATA files submitted to the Broker.

Management Response: Management concurs with this recommendation.

OIG Comment: The OIG looks forward to reviewing corrective actions once fully implemented by management to ensure that they fully address this recommendation.

Background

On May 9, 2014, the President signed the DATA Act into law, which in part requires Federal agencies to report, by May 2017, financial and payment data in accordance with established Government-wide financial data standards established by the Treasury and OMB. The DATA Act was enacted to expand the reporting requirements pursuant to the FFATA. In May 2015, the OMB and the Treasury published 57 data definition standards (see Appendix B for list of the 57 standard data elements) and required Federal agencies to report financial data in accordance with these standards for DATA Act reporting, beginning January 2017. Once submitted, the data will be displayed on USASpending.gov for taxpayers and policy makers.

Government-wide DATA Act Requirements and Implementation

The Treasury was mandated to take over USASpending.gov and thus became responsible for determining how the data would be captured and displayed on USASpending.gov. The Treasury, along with OMB, created the DATA Act Model Schema (DAIMS), and the interface definition document, a DAIMS artifact. All agencies were provided this technical guidance to assist agencies with the ability to implement, link, and report DATA Act elements to USASpending.gov via the DATA Act Broker.

According to the DAIMS, agencies are required to submit seven data files (as applicable) to the Broker which are (for more details about the DATA Files, see Appendix A):

1. File A (Appropriations Account)
2. File B (Program Activity & Object Class)
3. File C (Award Financial Attributes)
4. File D1 (Procurement Award Attributes)
5. File D2 (Grants and Financial Assistance Award Attributes)
6. File E (Additional Awardee Attributes)
7. File F (Sub-award Attributes)

The FEC Specific DATA Act Implementation

The FEC uses a FSSP, the USDA, for its accounting and financial reporting, and uses Comprizon (a procurement management system) for processing and managing procurement awards. USDA's Financial Management Information System (FMIS) Pegasys is the main source of standard data elements in Files A through C. Most of the standard data elements included in Files D1 are automatically extracted from the Federal Procurement Data System – Next Generation (FPDS-NG) via Comprizon, and most of the standard data elements included in File E are extracted from either the Treasury's Award Submission Portal (ASP), SAM, or FRS. The FEC does not have grants, financial assistance awards, or sub-awardees. Therefore, some of the standard data elements do not apply (for the list of the 57 standard data elements, see Appendix B).

In April 2017, the FEC modified the service level agreement with USDA that allows USDA to submit Files A-C on FEC's behalf. However, the FEC is required to certify all DATA Files.

Quarterly DATA Submissions and Certification Process

Each Federal agency is required to submit all seven Data Files (as applicable) by the 30th day after the fiscal quarter ends. The agency designated SAO is required to certify all applicable Data Files (the complete DATA Act submission) of its agency's financial and award data to be published on USASpending.gov.

According to OMB MPM2016-03,⁹ an agency's quarterly SAO certification should include the following assurances:

- Assurance that the complete DATA Act quarterly submission is valid and reliable. Since a DATA Act submission contains a combination of many data sets, the SAO will be required to attest to the validity and reliability of the complete DATA Act submission and the interconnectivity/linkages across all the applicable DATA files. To provide this assurance, agencies should have internal controls in place over all of the data reported to USASpending.gov per A-123.
- Confirmation that internal controls over data quality mechanisms are in place over specific data in files, as appropriate. Existing data quality measures required by regulation and/or OMB guidance will be sufficient for SAO reliance on individual data in files. Consistent with MPM 2016-03, SAO's should leverage existing validations and assurances requirements over the data and files reported to USASpending.gov as well, as appropriate.
- Ensure data derived from authoritative sources is accurate and match the agency's underlying source records.

Currently the FEC's SAO is the Acting CFO. During the period under review, the FEC SAO had not yet implemented a certification process. The SAO plans to delegate the reconciliation and validation process to an OCFO staff member with the assistance of the FEC's DATA Act PMO.

IG Requirements under the DATA Act

The DATA Act also requires IGs to (1) review a statistically valid sample of spending data submitted by their agency pursuant to the statute; and (2) report on the completeness, timeliness, quality, and accuracy of the data, as well as the implementation and use of government-wide data standards. The DATA Act states the first IG reports were due to Congress in November 2016, but Federal agencies were not required to report spending data until May 2017.

⁹ OMB MPM 2016-03 requires the Federal agency SAOs to (1) provide assurance over the information reported to USASpending.gov; (2) leverage data quality and management controls established in statute, regulation, and Government-wide policies; and (3) align their assurance with internal control and risk management strategies described in OMB's Circular A-123.

Because of this timing anomaly, the Council of Inspectors General for Integrity and Efficiency (CIGIE) sent a letter to Congress to propose delaying the first IG report until November 2017 (see Appendix C), one year later than the statutory due date, with subsequent reports following on a two-year cycle. To gain an understanding of the FEC's efforts to implement the DATA Act, The FEC OIG conducted a Readiness Review based on the DATA Act Implementation Playbook¹⁰ and issued a Management Letter (See FEC DATA Act Readiness Review Management Letter dated December 1, 2016).

To meet the needs of the IG community, CIGIE's Federal Audit Executive Council (FAEC) established the DATA Act Working Group (Working Group). The Working Group's mission is to assist the IG community in understanding and meeting its DATA Act oversight requirements by (1) serving as a working level liaison with the Treasury, (2) consulting with the GAO, (3) developing a common approach and methodology, and (4) coordinating key communications with other stakeholders. The FAEC Working Group developed the CIGIE IG Guide to Compliance Under the DATA Act¹¹ (The IG Review Guide).

¹⁰ The Treasury, in coordination with the OMB, issued the DATA Act Implementation Playbook (Playbook) which includes a detailed eight-step implementation plan (Agency 8-Step Plan).

¹¹ The IG Guide to Compliance Under the DATA Act presents a common methodological and reporting approach for the IG community to use in performing its mandated work.

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The primary objective of this engagement is to satisfy the OIG's responsibilities under the DATA Act by assessing the: (1) completeness, timeliness, quality, and accuracy of financial and payment data submitted for publication on USASpending.gov; and (2) FEC's implementation and use of Government-wide financial data standards established by the OMB and the Treasury.

Scope/Methodology

This engagement was conducted as a performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) and modeled after the IG Review Guide. The GAGAS standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. In order to meet our audit objectives, we leveraged the work performed during our Readiness Review as well as applicable audit work performed as part of the Fiscal Year-End Financial Statement Audit.

The scope of this first engagement will be FEC's fiscal year 2017, second quarter financial and award data submitted for publication on USASpending.gov and any applicable procedures, certifications, documentation, and controls to achieve this process. According to OMB's MBM 2016-03, data reported by Federal agencies in fiscal year 2017, second quarter will be displayed on USASpending.gov by May 2017.

To accomplish the audit objectives, the engagement team:

- Obtained an understanding of applicable laws, legislation, directives, and any other regulatory criteria (guidance) related to the agency's responsibilities to report financial and award data under the DATA Act;
- Assessed the general and application controls pertaining to the financial management systems (*e.g.*, financial systems, procurement) from which the data elements were derived and linked;
- Assessed the agency's internal controls in place over the financial and award data reported to USASpending.gov per OMB Circular A-123;
- Tested summary level data and linkages (Files A and B) from fiscal year 2017, second quarter financial and award data submitted by the agency for publication on USASpending.gov;
- Tested 100% of award transactions included in File D for fiscal year 2017, second quarter financial and award data, submitted by the agency for publication on USASpending.gov, by agreeing to FEC's underlying source records (where applicable);
- Assessed the completeness, timeliness, quality, and accuracy of the financial and award data tested; and

- Assessed the agency’s implementation and use of the 57 standard data elements established by OMB and the Treasury.

Scope Limitations

The OIG is reporting several scope limitations as follows:

1. The FEC only submitted a partial (three transactions) File C for fiscal year 2017, second quarter. Therefore, the OIG was unable to perform any testing of File C and was not able to assess the proper linkages between File C and other data files. According to the OIG Review Guide, File D should be used to perform detailed testing when it is determined that File C is not suitable for testing.
2. File E contains additional awardee attribute information extracted from the System for Award Management (SAM) via the DATA Broker, and File F contains sub-award attribute information extracted from the FFATA Sub-award Reporting System (FSRS) via the DATA Broker. It is the prime awardee’s responsibility to report sub-award and executive compensation information in SAM and FSRS. Data reported from these two award reporting systems are generated in the DATA broker for display on USASpending.gov. As outlined in OMB MPM 2016-03, the authoritative sources for the data reported in Files E and F are SAM and FSRS, respectively, with no additional action required of Federal agencies. As such, we did not assess the completeness, accuracy, timeliness, and quality of the data extracted from SAM and FSRS via the DATA Broker.

**Summary of DATA Act Results
Federal Election Commission (FEC) 2nd Quarter, Fiscal Year 2017**

Section 1: Results of Assessment of Internal Controls over Source Systems

Control Objectives	Controls Properly <u>Designed</u> to Achieve Control Objective? (Yes/No)	Controls <u>Implemented</u> to Achieve Control Objective? (Yes/No)	Controls <u>Operating</u> Effectively to Achieve Control Objective? (Yes/No)
Overall Conclusion	Yes	Yes	Yes
Internal controls over data management to ensure the integrity and quality of the data.	Yes	Yes	Yes
Internal controls over data reporting to ensure that the data reported are complete, accurate, timely, and of quality.	Yes	Yes	Yes

*Auditors Note: If selected "No" in any columns above, include details in section 3.

Section 2: Results of Assessment of Internal Controls over Data Management and Processes (DATA Act Submission)

Control Objectives	Controls Properly <u>Designed</u> to Achieve Control Objective? (Yes/No)	Controls <u>Implemented</u> to Achieve Control Objective? (Yes/No)	Controls <u>Operating</u> Effectively to Achieve Control Objective? (Yes/No)
Overall Conclusion	No	No	No
Internal controls over data management to ensure the integrity and quality of the data.	No	No	No
Internal controls over data reporting to ensure that the data reported are complete, accurate, timely, and of quality.	No	No	No

*Auditors Note: If selected "No" in any columns above, include details in section 3.

Section 3: Summary of Control Deficiencies and Impact on Completeness, Timeliness, and Accuracy

Description of Control Deficiency	Impact of Control Deficiency		
	Completeness¹	Timeliness²	Accuracy³
Lack of processes to validate and reconcile the data files to ensure completeness, timeliness, and accuracy	Yes	Yes	Yes
Lack of control procedures to verify non-financial data elements entered into the procurement system to ensure the quality of the data.	Yes	No	Yes

Section 4: Results of Tests Performed at the Award-Level Transactions

Description of Attribute Testing	Completeness¹	Timeliness²	Accuracy³
Error Rate ⁴	9%	100%	89% ⁷
Sampling Error (margin of error)	N/A ⁵	N/A	N/A
Source of Sample (File C, D1, D2)	File D1	File D1	File D1
Population Size (# and \$ of each type of transactions for grants, loans, contracts, and others)	#38 \$2,686,295	#38 \$2,686,295	#38 \$2,686,295
Type of Statistical Sampling Methodology Used	N/A	N/A	N/A
Confidence Level	N/A	N/A	N/A
Expected Error Rate	N/A	N/A	N/A
Sample Precision	N/A	N/A	N/A
Sample Size	N/A	N/A	N/A

Section 5: Overall Assessment of Implementation and Use of Data Standards⁶

FEC did, in general, properly implement the DATA Act and made proper use of the Government-wide financial data standards.
Data elements with rate of errors above 50% (Agency Specific) = 26, 36 (B) Data elements with rate of errors above 50% (Government-wide data issues)⁷ = 15, 16(B) , 30, 31
<ul style="list-style-type: none"> • The DATA Files were not submitted on time (NOTE: FEC and USDA, FEC’s FSSP, requested an extension). • File C was not complete (only 3 transactions) which could be related to technical issues at the FSSP. • The OIG was unable to test for proper award linkage between File C and other files (see above).

¹Completeness is measured as the percentage of transactions containing all data elements required by the DATA Act.
²Timeliness is measured as the percentage of transactions reported within 30 days of quarter end.
³Accuracy is measured as the percentage of transactions that are complete and agree with the systems of record or other authoritative sources.
⁴Error Rate - Error rate is displayed as the percentage of transactions tested that were not in accordance with policy.
NOTE: all error rates listed exclude the errors related to known Government-wide data issues.
⁵FEC OIG tested 100% of procurement awards in File D1, therefore sampling methodology is not applicable.
⁶Agency's implementation and use of data standards is assessed as part of the tests for completeness of summary-level data and award-level transaction data.
⁷Government-wide data issues are not reflected in error rates listed above.

APPENDIXES

APPENDIX A – Description of DATA Act Files

DATA Act File	DATA File Description (consistent with MPM 2016-03)	Applies to FEC	FEC Source System
A: Appropriations Account	Reporting of account level data elements, including budget authority appropriated, unobligated balance, and other budgetary resources. The related data elements to be reported for each Treasury Account Symbol (TAS), excluding subaccounts, which must agree to data reported to GTAS (Government-wide Treasury Account Symbol Adjusted Trial Balance System) data used to produce the SF-133 Report on Budget Execution and Budgetary Resources.	Yes	USDA (FEC’s FSSP) Financial System - Pegasys
B: Object Class and Program Activity	Reporting of net obligated amounts and outlays summarized for each unique combination of TAS (excl. subaccount), object class, and program activity. GTAS data used to produce the SF-133; and Object Class codes in section 83 of Circular A-11.	Yes	USDA (FEC’s FSSP) Financial System - Pegasys
C: Award Financial Attributes	Reporting of prime award financial data by unique prime awardee ID (PIID) in agency financial systems at the transaction level. These amounts will be reported for each unique combination of TAS, object class, award ID, and award modification / amendment number.	Yes	USDA (FEC’s FSSP) Financial System - Pegasys

FEC – OIG REQUIRED REVIEW UNDER THE DATA ACT

DATA Act File	DATA File Description (consistent with MPM 2016-03)	Applies to FEC	FEC Source System
D1: Procurement Award Attributes	Reporting of financial and non-financial (i.e. period of performance, and place of performance) data for prime procurement awardee. This data will be reported for each unique PIID combination of award and award modification /amendment number and linked to each transaction-level obligated amount included in File C.	Yes	Procurement award data will be sourced from FEC’s procurement management system (Comprizon) via FPDS-NG.
D2: Grants and Financial Assistance Award Attributes	Reporting of financial and non-financial (i.e. award description, award title) data elements for prime grant awardees/recipients. This data will be reported for each unique Federal Award identification Number (FAIN) and linked to each transaction level obligated amount by the unique FAIN in File C.	No	N/A
E: Other Awardee Attributes	Reporting of other awardee/recipient data elements (i.e. legal entity name, address, and top 5 highly compensated officers). This data will be provided for each prime awardee as indicated by the awardee/recipient unique ID (DUNS).	Yes	NOTE: Source system owner is GSA, procurement data will be sourced from FPDS-NG (except highly compensated officer which will come from SAM ¹ for prime awardees/ financial assistance).
F: Subaward Attributes	Reporting of sub-award data elements (i.e. subaward number and subaward amount). These elements will be reported for each subaward linked to each award by the award ID number (PIID or FAIN).	No	N/A

¹ Not all award recipients are required to register in SAM. Controls and assurances associated with SAM data are not expected to be applied to recipients who are exempt from SAM registration or who are not required to register.

APPENDIX B – List of 57 Standard DATA Elements

ELEMENT #	DATA ELEMENT NAME	DATA FILE	APPLIES TO THE FEC
1	Awardee/Recipient Legal Entity Name	File D1 and D2	Yes
2	Awardee/Recipient Unique Identifier	File D1, D2, E, and F	Yes
3	Ultimate Parent Unique Identifier	File D1 and E	Yes
4	Ultimate Parent Legal Entity Name	File D1 and E	Yes
5	Legal Entity Address ^a	File D1, D2, and F	Yes
6	Legal Entity Congressional District	File D1 ^d , D2, and F	Yes
7	Legal Entity Country Code	File D1, D2, E, and F	Yes
8	Legal Entity Country Name	File D1, D2, E and F	Yes
9	Highly Compensated Officer Name	File E and F	Yes
10	Highly Compensated Officer Total Compensation	File E and F	Yes
11	Federal Action Obligation	File D1 and D2	Yes
12	Non-Federal Funding Amount	File D2	No
13	Current Total Funding Obligation Amount on Award	File D2 and F	No
14	Current Total Value of Award	File D1	Yes
15	Potential Total Value of Award	File D1	Yes
16	Type of Transaction Code	File D1 ^d and D2	Yes
17	North American Industrial Classification System (NAICS) Code	File D1 and F	Yes
18	North American Industrial Classification System (NAICS) Description	File D1 ^d and F	Yes
19	Catalog of Federal Domestic Assistance (CFDA) Number	File D2	No
20	Catalog of Federal Domestic Assistance (CFDA) Title	File D2	No

FEC – OIG REQUIRED REVIEW UNDER THE DATA ACT

ELEMENT #	DATA ELEMENT NAME	DATA FILE	APPLIES TO THE FEC
21	Treasury Account Symbol (TAS) ^b (excluding sub-account)	File A,B, and C	Yes
22	Award Description	File D1, D2, and F	Yes
23	Award Modification/Amendment Number	File D1	Yes
24	Parent Award Identification (ID) Number	File C, D1, and F	Yes
25	Action Date	File D1, D2, and F	Yes
26	Period of Performance Start Date	File D1	Yes
27	Period of Performance Current End Date	File D1	Yes
28	Period of Performance Potential End Date	File D1	Yes
29	Ordering Period End Date	File D1	Yes
30	Primary Place of Performance Address ^c	File D1 and F	Yes
31	Primary Place of Performance Congressional District	File D1 ^d , D2, and F	Yes
32	Primary Place of Performance Country Code	File D1, D2, and F	Yes
33	Primary Place of Performance Country Name	File F	No
34	Award Identification Number (Award ID) ^e	File C, D1, and D2	Yes
35	Record Type	File D2	No
36	Action Type	File D1 and D2	Yes
37	Business Type	File D2	No
38	Funding Agency Name	File D1 and D2	Yes
39	Funding Agency Code	File D1 and D2	Yes
40	Funding Sub Tier Agency Name	File D1 and D2	Yes
41	Funding Sub Tier Agency Code	File D1 and D2	Yes
42	Funding Office Name	File D1 and D2	Yes
43	Funding Office Code	File D1 and D2	Yes

FEC – OIG REQUIRED REVIEW UNDER THE DATA ACT

ELEMENT #	DATA ELEMENT NAME	DATA FILE	APPLIES TO THE FEC
44	Awarding Agency Name	File D1 and D2	Yes
45	Awarding Agency Code	File D1 and D2	Yes
46	Awarding Sub Tier Agency Name	File D1, D2, and F	Yes
47	Awarding Sub Tier Agency Code	File D1, D2, and F	Yes
48	Awarding Office Name	File D1 and D2	Yes
49	Awarding Office Code	File D1 and D2	Yes
50	Object Class	File B	Yes
51	Appropriations Account ^f	File A, B, and C	Yes
52	Budget Authority Appropriated	File A	Yes
53	Obligations	File A, B, and C	Yes
54	Unobligated Balance	File A	Yes
55	Other Budgetary Resources	File A	Yes
56	Program Activity	File B	Yes
57	Outlay	File A, B, and C ^g	Yes

^a Legal Entity Address is made up of five components: Address Lines 1 and 2, City, State Code, and ZIP+4 or Postal Code.

^b TAS is made up of five components: allocation agency, agency, main account, period of availability and availability type.

^c Primary Place of Performance Address is made up of six components: Address Lines 1 and 2, City, County, State Code, and ZIP+4 or Postal Code.

^d This element is a derived field in the respective File in accordance with the DATA Act Information Model Schema, and thus the agency or its system(s) is not the authoritative source for the data.

^e Award ID is the Procurement Instrument Identifier (PIID) for procurement, or the Federal Award Identification Number (FAIN) for financial assistance.

^f Appropriations accounts are represented by Treasury Account Symbols (TAS).

^g A value may be optionally reported for this element in the respective File in accordance with the DATA Act Information Model Schema.

Source: Federal Election Commission OIG's analysis of the DAIMS version 1.0



Council of the
INSPECTORS GENERAL
on INTEGRITY and EFFICIENCY

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

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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

Federal Election Commission Office of Inspector General



Fraud Hotline 202-694-1015

or toll free at 1-800-424-9530 (press 0; then dial 1015)

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Individuals including FEC and FEC contractor employees are encouraged to alert the OIG to fraud, waste, abuse, and mismanagement of agency programs and operations. Individuals who contact the OIG can remain anonymous. However, persons who report allegations are encouraged to provide their contact information in the event additional questions arise as the OIG evaluates the allegations. Allegations with limited details or merit may be held in abeyance until further specific details are reported or obtained. Pursuant to the Inspector General Act of 1978, as amended, the Inspector General will not disclose the identity of an individual who provides information without the consent of that individual, unless the Inspector General determines that such disclosure is unavoidable during the course of an investigation. To learn more about the OIG, visit our Website at: <http://www.fec.gov/fecig/fecig.shtml>

Together we can make a difference.