



OFFICE OF  
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

November 8, 2019

OIG-20-008

MEMORANDUM FOR DAVID EISNER, ASSISTANT SECRETARY FOR  
MANAGEMENT

FROM: Andrea D. Smith /s/  
Director, Fiscal Service Audits

SUBJECT: Audit of Treasury's Reporting Under the DATA Act –  
Summary Results

In accordance with the Digital Accountability and Transparency Act of 2014 (DATA Act),<sup>1</sup> I am providing the summary audit results of the Department of the Treasury's (Treasury or the Department) efforts to report required financial and payment information. Our audit objectives were to: (1) assess the completeness, timeliness, quality, and accuracy of Fiscal Year (FY) 2019, first quarter financial and payment information Treasury submitted for publication on USAspending.gov, and (2) assess Treasury's implementation and use of the data standards. We performed our audit in coordination with the Treasury Inspector General for Tax Administration (TIGTA), an entity independent of our office with jurisdictional oversight for the Internal Revenue Service (IRS). Our office and TIGTA each performed separate audits of our respective oversight areas – IRS for TIGTA and non-IRS offices and bureaus for the Treasury Office of Inspector General (OIG).

In summary, we found that Treasury's completeness and accuracy error rates were low. Specifically, Treasury's error rates are 8 percent for completeness and 14 percent for accuracy.<sup>2</sup> The error rate for the timeliness is near the cutoff between lower and moderate at 22 percent. As discussed further below, two primary issues impacted the timeliness of Treasury's data, including the "action date" element and the treatment of discounts Treasury receives on payments to vendors.

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<sup>1</sup> Public Law 113-101 (May 9, 2014).

<sup>2</sup> The Council of Inspectors General for Integrity and Efficiency Federal Audit Executive Council Inspectors General Guide to Compliance Under the DATA Act defines data with error rates between 0 and 20 percent as of higher quality and data with error rates between 21 and 40 percent as moderate quality.

In a written response, which is included in its entirety in Attachment A, Treasury management noted that they were pleased with the assessment of their spending data as accurate and complete, which provides confidence to the users of the publicly reported information. Management encouraged the Inspector General Community to reconsider its methodology for determining overall data quality. Specifically, management believes that overall data quality should be assessed based on either a weighted or simple average of the ratings of accuracy, completeness, and timeliness, rather than on the single worst error rate of the three measures. In addition, management generally concurred with recommendations made by TIGTA and our office. We request management record a target date for completing corrective actions in the Joint Audit Management Enterprise System, Treasury's audit recommendation tracking system.

Treasury management did not agree with our recommendation 6, which is related to treatment of discounts Treasury receives on payments to vendors. Management stated that treatment of discounts varies across Federal agencies due to lack of Government-wide guidance. Management acknowledged that it recognizes discounts within the Federal Procurement Data System-Next Generation (FPDS-NG) at the time of contract close out, which differs from the timing of recognition within its financial systems. Management believes it is impractical to generate an award action at the time of receipt for any discount and will work with their Government-wide counterparts to develop specific guidance that will provide clarity and consistency for the treatment of discounts across the Federal Government. We agree with Treasury management that there is not specific Government-wide guidance on this issue. We have reviewed Treasury's position on this issue and while we agree that the Federal Acquisition Regulation does not include specific guidance on the treatment of discounts, it does require agencies to report any modification to awards that change previously reported award action data, regardless of dollar value, to FPDS-NG within three business days. Our position is that this would include discounts. With that said, we agree to work with Treasury's management, the Office of Management and Budget (OMB), and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) DATA Act Working Group to gain further clarification on this issue.

To accomplish our objectives, we obtained an understanding of the current laws, regulations, and guidance related to Treasury's reporting responsibilities under the DATA Act. We conducted interviews with Treasury personnel responsible for implementation of the Department's DATA Act reporting requirements. In coordination with TIGTA, we selected a statistically valid sample of the financial and payment data Treasury submitted and certified for publication on USAspending.gov and traced the selected transactions back to underlying agency records. We designed our sample to estimate a rate of

reporting errors with a sampling error of no greater than plus or minus 5 percent based on a 95 percent confidence level and an expected error rate of 80 percent. To select our sample, we divided the population of 4,065 records into two strata: 1,490 IRS-related records, and 2,575 records related to Treasury's remaining reporting entities, or non-IRS transactions. We then selected a statistically valid sample of 234 records proportionally allocated between the two strata; 86 IRS records and 148 non-IRS records.

### **Treasury Summary Results for All Offices and Bureaus**

Treasury's submission to the DATA Act Broker was timely and complete and did not include significant variances between files A, B, and C. In total, for our sample of 234 records, the projected error rates are 8 percent for completeness, 14 percent for accuracy, and 22 percent for timeliness. Treasury's timeliness error rate is impacted by the "action date" data element and discount transactions for the Department's non-IRS transactions. Treasury's May 2019 Data Quality Plan identified the "action date" data element as high risk and outlined a corrective action plan. Treasury's contracting personnel did not report discount transactions timely in the procurement award reporting systems. Once Treasury addresses the "action date" data element and reports discount transactions consistently between financial and procurement systems, Treasury's data quality will likely improve. We made recommendations to improve the non-IRS issues that impacted Treasury's overall rating in Attachment B. TIGTA's recommendations to improve the IRS issues that impacted Treasury are discussed in Attachment C.

Treasury has also implemented and used the data standards as defined by OMB and Treasury's Program Management Office (PMO). The following sections summarize the results of our work.

### **Completeness and Timeliness of Agency Submission**

We evaluated Treasury's submission to the DATA Act Broker and determined that it was complete and timely. To be considered a complete submission, we evaluated Files A, B, and C to determine that all transactions and events that should have been recorded were recorded in the proper period. For the submission to be considered timely, we verified whether Treasury's submission to the broker was in accordance with the schedule established by Treasury's PMO.

### **Summary-Level Data and Linkages for Files A, B, and C**

We reconciled Files A and B and determined that Files A and B were accurate. We also reconciled the linkages between Files A, B, and C and determined that

the linkages were valid. Our test work did not identify any significant variances between Files A, B, and C.

### Record-Level Data and Linkages for Files C and D

We selected a sample of 234 records and tested 57 data elements for timeliness, completeness, and accuracy.

- Completeness of the Data Elements

Based on a 95 percent confidence level, the projected error rate for the completeness of the data elements is between 5 and 11 percent. A data element was considered complete if the required data element that should have been reported was reported.

- Accuracy of the Data Elements

Based on a 95 percent confidence level, the projected error rate for the accuracy of the data elements is between 11 and 17 percent. A data element was considered accurate when amounts and other data relating to recorded transactions were recorded in accordance with the DATA Act Information Model Schema (DAIMS) Reporting Submission Specification, Interface Definition Document, and the online data dictionary, and agree with the authoritative source records.

- Timeliness of the Data Elements

Based on a 95 percent confidence level, the projected error rate for the timeliness of the data elements is between 17 and 26 percent. The timeliness of data elements was based on the reporting schedules defined by the financial, procurement, and financial assistance reporting requirements.

- Quality of the Data Elements

We determined the quality of the data elements using the midpoint of the range of the proportion of errors (error rate) for completeness, accuracy, and timeliness. We used the highest of the three error rates as the determining factor for quality. Table 1 provides the range of errors in determining the quality of the data elements.

**Table 1: Error Rate Ranges for Quality**

Highest Error Rate	Quality Level
0% - 20%	Higher
21% - 40%	Moderate
41% and above	Lower

Source: The Council of Inspectors General for Integrity and Efficiency Federal Audit Executive Council Inspectors General Guide to Compliance Under the DATA Act

Based on our test work and the timeliness error rate of 22 percent, we determined that Treasury’s data is of moderate quality. However, as stated in our summary, the timeliness rate places Treasury’s quality rating near the cutoff for higher to moderate.

- Implementation and Use of the Data Standards

We evaluated Treasury’s implementation and use of the Government-wide financial data standards for spending information as developed by OMB and Treasury’s PMO. We determined that Treasury has fully implemented and is using those data standards as defined by OMB and Treasury’s PMO.

### Non-IRS Results

We assessed the completeness, accuracy, and timeliness of Treasury’s FY 2019, first quarter non-IRS data, and determined that the data is of moderate quality. Specifically, Treasury’s non-IRS data has low error rates for completeness and accuracy and a moderate error rate for timeliness. While Treasury’s error rate for accuracy is low, we identified place of performance address (ZIP + 4), action date, and ultimate parent legal entity name as data elements with higher error rates for accuracy. We also noted (1) that the DAIMS definition for period of performance start date is not clear, (2) Treasury’s Executive Office for Asset Forfeiture has not reported financial assistance award data for publication on USAspending.gov, and (3) Treasury does not timely report discounts for procurement awards to the FPDS-NG.

To improve the quality of Treasury’s non-IRS data submissions for publication on USAspending.gov, we recommend that Treasury’s Assistant Secretary for Management, working as needed with Treasury’s Senior Accountable Official, the Senior Procurement Executive, reporting entities, Treasury’s PMO, and OMB, take the following actions: (1) develop, modify, or implement policies and procedures that (a) require primary place of performance address, including ZIP + 4, be documented in the initial award document, and (b) ensure that this information is accurate in FPDS-NG; (2) develop, modify, or implement policies and procedures that ensure the action date of procurement awards are

accurately entered into FPDS-NG in accordance with the DAIMS; (3) request that Treasury's PMO ensures File D2 data is properly extracted from appropriate sources within the System for Award Management for publication on USA Spending.gov; (4) request that Treasury's PMO and OMB update the DAIMS definition of period of performance start date to (a) prescribe definitively which start date agencies should use, initial award or award modification, for DATA Act purposes; or (b) require the data element only for initial award actions; (5) develop and implement a method and procedures to submit Treasury Forfeiture Fund financial assistance award data to the Financial Assistance Broker Submission in accordance with the reporting submission specifications established by the DAIMS; and (6) establish and implement procedures to recognize discounts in FPDS-NG in accordance with timeframes established by the Federal Acquisition Regulation.

For detailed audit results for Treasury's non-IRS offices and bureaus see Attachment B of this memorandum for Treasury OIG's report OIG-20-007, dated November 8, 2019.

### **IRS Results**

TIGTA assessed the completeness, accuracy, and timeliness of Treasury's FY 2019, first quarter IRS data, and determined that the data is of higher quality. Specifically, Treasury's IRS data has low error rates for completeness, accuracy, and timeliness. However, TIGTA determined that the quality of financial and award (procurement) attribute data continues to need improvement.

TIGTA recommended that the Chief Financial Officer and the Chief, Procurement, should jointly, (1) establish procedures to guide the performance of the planned quality assurance reviews such as how frequently the reviews will be performed and how the sample size will be determined and, (2) initiate the reviews.

For detailed audit results for the IRS see Attachment C of this memorandum for TIGTA's report 2020-10-003, dated November 7, 2019.

We conducted these audits 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.

If you have any questions, please contact me at 202-927-8757 or John Tomasetti, Audit Manager, at 202-927-2665.

cc:

U.S. Senate Committee on Homeland Security and Governmental Affairs  
U.S. Senate Committee on the Budget  
U.S. Senate Committee on Finance  
U.S. House of Representatives Committee on Oversight and Reform  
U.S. House of Representatives Committee on the Budget  
U.S. House of Representatives Committee on Financial Services  
Comptroller General of the United States  
Carole Banks, Deputy Chief Financial Officer, Department of the Treasury

Attachment A: Treasury's Management Response

Attachment B: OIG Report OIG-20-007 (November 8, 2019)

Attachment C: TIGTA's Report 2020-10-003 (November 7, 2019)



## **Attachment A**

### **Department of the Treasury Management Response**





DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

November 8, 2019

Deborah L. Harker  
Assistant Inspector General for Audit  
Office of the Inspector General  
U.S. Department of the Treasury  
875 15<sup>th</sup> Street, NW  
Washington, DC 20005

Dear Ms. Harker:

Thank you for the opportunity to review and comment on the Treasury Office of Inspector General's (OIG) audit report of Treasury's consolidated spending data in connection with the Digital Accountability and Transparency Act (DATA Act) of 2014 (Pub.L. 113-101). Treasury appreciates the OIG's recognition of our noted improvements in the quality of our reported data for the first quarter of fiscal year 2019. In particular, we are pleased that the OIG assessed our spending data to be accurate and complete, which provides confidence to the users of this publicly reported information.

The Inspector General community took steps to change its methodology for assessing data accuracy which, coupled with our remediation efforts, significantly improved our audit results. We encourage the Inspector General community to continue refining its audit methodology, particularly with regards to deriving its rating of overall data quality, which we believe should be assessed based on either a weighted or simple average of the ratings of accuracy, completeness, and timeliness, rather than based on the single worst error rate of these three measures. Management does not believe weighing timeliness as the deciding factor on our quality assessment contributes to the usefulness of the result. We further encourage the Office of Management and Budget (OMB) and the government-wide DATA Act Program Management Office (PMO) to continue their efforts in issuing clarifying guidance and standards on certain data elements to ensure consistency in treatment, reporting, and audit scrutiny for federal agencies.

Our consolidated audit results incorporated those of the Treasury Inspector General for Tax Administration (TIGTA) who separately audited the Internal Revenue Service's (IRS) spending data, and concluded the IRS's data was accurate, complete, timely, and of high quality. The IRS concurs with the one TIGTA recommendation that the IRS's Chief Procurement Officer, working with its Chief Financial Officer, develop and initiate a quality assurance review process addressing the frequency of when reviews will be performed and the sample size, to ensure DATA Act procurement attribute information in contract files is appropriate and accurate.

Treasury supports the work of the audit team in identifying areas for further improvement, as mentioned in this audit engagement. We generally concur with the following OIG recommendations related to the non-Internal Revenue Service (IRS) data:

- Treasury acknowledges inaccuracies with action dates for actions awarded subject to the availability of funds which impacted our timeliness assessment. Treasury will develop and implement agency-wide policies or procedures to ensure action date is reported accurately.
- We will explore revising policies or procedures to ensure that data related to the primary place of performance address, more specifically the +4 component of the zip code, is accurate in the Federal Procurement Data System – Next Generation (FPDS-NG). However, we note that including place of performance in award documentation is not required for all contract awards per the Federal Acquisition Regulation.
- Through the government-wide Chief Financial Officer Council (CFOC), we will continue conversations with the OMB and the PMO as we encourage them to (1) ensure financial assistance

data is properly extracted from appropriate sources within the System for Award Management (SAM), and (2) update definitions within the DATA Act Information Model Schema (DAIMS) related to period of performance start date data element for clarity and consistency for federal agencies.

- We will continue to work with OMB, PMO, and the Treasury Executive Office for Asset Forfeiture on the submission of their financial assistance information.

While Treasury agrees with the above audit recommendations, management disagrees with the recommendation related to our agency's treatment of discounts. The treatment of discounts varies across federal agencies due to the lack of government-wide guidance. As an agency-wide practice, Treasury recognizes discounts within FPDS-NG at the time of contract close out, which differs from the timing of recognition within our financial systems. The OIG assessed this as an error which negatively impacted our timeliness rating. It is impractical for Treasury to generate an award action at the time of receipt for any discount. Thus, we will work with our government-wide counterparts to develop specific guidance that will provide clarity and consistency in the treatment of discounts across the federal government.

As the findings of the audit report demonstrate, Treasury achieved a high degree of accuracy and completeness in our publicly reported information. This report made no findings requiring remediation in regards to our financial data. This result, combined with Treasury receiving 19 consecutive unmodified audit opinions from KPMG LLC, our external auditor, on our consolidated financial statements, should provide the American people with confidence in the high quality of our financial data. Treasury's Data Quality Plan, signed in May 2019, provides a basis for continued improvement and remediation of our non-financial award data. We appreciate the hard work of the audit team and look forward to continuing refinements in our business processes and internal controls to reinforce data integrity and transparency in the service of taxpayers.



David F. Eisner  
Assistant Secretary for Management



Carole Y. Banks  
Deputy Chief Financial Officer

## **Attachment B**

### **Department of the Treasury Office of the Inspector General**

*OIG-20-007, Treasury Continues to Make Progress in Meeting  
its DATA Act Reporting Requirements (November 8, 2019)*





# Audit Report



OIG-20-007

**DATA ACT**

## **Treasury Continues to Make Progress in Meeting its DATA Act Reporting Requirements**

November 8, 2019

Office of Inspector General  
Department of the Treasury

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## Abbreviations

ARC	Administrative Resource Center
ASM	Assistant Secretary for Management
Award ID	Award Identification Number
Broker	DATA Act broker
BDR	Budget Data Request
CAP	Corrective Action Plan

CFO	Chief Financial Officer
CIGIE	Council of the Inspectors General on Integrity and Efficiency
DI2	DATA Act Data Integration Investment
DAIMS	DATA Act Information Model Schema
DATA Act	Digital Accountability and Transparency Act of 2014
DQP	Data Quality Plan
Department	Department of the Treasury
FABS	Financial Assistance Broker Submission
FAR	Federal Acquisition Regulation
FFATA	Federal Funding Accountability and Transparency Act of 2006
Fiscal Service	Bureau of the Fiscal Service
FPDS-NG	Federal Procurement Data System – Next Generation
FSRS	FFATA Sub-award Reporting System
FY	Fiscal Year
GAO	Government Accountability Office
GSA	General Services Administration
IDD	Interface Definition Document
IG	Inspector General
IRS	Internal Revenue Service
JAMES	Joint Audit Management Enterprise System
Mint	United States Mint
OCC	Office of the Comptroller of the Currency
OIG	Office of Inspector General
OMB	Office of Management and Budget
PMO	Program Management Office
RSS	Reporting Submission Specification
SAM	System for Award Management
SAO	Senior Accountable Official
SF-133	Standard Form 133, Report on Budget Execution and Budgetary Resources
TAS	Treasury Account Symbol
TEOAF	Treasury Executive Office for Asset Forfeiture
TFF	Treasury Forfeiture Fund
TIER	Treasury Information Executive Repository
TIGTA	Treasury Inspector General for Tax Administration
Treasury	Department of the Treasury



# Audit Report

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November 8, 2019

David F. Eisner  
Assistant Secretary for Management  
Department of the Treasury

This report presents the results of our audit, the second in a series,<sup>1</sup> of the Department of the Treasury's (Treasury or the Department) efforts to report non-Internal Revenue Service (IRS) financial and payment information<sup>2</sup> as required by the Digital Accountability and Transparency Act of 2014 (DATA Act).<sup>3</sup> Our audit objectives were to assess (1) the completeness, accuracy, timeliness, and quality of Fiscal Year (FY) 2019, first quarter financial and payment information submitted for publication on USAspending.gov and (2) Treasury's implementation and use of the data standards. The Treasury Inspector General for Tax Administration (TIGTA), an entity independent of our office, performed a separate audit of the IRS's efforts to report financial and payment information as required by the DATA Act.<sup>4</sup> The results of our audit and TIGTA's audit should be combined and

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<sup>1</sup> On November 8, 2017, we issued our first audit report on Treasury's efforts to report non-Internal Revenue Service (IRS) financial and payment information in accordance with the DATA Act: OIG-18-010R, *Treasury Continues to Make Progress in Meeting DATA Act Reporting Requirements, But Data Quality Concerns Remain*. On November 7, 2017, Treasury's Inspector General for Tax Administration issued their first audit report on the IRS efforts to report financial and payment information in accordance with the DATA Act: 2018-10-006, *Fiscal Year 2017 Digital Accountability and Transparency Act Reporting Compliance*.

<sup>2</sup> In this report, financial and payment information will be referred to as financial and award data or spending data.

<sup>3</sup> Public Law 113-101 (May 9, 2014).

<sup>4</sup> TIGTA Report Number 2020-10-003 (November 7, 2019).

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used to assess Treasury's efforts, as a whole, to comply with the DATA Act.<sup>5</sup>

To accomplish our objectives, we obtained an understanding of the current laws, regulations, and guidance related to Treasury's reporting responsibilities under the DATA Act. We conducted interviews with Treasury personnel responsible for the Department's implementation of the DATA Act reporting requirements. In consultation with TIGTA, we selected a statistically valid sample of the spending data Treasury submitted and certified for publication on USAspending.gov. We also reviewed relevant documents such as Treasury's (1) Data Quality Plan (DQP), (2) submission process design document, (3) Corrective Action Plan (CAP) reports, and (4) data certification statements. We conducted our fieldwork from May through September 2019. Appendix 1 contains a detailed description of our objectives, scope, and methodology.

## Results in Brief

Treasury continues to make progress in its efforts to comply with the DATA Act. Treasury's senior accountable official (SAO)<sup>6</sup> timely submitted and certified the Department's FY 2019, first quarter spending data<sup>7</sup> in the DATA Act broker (broker)<sup>8</sup> for publication on USAspending.gov on March 20, 2019.<sup>9</sup> Treasury's implementation and use of the data standards resulted in a complete and timely agency submission and produced complete and accurate summary-level data.

In addition, we assessed the completeness, accuracy, and timeliness of Treasury's FY 2019, first quarter non-IRS data, and

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<sup>5</sup> On November 8, 2019, we also issued a separate letter (TOIG-20-007) combining our audit results with TIGTA's to assess the Department's DATA Act compliance.

<sup>6</sup> An SAO is a high-level senior official who is accountable for the quality and objectivity of Federal spending information.

<sup>7</sup> FY 2019, first quarter spending data includes financial and award data collected between October 1 and December 31, 2018.

<sup>8</sup> The broker is an information system that collects, maps, takes in, transforms, validates, and submits agency data into a format consistent with the proposed taxonomy.

<sup>9</sup> Due to the government shutdown between December 22, 2018, and January 25, 2019, the due date for agency submissions for fiscal year 2019, first quarter was March 20, 2019.

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determined that the data is of moderate quality. Specifically, Treasury's non-IRS data has low error rates for completeness and accuracy and a moderate error rate for timeliness. While Treasury's error rate for accuracy is low, we identified three data elements<sup>10</sup> with higher error rates for accuracy. We also noted (1) that the DATA Act Information Model Schema (DAIMS)<sup>11</sup> definition for period of performance start date is not clear, (2) Treasury's Executive Office for Asset Forfeiture (TEOAF) has not reported financial assistance data for publication on USAspending.gov, and (3) Treasury does not timely report discounts for procurement awards to Federal Procurement Data System – Next Generation (FPDS-NG).<sup>12</sup>

We assessed the quality of Treasury's non-IRS data by determining if all applicable data in our sample were complete, accurate, and timely. Specifically, we assessed completeness by determining if (1) the transactions and events that should have been recorded were recorded in the proper period and (2) each of the required data elements that should have been reported were reported in the appropriate files. We assessed accuracy by determining if all applicable data relating to recorded transactions have been recorded in accordance with informational and technical guidance issued by Treasury's Program Management Office (PMO) and Office of Management and Budget (OMB) and agree with the authoritative source records.<sup>13</sup> To assess timeliness, we verified that (1) Treasury's submission to the broker is in accordance with

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<sup>10</sup> Primary place of performance address, action date, and ultimate parent legal entity name had high error rates for accuracy. We include OMB's definitions for these and all Government-wide standard financial data elements in appendix 3.

<sup>11</sup> The DAIMS gives an overall view of the hundreds of distinct data elements used to tell the story of how Federal dollars are spent. DAIMS standardizes data elements to link multiple domains across the Federal enterprise so the data can be used to support better decision-making. It includes artifacts that provide technical guidance for Federal agencies about what data to report to Treasury's Project Management Office, including data element definitions, the authoritative sources of the data elements, and the submission format.

<sup>12</sup> Federal agencies use FPDS-NG to report all contract actions, including modifications, using appropriated funds for contracts whose estimated value is at or above \$10,000. The General Services Administration (GSA) administers FPDS-NG.

<sup>13</sup> Treasury's compliance under the DATA Act is separate and distinct from the Government-wide implementation efforts being led by Treasury's Data Transparency Office at the Bureau of the Fiscal Service, also referred to as the PMO, and OMB's Office of Federal Financial Management. In this report, unless otherwise indicated, "Treasury" refers to the Department's reporting team, and not the PMO.

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the schedule established by Treasury's PMO and (2) each of the required data elements were reported in accordance with the appropriate reporting schedules defined by the appropriate financial, procurement, and financial assistance requirements. We then used the highest of the three error rates for completeness, accuracy, and timeliness to determine quality. If the highest error rate was (1) 0 through 20 percent, we considered data quality high, (2) 21 through 40 percent, we considered data quality moderate, or (3) 41 percent and above, we considered data quality low.<sup>14</sup> We used this same benchmark to measure low, moderate, and high error rates for completeness, accuracy, and timeliness.

In collaboration with TIGTA, we stratified Treasury's financial and award records between IRS-related records and records associated with Treasury's non-IRS reporting entities. We selected a statistically valid sample of 234 records proportionally allocated between the two strata; 86 records for IRS and 148 records for Treasury's non-IRS reporting entities. We tested the 148 non-IRS records and determined that 10 percent are incomplete, 14 percent are inaccurate, and 28 percent are untimely.

To improve the quality of Treasury's non-IRS data submissions for publication on USAspending.gov, we recommend that Treasury's Assistant Secretary for Management (ASM), working as needed with Treasury's SAO, the Senior Procurement Executive, reporting entities, PMO, and OMB, take the following actions:

1. Develop, modify, or implement policies and procedures that (1) require primary place of performance address, including ZIP + 4, be documented in the initial award document, and (2) ensure that this information is accurate in FPDS-NG.
2. Develop, modify, or implement policies and procedures that ensure the action date of procurement awards are accurately entered into FPDS-NG in accordance with the DAIMS.
3. Request that Treasury's PMO ensures File D2 data is properly extracted from appropriate sources within the System for Award Management (SAM)<sup>15</sup> for publication on USAspending.gov.

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<sup>14</sup> Council of the Inspectors General on Integrity and Efficiency (CIGIE) Federal Audit Executive Council Inspectors General Guide to Compliance Under the DATA Act (February 14, 2019).

<sup>15</sup> SAM is the primary database in which those wanting to do business with the Federal government must maintain an active registration unless exempt. SAM is administered by GSA.

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4. Request that Treasury's PMO and OMB update the DAIMS definition of period of performance start date to (1) prescribe definitively which start date agencies should use, initial award or award modification, for DATA Act purposes; or (2) require the data element only for initial award actions.
  5. Develop and implement a method and procedures to submit Treasury Forfeiture Fund (TFF)<sup>16</sup> financial assistance award data to the Financial Assistance Broker Submission (FABS)<sup>17</sup> in accordance with the reporting submission specifications established by the DAIMS.
  6. Establish and implement procedures to recognize discounts in FPDS-NG in accordance with timeframes established by the Federal Acquisition Regulation (FAR).

In a written response, which is included in its entirety in appendix 2, Treasury management generally concurred with recommendations 1 through 5 and outlined their corrective actions. Treasury's corrective actions meet the intent of our recommendations for findings 1 through 5. We request that management record target dates for completion of planned corrective actions in the Joint Audit Management Enterprise System (JAMES), Treasury's audit recommendation tracking system.

Treasury management did not agree with our recommendation 6, which is related to treatment of discounts Treasury receives on payments to vendors. Management stated that treatment of discounts varies across Federal agencies due to lack of Government-wide guidance. Management acknowledged that it recognizes discounts within FPDS-NG at the time of contract close out, which differs from the timing of recognition within its financial systems. Management believes it is impractical to generate an award action at the time of receipt for any discount and will work with their Government-wide counterparts to develop specific guidance that will provide clarity and consistency for the treatment of discounts across

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<sup>16</sup> TFF is funded through assets seized as the result of Federal investigations. TEOAF financial assistance awards are the result of equitable sharing with state and local law enforcement agencies that provided assistance during the related Federal investigations.

<sup>17</sup> FABS is the portal Federal agencies use, and Treasury's PMO administers, to upload financial assistance data.

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the Federal Government. We agree with Treasury management that there is not specific Government-wide guidance on this issue. We have reviewed Treasury's position on this issue and while we agree that the FAR does not include specific guidance on the treatment of discounts, it does require agencies to report any modification to awards that change previously reported award action data, regardless of dollar value, to FPDS-NG within three business days. Our position is that this would include discounts. With that said, we agree to work with Treasury's management, OMB, and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) DATA Act Working Group to gain further clarification on this issue.

## Background

Treasury obligated nearly \$230 billion in the first quarter of FY 2019. Treasury's obligations made up more than 13 percent, of the \$1.7 trillion that the Federal government obligated and displayed on USAspending.gov for that quarter. To assist in the government's efforts to increase transparency into Federal spending, the DATA Act governs how Federal agencies report, certify, and submit spending data to USAspending.gov.

The DATA Act, signed into law on May 9, 2014, serves to:

- (1) expand the Federal Funding Accountability and Transparency Act of 2006 (FFATA)<sup>18</sup> by disclosing direct Federal agency expenditures and linking Federal contract, loan, and grant spending information to programs of Federal agencies to enable taxpayers and policymakers to track Federal spending more effectively;
- (2) establish Government-wide data standards for financial data and provide consistent, reliable, and searchable Government-wide spending data that is displayed accurately for taxpayers and policymakers on USAspending.gov;

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<sup>18</sup> Public Law 109-282 (September 26, 2006).

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- (3) simplify reporting for entities receiving Federal funds by streamlining reporting requirements and reducing compliance costs while improving transparency;
  - (4) improve the quality of data submitted to USAspending.gov by holding Federal agencies accountable for the completeness and accuracy of the data submitted; and
  - (5) apply approaches developed by the Recovery Accountability and Transparency Board to spending across the Federal government.<sup>19</sup>

The DATA Act, in part, requires that any funds made available to or expended by a Federal agency, or its component, be accurately reported and displayed on USAspending.gov beginning May 9, 2017, in accordance with the financial data standards established under the DATA Act by Treasury's PMO and OMB.

The DATA Act also requires the Inspectors General (IG) of each Federal agency to perform a series of reviews of statistically valid samples of spending data submitted under the DATA Act. The IGs must submit to Congress, and make publicly available, a report assessing the completeness, accuracy, timeliness, and quality of the data sampled, as well as the implementation and use of financial data standards by the Federal agency. The IGs issued their first reports in November 2017 with subsequent reports to be issued in November 2019, and November 2021.<sup>20</sup>

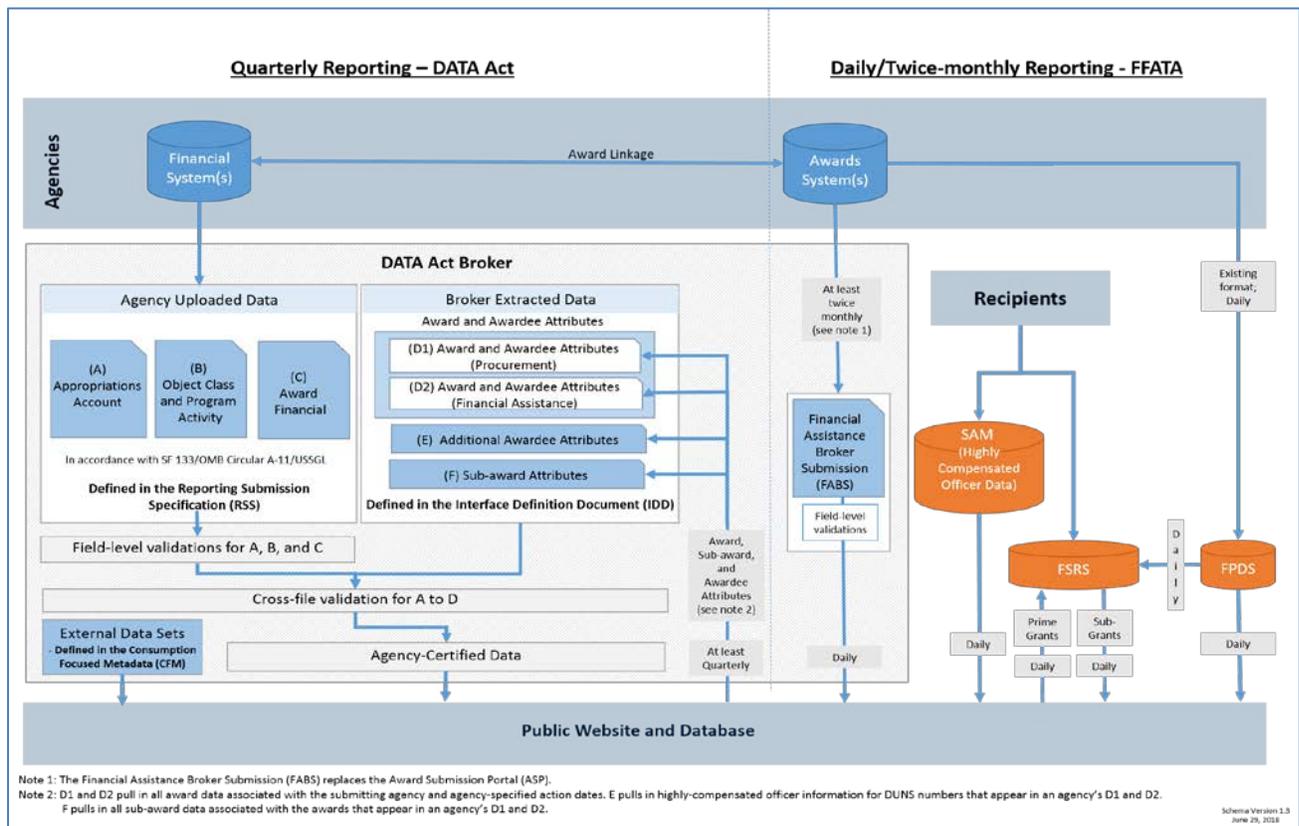
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<sup>19</sup> The Recovery Accountability and Transparency Board was a Federal agency that managed Recovery.gov and oversaw spending under the American Recovery and Reinvestment Act of 2009. Recovery.gov displayed American Recovery and Reinvestment Act of 2009 spending information reported by recipient agencies. Pursuant to law, the Recovery Board ceased operations in September 2015.

<sup>20</sup> CIGIE identified a timing anomaly with the oversight requirements contained in the DATA Act. The first IG reports were due to Congress in November 2016; however, Federal agencies were not required to report financial and payment information in accordance with the data standards established under the DATA Act until May 2017. To address this reporting date anomaly, the IGs issued to Congress their first required report on November 8, 2017, and plan to issue their second required report by November 8, 2019, with the final subsequent report to be issued by November 8, 2021. On December 22, 2015, CIGIE's chair issued a letter explaining the strategy for dealing with the IG reporting date anomaly and communicated it to the Senate Committee on Homeland Security and Government Affairs and the House Committee on Oversight and Reform.

On June 29, 2018, Treasury’s PMO and OMB released DAIMS Version 1.3. As depicted in Figure 1, the DAIMS Version 1.3, which includes the Reporting Submission Specification (RSS)<sup>21</sup> and the Interface Definition Document (IDD)<sup>22</sup>, provides the DATA Act flow of information from agency internal financial systems, external award reporting systems, and the sources of this data for publication on USAspending.gov.

**Figure 1: DATA Act Information Model Schema Flow Diagram**



Source: DAIMS Version 1.3

<sup>21</sup> The RSS includes a listing of the data elements with specific instructions for Federal agencies to submit content in the appropriate format.

<sup>22</sup> The IDD contains a listing of the elements, with supporting metadata, that explain what data will be pulled from Government-wide systems for procurement and sub-awards and from the broker itself for financial assistance.

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The following is a description of the flow of information depicted in Figure 1:

- Files A through C are submitted to the broker from Federal agency financial systems; the broker performs field level validation checks of the files:
  - File A includes appropriation summary level data that aligns to the Standard Form-133, *Report on Budget Execution and Budgetary Resources* (SF-133).<sup>23</sup>
  - File B includes obligation and outlay information at the program activity and object class level.<sup>24</sup>
  - File C includes obligations at the award (procurement and financial assistance) and object class level.
- Once Files A through C are submitted, the broker then extracts award information from external award reporting systems to generate four additional datasets, Files D1, D2, E, and F.
  - File D1 contains award and awardee details associated with procurement awards found in File C. The broker extracts this information from FPDS-NG.
  - File D2 includes award and awardee details associated with financial assistance awards in File C. The broker extracts this information from the FABS.
  - File E includes highly compensated officer data associated with any unique identifier present in Files D1 and D2.<sup>25</sup> The broker extracts this information from SAM.
  - File F includes all sub-award data associated with the awards that appear in Files D1 and D2. The broker extracts this information from the FFATA Sub-award Reporting System (FSRS).<sup>26,27</sup>

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<sup>23</sup> The SF-133 provides a consistent presentation of data across programs within each agency. An agency-wide SF-133 should generally agree with an agency's Statement of Budgetary Resources. The Statement of Budgetary Resources and related disclosures provide information about budgetary resources made available to an agency and the status of those resources at the end of the fiscal year.

<sup>24</sup> Obligation, program activity, and object class are defined in appendix 3.

<sup>25</sup> Awardee/recipient unique identifier is defined in appendix 3.

<sup>26</sup> FSRS provides data on first-tier sub-awards as reported by the prime grantee and contract award recipients (awardees). GSA administers FSRS.

<sup>27</sup> Files E and F data remains the responsibility of the awardee in accordance with terms and conditions of Federal agreements; and the quality of this data remains the legal responsibility of the recipient.

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- Once the broker generates Files D1, D2, E, and F, it performs a cross-file validation of linkages across Files A through D2.<sup>28</sup>
  - Each broker validation check generates error and warning reports for viewing and download; agencies should note any warnings and correct broker-generated validation errors. Errors indicate incorrect values for fundamental data elements; the broker will not allow agencies to submit data containing errors. Warnings alert the agency to possible issues worth further review and will not prevent the agency from submitting its data.
  - Each reporting agency's SAO must provide quarterly assurance<sup>29</sup> that their agency's internal controls support the reliability and validity of its data submitted for display on USAspending.gov and that the linkages among Files A through F are valid. This assurance statement also includes categorical explanations for misalignments between files.

Following the agency SAO's certification, the broker publishes each agency's submission on USAspending.gov.

#### Treasury's Data Submission Process

Treasury leverages its Treasury Information Executive Repository (TIER)<sup>30</sup> and DATA Act Data Integration Investment (DI2)<sup>31</sup> to transmit financial and award data from internal financial systems to the broker for publication on USAspending.gov. The process for submitting information to the broker begins with gathering financial and award data, including procurement, grant, and loan information, from Treasury's

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Treasury's SAO is not responsible for certifying the quality of Files E and F data reported by awardees, but is responsible for assuring controls are in place to verify that financial assistance awardees register in SAM at the time of the award. As such, we did not assess the completeness, timeliness, quality, and accuracy of the data extracted from SAM and FSRS via the broker.

<sup>28</sup> There are no field-level or cross-file validations for Files E and F. It is the prime awardee's responsibility to report sub-award and executive compensation information in SAM and FSRS. As such, the data is reported directly from the authoritative sources, SAM and FSRS, respectively.

<sup>29</sup> In general, an assurance is a statement of accountability to confirm an agency's efforts to support data quality.

<sup>30</sup> TIER is a reporting application that receives uploaded financial accounting and budgetary data from reporting entities in a standard data file format.

<sup>31</sup> DI2, formerly named Treasury Financial Data Warehouse, is an internal system that transfers data between Treasury and the broker.

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reporting entities. On a monthly basis, each reporting entity submits its data into TIER for validation.

Once validated, DI2 extracts the data from TIER to generate Files A, B, and C for submission to the broker where additional validation checks are performed. DI2 extracts the results from the broker validation checks to generate a reconciliation report and a CAP report. Treasury uses reconciliation reports to assist and guide reporting entities in identifying data mismatches, timing issues, warnings, and errors necessary for reporting entities to take corrective action. The CAP report provides reporting entities with comprehensive information on broker warnings, errors, and failed internal sum checks. Reporting entities are responsible for reviewing the broker-identified inaccuracies and (1) providing a CAP explanation for each identified warning, error, and failed sum check, (2) naming a person(s) with the responsibility for implementation, (3) setting a completion date, and (4) indicating the entity's status on correcting the issue.

Once the reporting entities address all broker warnings and/or errors, they provide assurance statements to the Department's SAO, the Deputy CFO. The SAO then certifies Treasury's data submission in the broker quarterly.

#### Data Quality Plan

On June 6, 2018, OMB updated OMB Circular No. A-123, Appendix A<sup>32</sup> which requires agencies to develop a DQP to achieve the objectives of the DATA Act. The DQP must consider incremental risks to data quality in Federal spending data and any controls that would manage such risks in accordance with OMB Circular No. A-123. Once the agency develops the DQP, agency SAOs should consider the DQP and the internal controls the agency documented when completing quarterly submission certifications.

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<sup>32</sup> Appendix A to OMB Circular No. A-123, *Management of Reporting and Data Integrity Risk* (June 6, 2018).

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## Audit Results

### Treasury Continues to Make Progress in Meeting Its Reporting Requirements Under the DATA Act

#### Treasury's SAO Certification

Treasury's Deputy CFO, serving as the SAO, certified the Department's FY 2019, first quarter data submission on March 20, 2019, as required. Specifically, Treasury's SAO certified that the Department's internal controls support the reliability and validity of its FY 2019, first quarter summary-level and award-level data submission to the broker for publication on USAspending.gov. Treasury's SAO also attested to the linkages across data in Files A through F.<sup>33</sup> To support the SAO's certification, the CFO or Deputy CFO-level official of the Department's 29 reporting entities provided an assurance statement to the SAO that the data reported in Files A through C, and D2 where applicable, were complete, accurate, timely, and of quality. In addition, Treasury's Senior Procurement Executive, relied on the Department's verification and validation process and provided an assurance statement to the SAO that File D1 was complete, accurate, timely, and of quality.<sup>34</sup> Treasury's SAO leveraged assurance for Files E and F based on the internal controls of the respective systems' owner, General Services Administration (GSA), in accordance with OMB Circular No. A-123.<sup>35,36</sup> Treasury's SAO, along with representatives from Treasury's Office of the Deputy CFO, Office of the Procurement Executive, and Office of Performance and Budget met to analyze the reporting entities' FY 2019, first quarter broker validation

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<sup>33</sup> Treasury's SAO provided categorical explanations for misalignments and legitimate differences between files in the assurance statements submitted to the broker prior to certification.

<sup>34</sup> In accordance with OMB Memorandum M-17-04, *Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability*, Treasury's Senior Procurement Executive relies on the verification and validation process to provide assurance over D1 data. Agencies are required to submit an annual FPDS-NG Data Verification and Validation Report to OMB and GSA. The report includes assurances over the timeliness and completeness of the data and sampling of the core DATA Act required data elements, comparing contract files to FPDS-NG.

<sup>35</sup> OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control* (July 15, 2016).

<sup>36</sup> On January 30, 2017, GSA published the *"Procurement Management Review (PMR) Verification Language"* which attests to the internal controls over SAM and FSRS and that agencies can rely on data from these systems for DATA Act reporting.

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results and applicable CAPs and assess entity assurance statements for reasonableness each quarter.

### Internal Controls Assessment

We determined that Treasury designed suitable internal controls and information system controls related to the extraction of data from source systems and reporting of data to the broker. Specifically, we reviewed policies and procedures and inspected documents related to data entry, approvals, and processing of financial, procurement, and financial assistance information in Treasury's source systems. We performed walkthroughs of the applicable data entry and approval processes at the Office of the Deputy CFO, Bureau of the Fiscal Service's (Fiscal Service) Administrative Resource Center (ARC),<sup>37</sup> Bureau of Engraving and Printing, United States Mint (Mint), Office of the Comptroller of the Currency (OCC), Community Development Financial Institutions Fund, and Office of Gulf Coast Restoration. We reviewed broker validation results, applicable CAPs, and assurance statements to verify that the Department provided adequate oversight over the reporting entities' DATA Act reporting process. We also assessed the operating effectiveness of Treasury's internal controls by testing our sampled data. Specifically, we tested each sample transaction to underlying agency records and/or other authoritative sources.

### Treasury's Data Quality Plan

On May 7, 2019, Treasury issued its DQP, after the FY 2019, first quarter DATA Act submission deadline of March 20, 2019. Therefore, Treasury's SAO did not consider the DQP during the first quarter certification. In its DQP, the Department documented (1) the roles and responsibilities of those involved in developing the plan and (2) significant and major decisions pertaining to organizational structure and key processes providing internal controls for spending reporting. The DQP also provides a framework and approach to prioritize and assess relevancy and risks related to DATA Act data, internal controls, remediation

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<sup>37</sup> ARC is a Federal shared service provider that offers information technology, human resources, financial, or other services to other departments, agencies, and bureaus (the customer).

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strategies, related targets for completion, as well as acceptable accuracy threshold levels established by the management team.

Due to its limited financial assistance and grant activity, Treasury's DQP focuses primarily on procurement award elements reported in File D1. The DQP identifies short- and long-term solutions for overall data integrity related to submitted DATA Act data, such as targeted procurement training, enforcement of data quality control reviews, and contract file data standardization.

Treasury's DQP stratifies the DATA Act elements into high, medium, and low relevancy categories based on various factors assessed by management. After categorizing the elements, the management team assessed risk for each element by determining whether each element was manually entered, system derived, or pre-populated.

Per our FY 2019, first quarter transaction testing, we identified three data elements with high error rates for accuracy: (1) primary place of performance address (ZIP + 4) (File D1), (2) action date (File D1), and (3) ultimate parent legal entity name (File D2). We noted that Treasury included primary place of performance address (ZIP + 4) and action date, in its DQP as high-risk data elements. For a detailed discussion of our data element analysis and results, refer to the section titled Detail-Level Assessments from File C Including Linkages to Files D1 and D2.

#### Federal Shared Service Provider

Of Treasury's 29 reporting entities, ARC, a Federal Shared Service Provider, provides financial and/or procurement services to 25 entities including Departmental Offices, Fiscal Service, OCC, and the Mint. We reviewed these reporting entities' service agreements with ARC and (1) ensured that the DATA Act reporting roles and responsibilities were established between the service provider and Treasury's internal customers and (2) determined that the entities understood and acknowledged that ARC does not report directly to the broker on their behalf.<sup>38</sup> We also noted that ARC no longer holds formalized meetings with its DATA Act customers; however,

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<sup>38</sup> ARC does not submit any data directly to the DATA Act broker. However, ARC does submit financial and/or payment data to TIER, monthly, on behalf of its internal customers. The Office of the Deputy CFO collects, transforms, and submits all TIER data to the broker.

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Treasury's Office of the Deputy CFO holds ad hoc meetings with all of ARC's internal customers to communicate, when necessary, any Government or Treasury-wide guidance regarding the DATA Act.

ARC also supports customer agencies external to Treasury. In OIG-18-010R, *Treasury Continues to Make Progress in Meeting DATA Act Reporting Requirements, But Data Quality Concerns Remain*, we reported that ARC included its external customers' detailed award-level data in Treasury's submission; however, that data was not included in its external customers' submissions. We recommended that Treasury continue to monitor the resolution of ARC's processes to report procurement data on behalf of its customer agencies.<sup>39</sup> On November 1, 2018, Treasury's PMO added a toggle function to the submission broker which allows agencies to select how to pull detailed award-level data; this enables customer agencies to include the data for transactions they funded in their submission. Once all November 2019 DATA Act Reports are available, we will confirm that ARC's external customer agencies were able to properly submit their detailed award-level data and close this recommendation.

### **Treasury's FY 2019 First Quarter Non-IRS DATA Act Submission is of Moderate Quality**

Based on our assessment of completeness, accuracy, and timeliness, we determined that Treasury's FY 2019, first quarter non-IRS data is of moderate quality. The Department's implementation and use of the data standards produced (1) an overall complete and timely agency submission, (2) complete and accurate summary-level data in Files A and B, and (3) low to moderate error rates for completeness, accuracy, and timeliness for detail financial and award data in Files C, D1, and D2. However, we noted concerns with TEOAF's reporting of financial assistance data and the treatment of discounts Treasury receives on payments to vendors.

We found that Treasury's non-IRS data element error rates for completeness and accuracy were low. However, there were three

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<sup>39</sup> Of the four recommendations we made in OIG-18-010R, this is the only recommendation that remains open.

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data elements in our sample that individually had high error rates for accuracy. We also determined that Treasury's non-IRS data element error rates for timeliness were moderate, which caused its overall quality rating to be moderate.

### Summary-Level Assessments of Files A and B

Treasury's summary-level files contain all applicable data elements and those elements complied with the element definitions OMB and Treasury's PMO established. While we noted some variances in Treasury's Files A and B, we determined Treasury's process to resolve the variances was reasonable.

Treasury's FY 2019, first quarter File A submission contained 333 Federal appropriations summary-level records and all Treasury Account Symbols (TAS)<sup>40</sup> from which Treasury obligated funds (as reflected in Treasury's FY 2019, first quarter Government-wide Treasury Account Symbol SF-133). All but nine TASs Treasury reported in its SF-133 aligned to Treasury's File A; Treasury reported all File A TASs in its SF-133. Treasury's Office of the Deputy CFO personnel explained that they did not report all the SF-133 TASs in File A because (1) there were financing accounts not reportable under the DATA Act,<sup>41</sup> (2) they did not belong to Treasury, or (3) they were an allocation transfer that the child (or awarding) agency<sup>42</sup> reported to the broker. We determined that Treasury's explanations agreed with applicable guidance or were reasonably supported with documentation.

We determined Treasury's File B was complete and accurate by matching required File B elements to File A and appropriate authoritative sources, and noted explainable variances. Treasury's FY 2019, first quarter File B submission contained 3,933 records for summary-level object class and program activities. Treasury's

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<sup>40</sup> TAS is defined in appendix 3.

<sup>41</sup> According to the DAIMS Practices and Procedures version 1.3 (June 29, 2018), all TAS (both unexpired and expired) reported in SF-133 by the agency need to be included in Files A and B, with the exception of Financing Accounts.

<sup>42</sup> According to OMB M-17-04, *Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability* (November 4, 2016), the awarding agency should submit and assure the appropriations information, program activity and object class, and award financial information for allocation transfers for display on USAspending.gov (Files A through C).

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File B reported totals for gross outlay and obligations incurred matched File A.<sup>43</sup> Treasury's File B also matched the codes defined in Section 83 of OMB Circular A-11. However, 19 out of the 271 unique program activity names and codes Treasury reported in File B did not agree with the FY 2019 Program & Financing Schedules or FY 2019, first quarter Budget Data Requests (BDRs).<sup>44</sup> Treasury's explanations for the program activity variances specify that the program activities were (1) not appropriated in FY 2019; (2) reported in a secondary account under a primary account reported in the Program & Financing Schedules;<sup>45</sup> or (3) reported in the Program & Financing Schedules under a different name. We considered these explanations reasonable.

#### Detail-Level Assessments from File C including Linkages to Files D1 and D2

Treasury's File C included 4,065 procurement and financial assistance award records that Treasury made and/or modified in FY 2019 first quarter totaling nearly \$870 million in net obligations. We reviewed the linkages between File C to Files D1 and D2 and Treasury's process to resolve variances and determined Treasury's File C data was suitable for sampling. In collaboration with TIGTA, we divided Treasury's File C data into two sub-populations: the IRS and Treasury's non-IRS reporting entities. We selected a statistically valid sample of 234 records from Treasury's FY 2019 first quarter award data, allocated in proportion to the two sub-populations: 86 IRS records and 148 records for non-IRS reporting entities. The 148 non-IRS records we selected includes 138 procurement and 10 financial assistance records.

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<sup>43</sup> We determined that File A was complete and accurate as verified with the SF-133; therefore, we utilized File A as a representation of the SF-133 to determine the completeness and accuracy of File B.

<sup>44</sup> During our assessment, we were informed that because the Program & Financing Schedules are not in real time, the broker uses the BDR, approved by OMB to verify program activities. We reviewed the DAIMS, RSS version 1.3, and verified that this explanation agreed with the DAIMS. As a result, we obtained Treasury's FY 2019, first quarter BDR to verify program activities.

<sup>45</sup> While secondary accounts are not reported in the Program & Financing Schedules, we verified that the program activities were reported under the primary accounts indicated by Treasury.

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## Quality

Based on our assessment of completeness, accuracy, and timeliness, we determined that Treasury's FY 2019, first quarter non-IRS data is of moderate quality. We assessed quality by determining if all applicable data in our sample was complete, accurate, and timely. Specifically, we used the highest of the three error rates for completeness, accuracy, and timeliness to determine quality. If the highest error rate was (1) between 0 and 20 percent, we considered data quality high, (2) between 21 and 40 percent, we considered data quality moderate, or (3) 41 percent or greater, we considered data quality low. Treasury's untimely reporting of individual data elements and transactions led to a reduction in Treasury's overall data quality from high to moderate.

## Timeliness

Treasury's SAO submitted and certified its comprehensive data submission to the broker timely for publication on USAspending.gov on March 20, 2019. However, we noted 28 percent of applicable data elements within our sample were untimely.

To assess timeliness, we verified whether (1) Treasury's submission to the broker was in accordance with the schedule established by Treasury PMO and (2) Treasury reported each of the required data elements in accordance with the appropriate reporting schedules defined in the appropriate financial and procurement requirements (FAR, FPDS-NG, FABS, and DAIMS Version 1.3). The action date data element and treatment of discounts findings both affected Treasury's timeliness at the data element level.

## Completeness

Overall, Treasury's FY 2019, first quarter DATA Act submission was complete; however, 10 percent of data elements within our sample were not recorded in the appropriate files. To assess the completeness of Treasury's DATA Act submission we ensured that (1) the transactions and events that should have been recorded were recorded in the proper period and (2) each of the required data elements that should have been reported were reported in the appropriate files.

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### Accuracy

Within our sample, 14 percent of data elements were inaccurate. To assess accuracy, we verified that the amounts and other data relating to recorded transactions have been recorded in accordance with the DAIMS Version 1.3 (which includes the RSS and the IDD) and the online data dictionary<sup>46</sup>, and agree with the authoritative source records. Additionally, we tested the linkages between the award-level data in File C to the detail award and awardee attributes in Files D1 and D2. If we determined that an element or record was incomplete, we also counted it as inaccurate. Table 1 shows the procurement record transaction data elements and their accuracy error rate percentages.

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<sup>46</sup> The online data dictionary displays detailed information regarding the data elements including the definition of each element and its element name on the legacy USAspending.gov website. [https://www.usaspending.gov/#/download\\_center/data\\_dictionary](https://www.usaspending.gov/#/download_center/data_dictionary)

<b>Table 1: Procurement Transaction Data Elements</b>	
<b>Data Element</b>	<b>Accuracy Error Rate (%)</b>
Primary Place of Performance Address <sup>€</sup>	54
Action Date <sup>€</sup>	46
Primary Place of Performance Congressional District <sup>€</sup>	31
Period of Performance Current End Date <sup>€</sup>	25
Period of Performance Start Date*	21
Legal Entity Congressional District <sup>€</sup>	20
Period of Performance Potential End Date <sup>€</sup>	20
Parent Award ID	19
Action Type	17
Potential Total Value of Award	16
Current Total Value of Award	16
Ultimate Parent Legal Entity Name	14
Award Description <sup>€</sup>	14
Primary Place of Performance Country Code <sup>€</sup>	14
Primary Place of Performance Country Name	14
Legal Entity Address <sup>€</sup>	13
Awardee/ Recipient Legal Entity Name <sup>€</sup>	12
Federal Action Obligation <sup>€</sup>	12
NAICS Code <sup>€</sup>	12
NAICS Description	12
Award Type <sup>€</sup>	12
Award Identification Number (Award ID)	12
Awarding Sub Tier Agency Name	12
Awarding Office Name	12
Award Modification / Amendment Number	11
Awardee/ Recipient Unique Identifier <sup>€</sup>	11
Ultimate Parent Unique Identifier <sup>€</sup>	11
Legal Entity Country Code <sup>€</sup>	11
Legal Entity Country Name <sup>€</sup>	11
Funding Agency Code	11
Funding Sub Tier Agency Name	11
Funding Sub Tier Agency Code	11
Funding Office Name	11
Funding Office Code	11
Awarding Agency Name	11
Awarding Agency Code	11
Awarding Sub Tier Agency Code	11
Awarding Office Code	11
Funding Agency Name	11
Obligation (File C)	5
Program Activity (File C)	5
Object Class (File C)	4
Appropriations Account (File C)	3
Award ID (File C)	1
Parent Award ID (File C)	1

Source: Treasury OIG analysis of sampled non-IRS procurement transactions

\* Government-wide issue. See period of performance start date finding for more details.

<sup>€</sup>The data element is identified as a “high” priority element for FY 2019 remediation in Treasury’s DQP.

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Table 2 shows the financial assistance record data elements and their accuracy error rate percentages. Of the 10 financial assistance transactions, two were not reported in File D2. We determined the cause for one of the missing records was reasonable, and we discuss the other missing record in the section titled TEOAF Has Not Submitted Financial Assistance Award Data to FABS For Publication On USAspending.gov.

<b>Table 2: Financial Assistance Transaction Data Elements</b>	
<b>Data Element</b>	<b>Accuracy Error Rate (%)</b>
Ultimate Parent Legal Entity Name	50
Awardee/Recipient Legal Entity Name	20
Awardee/Recipient Unique Identifier	20
Ultimate Parent Unique Identifier	20
Legal Entity Address	20
Legal Entity Congressional District	20
Legal Entity Country Code	20
Legal Entity Country Name	20
Federal Action Obligation	20
Award Type	20
Catalog of Federal Domestic Assistance Number	20
Catalog of Federal Domestic Assistance Title	20
Award Description	20
Action Date	20
Period of Performance Current End Date	20
Primary Place of Performance Address	20
Primary Place of Performance Congressional District	20
Primary Place of Performance Country Code	20
Primary Place of Performance Country Name	20
Award ID	20
Record Type	20
Action Type	20
Business Types	20
Funding Agency Name	20
Funding Agency Code	20
Funding Sub Tier Agency Name	20
Funding Sub Tier Agency Code	20
Funding Office Name	20
Funding Office Code	20
Awarding Agency Name	20
Awarding Agency Code	20
Awarding Sub Tier Agency Name	20
Awarding Sub Tier Agency Code	20
Awarding Office Name	20
Awarding Office Code	20
Object Class (File C)	0
Appropriations Account (File C)	0
Obligation (File C)	0
Program Activity (File C)	0
Award ID (File C)	0

Source: Treasury OIG analysis of non-IRS sample financial assistance transactions

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Generally, the accuracy exceptions listed in Tables 1 and 2 are attributable to (1) data not captured on Treasury's underlying records; (2) data auto populated from feeder systems; or (3) data not reported or incorrectly reported in FPDS-NG. The following describes the specific causes of exceptions for data elements with accuracy error rates of 41 percent and greater.

- **Primary Place of Performance Address (D1)**

The primary place of performance address data element is inaccurate in 54 percent of the procurement records we sampled. The primary place of performance address is the address of the location where the predominant performance of the award will be accomplished; it consists of three components, namely primary place of performance city name, primary place of performance state code, and primary place of performance ZIP + 4. Contracting personnel select the + 4 portion of the ZIP code from an FPDS-NG-generated list based on the five digit ZIP code he or she has already entered in the system. The exceptions we identified are inaccurate because the ZIP + 4 component displayed in FPDS-NG did not match the ZIP + 4 we determined to be correct based on the authoritative source and discussions with contracting personnel.

Contracting personnel do not always select the correct + 4 portion of the ZIP code from the FPDS-NG generated list. An incorrect ZIP + 4 results in inaccurate data reporting to the public via USAspending.gov. Further, according to the FPDS-NG User Manual, the ZIP + 4 component automatically populates the Congressional District Place of Performance data element. Thus, an incorrect ZIP + 4 could lead to inaccuracies for other data elements. Treasury should require that contracting personnel document the primary place of performance address, including the ZIP + 4, on the initial award document and ensure that the primary place of performance address ZIP + 4 is accurate in FPDS-NG.

- **Action Date (D1)**

The action date data element is inaccurate in 46 percent of the procurement records we sampled. Per DAIMS Version 1.3, the action date is the date the action being reported was issued/signed by the Government or a binding agreement was reached. For awards that begin at the start of a fiscal year,

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Treasury's contracting officers generally prepare and sign the awards in advance of the upcoming fiscal year to allow awards to be entered into FPDS-NG timely. In our sample, contracting personnel entered "October 1, 2018," as the action date in FPDS-NG and not the date the award was signed. According to contracting personnel, they entered "October 1, 2018," into FPDS-NG to ensure the award will use the appropriate fiscal year funds. However, FPDS-NG does not require the action date to be October 1 to ensure appropriate fiscal year funding. The FPDS-NG User Manual states, the action date is the date on which the contracting officer signs the contract. An incorrect action date results in inaccurate data reporting to the public via USAspending.gov. To reduce the error rate for this data element, Treasury should ensure the action date of procurement awards are accurately entered into FPDS-NG in accordance with the DAIMS.

- **Ultimate Parent Legal Entity Name (D2)**

The ultimate parent legal entity name is inaccurate in 5 of the 10 financial assistance records we selected in our sample. Per DAIMS Version 1.3, the ultimate parent legal entity name is defined as the name of the ultimate parent of the awardee or recipient. For five of the financial assistance records we tested, the ultimate parent legal entity name was not reported in File D2.

Our review of SAM found that, for 3 of the 5 financial assistance records in our sample, the award recipient reported the ultimate parent legal entity name in SAM at the time of award. Therefore, it was available for reporting to File D2. However, Treasury personnel, including the PMO, explained that the ultimate parent legal entity name was not reported in File D2 for these transactions because data for this field was blank when the broker extracted it from SAM's Secure File Transfer Protocol known as SAM SFTP. A Treasury PMO staff member further explained that GSA has multiple mechanisms to report data in SAM which can result in conflicting values for the same data fields. As a result, Treasury's ASM should request that Treasury's PMO ensures File D2 data is properly extracted from appropriate sources within SAM for publication on USAspending.gov. Ultimately, an incorrect or missing ultimate

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parent legal entity name results in inaccurate data reporting to the public via USAspending.gov.

- **Period of Performance Start Date (D1):**

The period of performance start date is inaccurate in 21 percent of the records we sampled. Per DAIMS Version 1.3, period of performance start date is the date on which, for the award referred to by the action being reported, awardee effort begins or the award is otherwise effective. This definition is not clear on whether “the award referred to” is the date of the initial award or the modification. Neither Treasury’s PMO nor OMB has issued additional guidance on this. An unclear definition for period of performance start date leads to multiple interpretations by reporting agencies and results in inaccurate data reporting to the public via USAspending.gov. Treasury’s ASM should request that Treasury’s PMO and OMB update the DAIMS definition of period of performance start date to (1) prescribe definitively which start date agencies should use, initial award or award modification or (2) require the data element only for initial award actions.

These exceptions discussed are attributable to root causes both within and beyond Treasury SAO’s control. Ultimate parent legal entity name and period of performance start date are Government-wide issues. Removal of these Government-wide issues did not change Treasury’s overall moderate quality rating. We plan to follow up on these issues as well as any planned corrective actions in future audit work.

### **TEOAF Has Not Submitted Financial Assistance Award Data to FABS For Publication On USAspending.gov**

Treasury’s FY 2019, first quarter data submission did not include TEOAF’s File D2 data for publication on USAspending.gov.<sup>47</sup> A TEOAF official explained that it has not submitted TFF financial assistance award data to FABS because (1) it does not have a process in place to extract recipient information from its award reporting system and (2) the recipients’ award amount allocations

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<sup>47</sup> TEOAF previously determined that its financial assistance awards were not reportable under the DATA Act. However, in November 2018, OMB made the determination that the awards were reportable.

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are unknown at the time of obligation. Specifically, the system that processes TFF awards only collects scanned forms from the award recipients. The system does not have the capability to extract recipient information from these forms to facilitate the FABS submission. Further, when TEOAF obligates financial assistance awards, only the total award amount is known. Award allocations are unknown until the percentage of the recipient's participation in the related Federal investigation is determined, which can take up to 45 days.

TEOAF attempted to submit its financial assistance data to FABS but received a critical error because the primary place of performance data element did not meet reporting submission specifications.<sup>48</sup> TEOAF's financial assistance submission should have been aggregated by county, state, or foreign country in order for the data to be validated. According to the *DAIMS Practices and Procedures for DATA Act Broker Submissions Version 1.3*, broker validation rules for aggregate records<sup>49</sup> are different than those for non-aggregate records. An aggregate record represents numerous single awards that are sent to individuals in the reported county, state, or foreign country during the period covered. Aggregate records allow certain identifying data elements to be blank such as street address lines. Treasury's PMO explained that TEOAF would not receive the critical error if they submitted an aggregate record with appropriately formatted data. However, Treasury Office of the Deputy CFO staff, on behalf of the SAO, believe that the reporting constraints identified are due to broker limitations; therefore, resolution is beyond their control and should be resolved by the PMO and OMB. Omitting these financial assistance awards in FABS results in reportable data that is not available to the public via USAspending.gov. Treasury should develop and implement a method and procedures to submit TFF financial assistance award data to FABS in accordance with the reporting submission specifications established by the DAIMS. We plan to follow up on this issue as well as any planned corrective actions in future audit work.

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<sup>48</sup> TEOAF's FABS submission violated rule FABS40.2: primary place of performance must be in countywide, statewide, or foreign formats for aggregate records.

<sup>49</sup> The word "aggregate" has a unique meaning when used in the context of financial assistance reporting. Aggregate records are used to avoid reporting the recipients' personally-identifiable information when an award is made to an individual.

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## **Treasury Does Not Report Procurement Discounts To FPDS-NG Timely**

Of our 148 sampled records, seven were discounts taken by Treasury and reported in File C, but not in File D1. Discounts occur when Treasury makes a payment for a procurement award within an agreed time period. Financial personnel recognize the discount in the financial system at the time it is received. However, Treasury does not recognize the discount in FPDS-NG at the time of receipt, which creates a difference in the obligated amounts displayed in the financial system and FPDS-NG. Differences in the amounts obligated in Files C and D1 result in broker warnings in Treasury's data submission and inaccurate data reporting to the public via USAspending.gov. Treasury personnel from the Office of the Procurement Executive stated that contracting personnel are not required to recognize discounts at the time of receipt. Therefore, discounts are not recognized until the procurement award is closed out in FPDS-NG. The FAR 4.604 and 4.606 requires agencies to report any modification to awards that change previously reported award action data, regardless of dollar value to FPDS-NG within three business days. Treasury should establish and implement procedures to recognize discounts in FPDS-NG in accordance with timeframes established by the FAR.

### **Recommendations**

We understand the continued implementation effort is a complex project, involving multiple reporting bureaus and financial and management systems, as well as the refinement of distinct data-handling methodologies. However, to further improve the quality of its data submissions for publication on USAspending.gov, we recommend Treasury's ASM, working as needed with Treasury's SAO, the Senior Procurement Executive, reporting entities, and the PMO, as well as OMB, take the following actions:

1. Develop, modify, or implement policies and procedures that
  - (1) require primary place of performance address, including the ZIP + 4, be documented in the initial award document and
  - (2) ensure that this information is accurate in FPDS-NG.

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### Management Response

Treasury plans to explore revising policies or procedures to ensure that data related to the primary place of performance address, more specifically the + 4 component of the zip code, is accurate in FPDS-NG. However, management notes that including place of performance in award documentation is not required for all contract awards per the FAR.

### OIG Comment

Management's response meets the intent of our recommendation. We request management record a target date for completing this corrective action in JAMES.

2. Develop, modify, or implement policies and procedures that ensure the action date of procurement awards are accurately entered into FPDS-NG in accordance with the DAIMS.

### Management Response

Treasury agreed to develop and implement agency-wide policies or procedures to ensure action date is reported accurately.

### OIG Comment

Management's response meets the intent of our recommendation. We request management record a target date for completing this corrective action in JAMES.

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3. Request that Treasury's PMO ensures File D2 data is properly extracted from appropriate sources within SAM for publication on USApending.gov.

Management Response

Treasury agreed to encourage OMB and Treasury's PMO to ensure financial assistance data is properly extracted from appropriate sources within SAM.

OIG Comment

Management's response meets the intent of our recommendation. We request management record a target date for completing this corrective action in JAMES.

4. Request that Treasury's PMO and OMB update the DAIMS definition of period of performance start date to (1) prescribe definitively which start date agencies should use, initial award or award modification, for DATA Act purposes or (2) require the data element only for initial award actions.

Management Response

Treasury agreed to encourage OMB and Treasury's PMO to update the DAIMS definition for the period of performance start date data element for clarity and consistency across Federal agencies.

OIG Comment

Management's response meets the intent of our recommendation. We request management record a target date for completing this corrective action in JAMES.

5. Develop and implement a method and procedures to submit TFF financial assistance award data to FABS in accordance with the reporting submission specifications established by the DAIMS.

Management Response

Treasury plans to continue to work with OMB, Treasury's PMO, and TEOAF on the submission of TFF' financial assistance information.

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OIG Comment

Treasury's response meets the intent of our recommendation. We request management record a target date for completing this corrective action in JAMES.

6. Establish and implement procedures to recognize discounts received in FPDS-NG in accordance with timeframes established by the FAR.

Management Response

Treasury disagreed with this recommendation and stated that the treatment of discounts varies across Federal agencies due to a lack of Government-wide guidance. As an agency-wide practice, Treasury recognizes discounts within FPDS-NG at the time of contract close out, which differs from the timing of recognition within its financial systems. Management believes it is impractical to generate an award action at the time of receipt for any discount. Thus, they will work with their Government-wide counterparts to develop specific guidance that will provide clarity and consistency in the treatment of discounts across the Federal government.

OIG Comment

We agree with Treasury management that there is not specific Government-wide guidance on this issue. We have reviewed Treasury's position on this issue and while we agree that the FAR does not include specific guidance on the treatment of discounts, it does require agencies to report any modification to awards that change previously reported award action data, regardless of dollar value, to FPDS-NG within three business days. Our position is that this would include discounts. With that said, we agree to work with Treasury's management,

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OMB, and the CIGIE DATA Act Working Group to gain further clarification on this issue.

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We appreciate the courtesies and cooperation provided to our staff during the audit. If you wish to discuss the report, you may contact me at (202) 927-8757 or John Tomasetti, Audit Manager at (202) 927-2665. Major contributors to this report are listed in appendix 9. A distribution list for this report is provided as appendix 10.

/s/  
Andrea D. Smith  
Director, Fiscal Service Audits

## Appendix 1: Objectives, Scope, and Methodology

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Our audit objectives were to assess (1) the completeness, accuracy, timeliness and quality of Fiscal Year (FY) 2019, first quarter financial and payment information submitted for publication on USAspending.gov and (2) the Department of the Treasury's (Treasury) implementation and use of the data standards. This audit is the second in a series of mandated reports on Treasury's efforts to report financial and payment information as required by the Digital Accountability and Transparency Act of 2014 (DATA Act). Treasury submitted and certified one FY 2019, first quarter submission for publication on USAspending.gov for all Treasury bureaus and offices. Treasury's Inspector General for Tax Administration (TIGTA) will present the audit results for the Internal Revenue Service (IRS) and we will present the results for Treasury's non-IRS reporting offices and bureaus.

To determine the extent to which Treasury's non-IRS data was complete, accurate, timely, and of quality, we performed a series of data assessments. Specifically, we assessed Treasury's (1) summary-level financial data from Files A and B, (2) detail-level award data from Files C, D1, and D2, and (3) linkages between File C to D1, and File C to D2.

To assess completeness, we verified that (1) the transactions and events that should have been recorded were recorded in the proper period and (2) each of the required data elements that should have been reported were reported in the appropriate files. We assessed accuracy by determining if all applicable data relating to recorded transactions agree with the authoritative source records and have been recorded in accordance with the (1) DATA Act Information Model Schema (DAIMS) Version 1.3, (2) Reporting Submission Specification (RSS), (3) Interface Definition Document (IDD), and (4) online data dictionary. To assess timeliness, we verified that (1) Treasury's submission to the broker is in accordance with the schedule established by Treasury's Program Management Office (PMO) and (2) each of the required data elements that should have been reported, were reported in accordance with the reporting schedules defined by the financial, procurement and financial assistance requirements (Federal Acquisition Regulation, Federal Procurement Data System – Next Generation (FPDS-NG), Financial Assistance Broker Submission (FABS) and DAIMS). We assessed

## Appendix 1: Objectives, Scope, and Methodology

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quality by determining if all applicable data in our sample is complete, accurate, and timely. Specifically, we used the highest of the three error rates for completeness, accuracy, and timeliness to determine quality. If the highest error rate was (1) 0 through 20 percent, we considered data quality high, (2) 21 through 40 percent, we considered data quality moderate, or (3) 41 percent or above, we considered data quality low. We used this same benchmark to measure low, moderate, and high error rates for completeness, accuracy, and timeliness.

We also reviewed Treasury's data inventory and mapping for Files A, B, C, D1, and D2 to ensure that the standardized data elements and Office of Management and Budget (OMB) and Treasury definitions per DAIMS were used across agency business processes, systems, and applications; identified the appropriate source systems where the data resides; and identified gaps. For gaps identified by Treasury, we determined whether viable corrective actions and solutions were taken for all material gaps. We determined the impact of the identified gaps on the timeliness and effectiveness of Treasury's implementation of the data standards.

We also determined whether Treasury consistently used the OMB and Treasury established data elements per its inventory and mapping for Treasury's submission of Files A, B, and C.

As part of our assessment, we selected a statistically valid sample of 234 records from Treasury's FY 2019 first quarter award data. The population consisted of 4,065 transactions, divided into two sub-populations: 1,490 IRS related records, and 2,575 records related to Treasury's remaining reporting entities. The sample, allocated proportionally between the sub-populations, represented 86 records for the IRS and 148 records for Treasury's remaining reporting entities. We designed the sample to estimate a rate of reporting errors with a sampling error of no greater than plus or minus 5 percent at the 95 percent level of confidence, with an expected error rate of 80 percent. Because we followed a probability procedure based on random selections, our sample is only one of a large number of samples that we might have drawn. Since each sample could have provided different estimates, we express our confidence in the precision of our particular sample's results as a 95 percent confidence interval (e.g., plus or minus 5 percentage points). This is the interval that would contain the

## Appendix 1: Objectives, Scope, and Methodology

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actual population value for 95 percent of the samples we could have drawn.

To accomplish our audit objectives, we took the following actions:

- reviewed Federal laws, regulations and guidance, including:
  - *Council of the Inspectors General on Integrity and Efficiency Federal Audit Executive Council Inspectors General Guide to Compliance Under the DATA Act*, which presents a common methodological and reporting approach for the Inspectors General community to use in performing its mandated work (February 14, 2019)
  - Treasury Directive 80-05, *Department of the Treasury Records Management* (January 31, 2018)
  - The DATA Act, which outlines the requirements for Treasury to establish Government-wide financial data standards and increase the availability, accuracy, and usefulness of Federal spending information (May 9, 2014)
  - Federal Funding Accountability and Transparency Act of 2006, which outlines requirements for OMB to establish a single searchable website to provide the public with access to data on Federal spending (September 26, 2006)
  
- reviewed technical and informational guidance issued by General Services Administration (GSA), Treasury, and OMB:
  - FPDS-NG User Manual Version 1.5 (October 2018)
  - Treasury's DATA Act Submission Process Design Document (December 2018)
  - Treasury's DATA Act Reporting Technical Design Document (October 2018)
  - Treasury's Certification Procedures Digital Accountability and Transparency Act (DATA Act) (April 13, 2017)
  - DAIMS Validation Rules Update Version 1.3 (June 29, 2018)
  - DAIMS Practices and Procedures for DATA Act Broker Submissions Version 1.3 (June 29, 2018)
  - DAIMS Reporting Submission Specification Version 1.3 (June 29, 2018)

## Appendix 1: Objectives, Scope, and Methodology

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- OMB M-18-16, Appendix A to OMB Circular No. A-123, *Management of Reporting and Data Integrity Risk* (June 6, 2018)
- OMB M-17-04, *Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability* (November 4, 2016)
- OMB M-16-17, Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control* (July 15, 2016).
- reviewed the following Treasury Office of Inspector General (OIG) reports to establish criteria and note any prior findings or recommendations, including the sufficiency of plans and actions taken by Treasury and the Bureau of the Fiscal Service to timely comply with the DATA Act:
  - OIG-18-051, *Report on the Bureau of the Fiscal Service Administrative Resource Center's Description of its Financial Management Services and the Suitability of the Design and Operating Effectiveness of its Controls for the Period July 1, 2017 to June 30, 2018* (September 20, 2018)
  - OIG-18-010R, *Treasury Continues to Make Progress in Meeting DATA Act Reporting Requirements, But Data Quality Concerns Remain* (November 8, 2017)
  - OIG-17-039, *DATA Act Readiness: ARC (Administrative Resource Center) Is Making Progress in Meeting DATA Act Reporting Requirements Despite Challenges* (April 13, 2017)
  - OIG-17-021, *DATA Act Readiness: Treasury Is Making Progress in Meeting DATA Act Reporting Requirements Despite Challenges* (December 1, 2016)
  - OIG-16-047, *Treasury's Government-wide DATA Act Implementation Continues, But Project Management Concerns Remain* (June 22, 2016)
  - OIG-15-034, *Treasury Is Making Progress in Implementing the DATA Act But Needs Stronger Project Management* (May 19, 2015)
- reviewed the following Government Accountability Office (GAO) reports to establish criteria:

## Appendix 1: Objectives, Scope, and Methodology

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- GAO-18-546, *DATA Act: Reported Quality of Agencies' Spending Data Reviewed by OIGs Varied Because of Government-wide and Agency Issues* (July 2018)
  - GAO-18-138, *DATA Act: OMB, Treasury, and Agencies Need to Improve Completeness and Accuracy of Spending Data and Disclose Limitations* (November 2017)
  - GAO-17-496, *DATA Act: As Reporting Deadline Nears, Challenges Remain That Will Affect Data Quality* (April 2017)
  - GAO-14-704G, *Standards for Internal Control in the Federal Government* (September 2014)
- interviewed personnel responsible for Treasury's implementation of the DATA Act reporting requirements

We performed our audit fieldwork from May through September 2019 at the Bureau of Engraving and Printing, Bureau of the Fiscal Service, Office of the Comptroller of the Currency, Office of the Deputy Chief Financial Officer, Office of Gulf Coast Restoration, Office of the Procurement Executive, United States Mint, Treasury Executive Office for Asset Forfeiture, and the Community Development Financial Institution Fund in Washington, DC and Parkersburg, West Virginia.

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

## Appendix 2: Management Response



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

November 8, 2019

Deborah L. Harker  
Assistant Inspector General for Audit  
Office of the Inspector General  
U.S. Department of the Treasury  
875 15<sup>th</sup> Street, NW  
Washington, DC 20005

Dear Ms. Harker:

Thank you for the opportunity to review and comment on the Treasury Office of Inspector General's (OIG) audit report in connection with the Digital Accountability and Transparency Act (DATA Act) of 2014 (Pub.L. 113-101). Treasury appreciates the OIG's recognition of our noted improvements in the quality of our reported data for the first quarter of fiscal year 2019. In particular, we are pleased that the OIG assessed our spending data to be accurate and complete, which provides confidence to the users of this publicly reported information.

The Inspector General community took steps to change its methodology for assessing data accuracy which, coupled with our remediation efforts, significantly improved our audit results. We encourage the Inspector General community to continue refining its audit methodology, particularly with regards to deriving its rating of overall data quality, which we believe should be assessed based on a weighted or simple average of the ratings of accuracy, completeness, and timeliness, rather than based on the single worst error rate of these three measures. Management does not believe weighing timeliness as the deciding factor on our quality assessment contributes to the usefulness of the result. We further encourage the Office of Management and Budget (OMB) and the government-wide DATA Act Program Management Office (PMO) to continue their efforts in issuing clarifying guidance and standards on certain data elements to ensure consistency in treatment, reporting, and audit scrutiny for federal agencies.

Treasury supports the work of the audit team in identifying areas for further improvement, as mentioned in this audit engagement. We generally concur with the following recommendations:

- Treasury acknowledges inaccuracies with action dates for actions awarded subject to the availability of funds which impacted our timeliness assessment. Treasury will develop and implement agency-wide policies or procedures to ensure action date is reported accurately.
- We will explore revising policies or procedures to ensure that data related to the primary place of performance address, more specifically the +4 component of the zip code, is accurate in the Federal Procurement Data System – Next Generation (FPDS-NG). However, we note that including place of performance in award documentation is not required for all contract awards per the Federal Acquisition Regulation.
- Through the government-wide Chief Financial Officer Council (CFOC), we will continue conversations with the OMB and the PMO as we encourage them to (1) ensure financial assistance data is properly extracted from appropriate sources within the System for Award Management (SAM), and (2) update definitions within the DATA Act Information Model Schema (DAIMS) related to period of performance start date data element for clarity and consistency for federal agencies.
- We will continue to work with OMB, PMO, and the Treasury Executive Office for Asset Forfeiture on the submission of their financial assistance information.

While Treasury agrees with the above audit recommendations, management disagrees with the recommendation related to our agency's treatment of discounts. The treatment of discounts varies across federal agencies due to the lack of government-wide guidance. As an agency-wide practice, Treasury

recognizes discounts within FPDS-NG at the time of contract close out, which differs from the timing of recognition within our financial systems. The OIG assessed this as an error which negatively impacted our timeliness rating. It is impractical for Treasury to generate an award action at the time of receipt for any discount. Thus, we will work with our government-wide counterparts to develop specific guidance that will provide clarity and consistency in the treatment of discounts across the federal government.

As the findings of the audit report demonstrate, Treasury achieved a high degree of accuracy and completeness in our publicly reported information. This report made no findings requiring remediation in regards to our reported financial data. This result, combined with Treasury receiving 19 consecutive unmodified audit opinions from KPMG LLC, our external auditor, on our consolidated financial statements, should provide the American people with confidence in the high quality of our financial data quality. Treasury's Data Quality Plan, signed in May 2019, provides a basis for continued improvement and remediation of our non-financial award data. We appreciate the hard work of the audit team and look forward to continuing refinements in our business processes and internal controls to reinforce data integrity and transparency in the service of taxpayers.



David F. Eisner  
Assistant Secretary for Management



Carole Y. Banks  
Deputy Chief Financial Officer

## Appendix 3: Government-wide Standard Financial Data Elements

Data Element	Data Definition
Action Date	The date the action being reported was issued / signed by the Government or a binding agreement was reached.
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.
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.
Appropriations Account	The basic unit of an appropriation generally reflecting each unnumbered paragraph in an appropriation act. An appropriation account typically encompasses a number of activities or projects and may be subject to restrictions or conditions applicable to only the account, the appropriation act, titles within an appropriation act, other appropriation acts, or the Government as a whole.  An appropriations account is represented by a Treasury Appropriation Fund Symbol (TAFS) created by the Department of Treasury (Treasury) in consultation with the Office of Management and Budget (OMB). (defined in OMB Circular A-11)
Award Description	A brief description of the purpose of the award.
Award Identification Number (Award ID)	The unique identifier of the specific award being reported, i.e. Federal Award Identification Number for financial assistance and Procurement Instrument Identifier for procurement.
Award Modification/Amendment Number	The identifier of an action being reported that indicates the specific subsequent change to the initial award.
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.
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).
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.
Awarding Agency Code	A department or establishment of the Government as used in the Treasury Account Fund Symbol (TAFS).
Awarding Agency Name	The name associated with a department or establishment of the Government as used in the TAFS.
Awarding Office Code	Identifier of the level "n" organization that awarded, executed or is otherwise responsible for the transaction.
Awarding Office Name	Name of the level "n" organization that awarded, executed or is otherwise responsible for the transaction.
Awarding Sub Tier Agency Code	Identifier of the level 2 organization that awarded, executed or is otherwise responsible for the transaction.
Awarding Sub Tier Agency Name	Name of the level 2 organization that awarded, executed or is otherwise responsible for the transaction.
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. (defined in OMB Circular A-11)
Business Types	A collection of indicators of different types of recipients based on socio-economic status and organization / business areas.

## Appendix 3: Government-wide Standard Financial Data Elements

<b>Data Element</b>	<b>Data Definition</b>
Catalog of Federal Domestic Assistance Number	The number assigned to a Federal area of work in the Catalog of Federal Domestic Assistance.
Catalog of Federal Domestic Assistance Title	The title of the area of work under which the Federal award was funded in the CFDA.
Current Total Value of Award	For procurement, the total amount obligated to date on a contract, including the base and exercised options.
Federal Action Obligation	Amount of Federal Government's obligation, de-obligation, or liability, in dollars, for an award transaction.
Funding Agency Code	The 3-digit Common Government-wide Accounting Classification agency code of the department or establishment of the Government that provided the preponderance of the funds for an award and/or individual transactions related to an award.
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.
Funding Office Code	Identifier of the level "n" organization that provided the preponderance of the funds obligated by this transaction.
Funding Office Name	Name of the level "n" organization that provided the preponderance of the funds obligated by this transaction.
Funding Sub Tier Agency Code	Identifier of the level 2 organization that provided the preponderance of the funds obligated by this transaction.
Funding Sub Tier Agency Name	Name of the level 2 organization that provided the preponderance of the funds obligated by this transaction.
Highly Compensated Officer Name	<p>First Name: 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>Middle Initial: The middle initial 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>Last Name: The last 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>
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.
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) 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.
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.
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."
Legal Entity Country Name	The name corresponding to the Country Code.

## Appendix 3: Government-wide Standard Financial Data Elements

Data Element	Data Definition
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.
North American Industrial Classification System Code	The identifier that represents the North American Industrial Classification System Description Code assigned to the solicitation and resulting award identifying the industry in which the contract requirements are normally performed.
North American Industrial Classification System Description	The title associated with the North American Industrial Classification System Description Code.
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. (defined in OMB Circular A-11)
Obligation	Obligation means 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. This means you cannot incur obligations in a vacuum; you incur an obligation against budget authority in a Treasury account that belongs to your agency. It is a violation of the Antideficiency Act to incur an obligation in an amount greater than the amount available in the Treasury account that is available. This means that the account must have budget authority sufficient to cover the total of such obligations at the time the obligation is incurred. In addition, the obligation you incur must conform to other applicable provisions of law, and you must be able to support the amounts reported by the documentary evidence required by 31 U.S.C. § 1501. Moreover, you are required to maintain certifications and records showing that the amounts have been obligated (31 U.S.C. § 1108). The following subsections provide additional guidance on when to record obligations for the different types of goods and services or the amount. Additional detail is provided in OMB Circular A-11.
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.
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. (defined in OMB Circular A-11)
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. (defined in OMB Circular A-11)
Parent Award ID	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.
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.

## Appendix 3: Government-wide Standard Financial Data Elements

<b>Data Element</b>	<b>Data Definition</b>
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. 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.
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.
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.
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.
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.
Primary Place of Performance Country Code	Country code where the predominant performance of the award will be accomplished.
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.
Program Activity	A specific activity or project as listed in the program and financing schedules of the annual budget of the United States Government. (defined in OMB Circular A-11)
Record Type	Code indicating whether an action is an individual transaction or aggregated. This data element applies to financial assistance only.
Treasury Account Symbol (TAS) - (excluding sub-account)	TAS: The account identification codes assigned by the Treasury to individual appropriation, receipt, or other fund accounts. All financial transactions of the Federal Government are classified by TAS for reporting to Treasury and the OMB. (defined in OMB Circular A-11)  Treasury Appropriation Fund Symbol: The components of a TAS – allocation agency, agency, main account, period of availability and availability type – that directly correspond to an appropriations account established by Congress. (defined in OMB Circular A-11)
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.
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.
Unobligated Balance	Unobligated balance means 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. Additional detail is provided in OMB Circular A-11.

Source: OMB, Federal Spending Transparency Data Standards, August 31, 2015

## Appendix 4: Government-wide Standard Financial Data Elements File Presence

Data Element	File A	File B	File C	File D1	File D2	File E	File F
Action Date				✓	✓		✓
Action Type				✓	✓		
Amount of Award <sup>a</sup>				✓	✓		
Appropriations Account <sup>b</sup>	✓	✓	✓				
Award Description				✓	✓		✓
Award ID <sup>c</sup>			✓	✓	✓		
Award Modification/Amendment Number				✓	d		
Award Type				✓	e		
Awardee/Recipient Legal Entity Name				✓	✓		
Awardee/Recipient Unique Identifier				✓	✓	✓	✓
Awarding Agency Code				✓	✓		
Awarding Agency Name				✓	✓		
Awarding Office Code				✓	d		
Awarding Office Name				✓	✓		
Awarding Sub Tier Agency Code				✓	✓		✓
Awarding Sub Tier Agency Name				✓	✓		✓
Budget Authority Appropriated	✓						
Business Types					✓		
Catalog of Federal Domestic Assistance Number					✓		✓
Catalog of Federal Domestic Assistance Title					✓		✓
Current Total Value of Award				✓			
Federal Action Obligation				✓	✓		
Funding Agency Code				✓	d		
Funding Agency Name				✓	✓		
Funding Office Code				✓	d		
Funding Office Name				✓	✓		
Funding Sub Tier Agency Code				✓	d		

## Appendix 4: Government-wide Standard Financial Data Elements File Presence

<b>Data Element</b>	File A	File B	File C	File D1	File D2	File E	File F
Funding Sub Tier				✓	✓		
Agency Name							
Highly Compensated Officer Name						✓	✓
Highly Compensated Officer Total Compensation						✓	✓
Legal Entity Address <sup>f</sup>				✓	✓		✓
Legal Entity Congressional District				✓	✓		✓
Legal Entity Country Code				✓	✓		✓
Legal Entity Country Name				✓	✓		✓
Non-Federal Funding Amount					d		
North American Industrial Classification System Code				✓			✓
North American Industrial Classification System Description				✓			✓
Object Class		✓	✓				
Obligation	✓	✓	✓				
Ordering Period End Date				✓			
Other Budgetary Resources	✓						
Outlay	✓	✓	d				
Parent Award ID			✓	✓			✓
Period of Performance Current End Date				✓	d		
Period of Performance Potential End Date				✓			
Period of Performance Start Date				✓	d		
Potential Total Value of Award				✓			
Primary Place of Performance Address <sup>9</sup>				✓	✓		✓
Primary Place of Performance Congressional District				✓	✓		✓
Primary Place of Performance Country Code				✓	✓		✓
Primary Place of Performance Country Name				✓	✓		✓

## Appendix 4: Government-wide Standard Financial Data Elements File Presence

<b>Data Element</b>	File A	File B	File C	File D1	File D2	File E	File F
Program Activity		✓	✓				
Record Type					✓		
Treasury Account Symbol (TAS) (excluding sub-account) <sup>h</sup>	✓	✓	✓				
Ultimate Parent Legal Entity Name				✓	✓	✓	
Ultimate Parent Unique Identifier				✓	✓	✓	
Unobligated Balance	✓						

Source: Treasury OIG's analysis of the DATA Act Information Model Schema (DAIMS) Version 1.3

✓The element should be presented in the respective File.

<sup>a</sup> Amount of Award is the sum of Federal Action Obligations for procurement and financial assistance awards except loans; or the Original Subsidy Cost for loans or loan guarantees.

<sup>b</sup> Appropriations accounts are represented by Treasury Account Symbols (TAS)

<sup>c</sup> Award ID is the Federal Award Identification Number for financial assistance and Procurement Instrument Identifier for procurement.

<sup>d</sup> A value may be optionally reported for this element in the respective File in accordance with the DAIMS.

<sup>e</sup> Award Type is presented as Assistance Type for financial assistance awards.

<sup>f</sup> Legal Entity Address is made up of five components: Address Lines 1 and 2, City, State Code, and ZIP + 4 or Postal Code.

<sup>g</sup> Primary Place of Performance Address is made up of four components: City, State Code, and ZIP + 4 or Postal Code.

<sup>h</sup> TAS is made up of five components: allocation agency, agency, main account, period of availability, and availability type.

## Appendix 5: Treasury Reporting Entities

Treasury's reporting bureaus and entities and the data domains collected from each bureau for Digital Accountability and Transparency Act of 2014 reporting.

Code	Component	Data			
	Name	Financial	Procurement	Grants	Loans
BEP	Bureau of Engraving and Printing	Y	Y	N	N
CDF	Community Development Financial Institutions Fund	Y	Y	Y	Y
DCP	DC Pension Fund	Y	Y	N	N
DFP	Departmental Franchise Fund / Shared Services Program	Y	Y	N	N
DO	Departmental Offices	Y	Y	N	N
ESF	Exchange Stabilization Fund	Y	N	N	N
FFB	Federal Financing Bank	Y	N	N	N
FIN	Financial Crimes Enforcement Network	Y	Y	N	N
FRF	Financial Research Fund	Y	Y	N	N
FSA	Fiscal Services Administration	Y	Y	N	N
FSC	Fiscal Services Cash	Y	N	N	N
FSD	Fiscal Services Debt	Y	N	N	N
FSM	Fiscal Services Miscellaneous	Y	N	N	N
FSU	Fiscal Service Umbrella	Y	N	Y	N
GSE	Government Sponsored Enterprises	Y	N	N	N
IMF	International Monetary Fund	Y	N	N	N
IRR	Internal Revenue Service/Rev	Y	N	N	N
IRS	Internal Revenue Service	Y	Y	Y	N
MNT	U.S. Mint	Y	Y	N	N
OAS	Office AS International Affairs	Y	N	N	N
OCC	Office of the Comptroller of the Currency	Y	Y	N	N
OFS	Office of Financial Stability	Y	Y	N	N
OIG	Office of Inspector General	Y	Y	N	N
SBL	Small Business Lending	Y	Y	N	N
SIG	Special Inspector General TARP	Y	Y	N	N
TA	Office of Technical Assistance	Y	Y	N	N
TFF	Treasury Forfeiture Fund	Y	Y	Y	N
TIG	Treasury Inspector General for Tax Administration	Y	Y	N	N
TTB	Alcohol and Tobacco Tax and Trade Bureau	Y	Y	N	N

Source: Treasury Departmental Offices

## Appendix 6: Sample of Reporting Entities and Awards

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Treasury reporting entities included in our representative sample, broken out by the total number of Procurement and Financial Assistance records.

Reporting Entity	# of Procurement Records	# of Financial Assistance Records
Office of the Comptroller of the Currency	11	0
Fiscal Service*	70	0
Departmental Offices (non-IRS Procured) <sup>€</sup>	1	10
Departmental Offices (IRS Procured)	1	0
United States Mint	39	0
Bureau of Engraving and Printing	16	0
<b>Total</b>	<b>138</b>	<b>10</b>

Source: Treasury OIG analysis of Treasury's Departmental Offices data

\* Fiscal Service includes records administered on behalf of its internal customer agencies

<sup>€</sup>Departmental Offices non-Internal Revenue Service (IRS) procurements included Treasury Executive Office for Asset Forfeiture, Office of Gulf Coast Restoration, Treasury Office of Inspector General, and Community Development Financial Institution Fund

## Appendix 7: Treasury's non-IRS Results

### Treasury's non-Internal Revenue Service (IRS) error rates for all applicable Data Elements

Treasury's non-IRS results listed in descending order by accuracy error rate.

**Accuracy (A), Timeliness (T), Completeness (C)**

Data Element No. *	Data Element Name	Error Rate %		
		A	T	C
30	Primary Place of Performance Address	52	33	12
25	Action Date	46	33	11
6	Legal Entity Congressional District	32	34	20
31	Primary Place of Performance Congressional District	30	33	12
27	Period of Performance Current End Date	25	32	11
26	Period of Performance Start Date	21	33	11
19	Catalog of Federal Domestic Assistance (CDFA) Number	20	20	20
20	Catalog of Federal Domestic Assistance (CDFA) Title	20	20	20
28	Period of Performance Potential End Date	20	33	11
35	Record Type	20	20	20
37	Business Types	20	20	20
24	Parent Award ID	19	40	19
36	Action Type	18	36	18
4	Ultimate Parent Legal Entity Name	17	34	14
14	Current Total Value of Award	16	33	11
15	Potential Total Value of Award	16	33	11
5	Legal Entity Address	14	32	11
22	Award Description	14	32	11
32	Primary Place of Performance Country Code	14	32	11
33	Primary Place of Performance Country Name	14	32	11
1	Awardee/Recipient Legal Entity Name	13	32	11
11	Federal Action Obligation	13	32	11
23	Award Modification/Amendment Number	12	32	12
16	Award Type	12	32	11
17	NAICS Code	12	33	11
18	NAICS Description	12	33	11
34	Award ID Number	12	32	11
46	Awarding Sub Tier Agency Name	12	32	11
48	Awarding Office Name	12	32	11
2	Awardee/Recipient Unique Identifier	11	32	11
3	Ultimate Parent Unique Identifier	11	32	11

## Appendix 7: Treasury's non-IRS Results

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<b>Data Element No. *</b>	<b>Data Element Name</b>	<b>A</b>	<b>T</b>	<b>C</b>
7	Legal Entity Country Code	11	32	11
8	Legal Entity Country Name	11	32	11
38	Funding Agency Name	11	32	11
39	Funding Agency Code	11	32	11
40	Funding Sub Tier Agency Name	11	32	11
41	Funding Sub Tier Agency Code	11	32	11
42	Funding Office Name	11	32	11
43	Funding Office Code	11	32	11
44	Awarding Agency Name	11	32	11
45	Awarding Agency Code	11	32	11
47	Awarding Sub Tier Agency Code	11	33	11
49	Awarding Office Code	11	32	11
50	Object Class	3	0	0
53	Obligation	3	0	0
56	Program Activity	3	0	0
51	Appropriations Account	1	0	0

Source: Treasury OIG analysis of non-IRS sample transactions per *CIGIE Federal Audit Executive Council Inspectors General Guide to Compliance Under the DATA Act* (February 14, 2019).

\* We did not include element 29, Ordering Period End Date, because it did not apply (conditionally mandatory element) to 89 percent of our selected transactions. For the remaining 11 percent of our selected transactions, Treasury did not report any detailed award data in File D1; therefore we recorded all applicable elements (including Ordering Period End Date) for these transactions as errors for completeness, timeliness and accuracy.

## Appendix 8: Accuracy of Dollar Value Related Elements

This table presents the absolute value of Treasury’s non-Internal Revenue Service (IRS) accuracy errors for the transactions we selected in our fiscal year 2019, first quarter sample of Treasury’s DATA Act Submission. It is important to note these numbers are not projectable to Treasury’s non-Internal Revenue Service transactions or to Treasury’s submission as a whole.

**Accuracy of Dollar Value Related Data Elements**

Transaction Type	Data Element #	Data Element Name	Accurate	Not Accurate	Not Applicable	Total Tested	Error Rate	Absolute Value of Errors (\$)
Procurement	11	Federal Action Obligation	121	17	0	138	12%	874,239.96
Procurement	14	Current Total Value of Award	116	22	0	138	16%	133,567.86
Procurement	15	Potential Total Value of Award	116	22	0	138	16%	667.56
Procurement	53	Obligation	133	5	0	138	4%	8,387,232.89
Financial Assistance	11	Federal Action Obligation	8	2	0	10	20%	592,207.85
Financial Assistance	12	Non-Federal Funding Amount	0	0	10	0	0%	0
Financial Assistance	13	Amount of Award	0	0	10	0	0%	0
Financial Assistance	14	Current Total Value of Award	0	0	10	0	0%	0
Financial Assistance	53	Obligation	10	0	0	10	0%	0
<b>Total</b>			<b>504</b>	<b>68</b>	<b>30</b>	<b>572</b>		

Source: Treasury OIG analysis of non-IRS sample transactions per *CIGIE Federal Audit Executive Council Inspectors General Guide to Compliance Under the DATA Act* (February 14, 2019).

## **Appendix 9: Major Contributors to This Report**

---

John Tomasetti, Audit Manager  
Ashley Smith, Audit Manager  
Andrew Berke, Audit Manager  
Shaneasha Edwards, Program Analyst  
Maria McLean, Auditor-in-Charge  
Herb Addy, Auditor-in-Charge  
Jeneba Moiwo, Auditor-in-Charge  
Avery Williams, Auditor  
Rick Schoof, Auditor  
Alexis Satterwhite, Auditor  
Horace Bryan, Referencer  
Michael Levin, Referencer

## **Appendix 10: Report Distribution**

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### **Department of the Treasury**

Deputy Secretary  
Fiscal Assistant Secretary  
Deputy Fiscal Assistant Secretary for Accounting Policy and  
Financial Transparency  
Office of the Deputy Chief Financial Officer, Risk and Control  
Group  
Office of Strategic Planning and Performance Improvement

### **Bureau of the Fiscal Service**

Commissioner  
Director, Finance and Internal Control Division  
OIG Liaison

### **Office of Management and Budget**

Controller  
OIG Budget Examiner

### **U.S. Government Accountability Office**

Comptroller General of the United States

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gulfcoastrestorationhotline@oig.treas.gov

Access Treasury OIG reports and other information online:

[www.treasury.gov/about/organizational-structure/ig](http://www.treasury.gov/about/organizational-structure/ig)

## **Attachment C**

### **Treasury Inspector General For Tax Administration**

*2020-10-003, Treasury Continues to Make Progress in Meeting  
its DATA Act Reporting Requirements (November 8, 2019)*





*Fiscal Year 2019 Digital Accountability and  
Transparency Act Reporting Compliance*

**November 7, 2019**

**Reference Number: 2020-10-003**

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.

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Website / <http://www.treasury.gov/tigta>



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**Or Write:**

Treasury Inspector General for Tax Administration  
P.O. Box 589  
Ben Franklin Station  
Washington, D.C. 20044-0589

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## HIGHLIGHTS

### FISCAL YEAR 2019 DIGITAL ACCOUNTABILITY AND TRANSPARENCY ACT REPORTING COMPLIANCE

## Highlights

Final Report issued on November 7, 2019

Highlights of Reference Number: 2020-10-003 to the Commissioner of Internal Revenue.

### IMPACT ON TAXPAYERS

The Digital Accountability and Transparency Act of 2014 (DATA Act) requires Federal agencies, including the IRS, to disclose direct expenditures and link Federal contract, loan, and grant spending information to Federal agency programs. Effective implementation of the DATA Act is intended to provide consistent and reliable Governmentwide Federal agency spending data that are available to taxpayers at USAspending.gov.

### WHY TIGTA DID THE AUDIT

The DATA Act requires TIGTA, in coordination with the Treasury Office of Inspector General, to review a statistically valid sample of financial and award data and assess 1) the completeness, accuracy, timeliness, and quality of those sample transactions and 2) the use of the Governmentwide financial data standards. This report is the result of TIGTA's review of the IRS's DATA Act submission of Fiscal Year 2019 first quarter spending data.

### WHAT TIGTA FOUND

The IRS submitted its Fiscal Year 2019 first quarter spending data by March 2019, as required, for publication on USAspending.gov. Based on a standardized methodology used across Offices of Inspectors General, the IRS received the highest of three possible ratings for overall data quality. However, TIGTA determined that the quality of the spending data, specifically the award (procurement) attribute data, continues to need improvement. TIGTA's review of 86 sample transactions (of the

234 transactions reviewed Treasury-wide) found that additional improvements are needed to ensure the completeness, accuracy, timeliness, and overall quality of the data submitted.

The 86 sample transactions were comprised of 3,576 applicable data elements. TIGTA determined that 147 (4 percent) of the applicable data elements were incomplete and 440 (12 percent) of the applicable data elements were inaccurate. In addition, 300 (8 percent) of the applicable data elements were untimely.

The data quality issues were generally attributable to inconsistencies in interpretation of DATA Act element definitions by contracting officers and a lack of comprehensive quality review processes designed to ensure that contract attribute information is accurately entered into internal and external systems for DATA Act reporting.

In addition, the IRS was substantially compliant in implementing the Governmentwide financial data standards, and the IRS has taken a number of actions to improve internal controls related to DATA Act reporting since our previous review. However, due to the timing of the IRS's implementation of some actions, TIGTA will be unable to confirm their impact until our final mandatory DATA Act audit scheduled for completion in November 2021.

### WHAT TIGTA RECOMMENDED

TIGTA recommended that the Chief Financial Officer and the Chief, Procurement, jointly establish procedures to guide the performance of planned quality assurance reviews, such as how frequently the reviews will be performed and how the sample size will be determined, and initiate the reviews.

In their response, IRS management agreed with our recommendation and plans to develop and initiate a quality assurance process.



TREASURY INSPECTOR GENERAL  
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

November 7, 2019

**MEMORANDUM FOR COMMISSIONER OF INTERNAL REVENUE**

**FROM:** Michael E. McKenney  
Deputy Assistant Inspector General for Audit

**SUBJECT:** Final Audit Report – Fiscal Year 2019 Digital Accountability and  
Transparency Act Reporting Compliance (Audit # 201810005)

This report presents the results of our review of Fiscal Year 2019 Digital Accountability and Transparency Act Reporting Compliance. To comply with the Digital Accountability and Transparency Act of 2014's (DATA Act)<sup>1</sup> requirements, the Office of Treasury Inspector General and the Treasury Inspector General for Tax Administration jointly selected a random, statistically valid sample of 234 transactions from the Department of the Treasury's DATA Act submission of Fiscal Year 2019 first quarter financial and award data and assessed 1) the completeness, accuracy, timeliness, and quality of those sample transactions and 2) the IRS's implementation and use of the Governmentwide financial data standards. This review is included in our Fiscal Year 2020 Annual Audit Plan and addresses the major management challenge of Achieving Operational Efficiencies.

Management's complete response to the draft report is included as Appendix VIII.

Copies of this report are also being sent to the IRS managers affected by the report recommendation. If you have any questions, please contact me or Heather M. Hill, Acting Assistant Inspector General for Audit (Management Services and Exempt Organizations).

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<sup>1</sup> Pub. L. No. 113-101, 128 Stat. 1146 (2014).



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*Fiscal Year 2019 Digital Accountability and Transparency Act  
Reporting Compliance*

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*Fiscal Year 2019 Digital Accountability and Transparency Act  
Reporting Compliance*

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*Abbreviations*

CIGIE	Counsel of Inspectors General on Integrity and Efficiency
DATA Act	Digital Accountability and Transparency Act of 2014
DQP	Data Quality Plan
FPDS-NG	Federal Procurement Data System-New Generation
FY	Fiscal Year
GAO	Government Accountability Office
IRS	Internal Revenue Service
OIG	Office of Inspector General
OMB	Office of Management and Budget
TIGTA	Treasury Inspector General for Tax Administration



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## *Fiscal Year 2019 Digital Accountability and Transparency Act Reporting Compliance*

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### *Background*

The Digital Accountability and Transparency Act of 2014 (DATA Act) was enacted on May 9, 2014,<sup>1</sup> and expands Section 3 of the Federal Funding Accountability and Transparency Act of 2006<sup>2</sup> to increase accountability and transparency in Federal spending. The DATA Act, in part, requires Federal agencies to report financial and award data in accordance with the established Governmentwide financial data standards and link Federal contract, loan, and grant spending information to Federal agency programs.

***The DATA Act increases accountability and transparency in Federal spending by requiring Federal agencies to report financial and award data in accordance with established standards.***

In May 2015, the Office of Management and Budget (OMB) and the Department of the Treasury (hereafter referred to as the Treasury Department) published 57 data definition standards and required Federal agencies to convey financial data in accordance with these standards for DATA Act reporting, beginning January 2017.<sup>3</sup> The data elements include, for example, contract award description and current total amount of the award. The IRS submits its information for DATA Act reporting to the Treasury Department through its Treasury Information Executive Repository.<sup>4</sup> The Treasury Department then submits the consolidated information of all Treasury Department bureaus and offices, including the Internal Revenue Service (IRS), for publication on USAspending.gov, where all taxpayers and Government policymakers can view the information. Agencies began reporting financial data on USAspending.gov in accordance with OMB/Treasury Department established data standards in May 2017.<sup>5</sup>

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<sup>1</sup> Pub. L. No. 113-101, 128 Stat. 1146 (2014).

<sup>2</sup> Pub. L. 109-282, as amended by section 6202 of Public Law 110-252

<sup>3</sup> Although the OMB and the Treasury Department issued final data definition standards guidance on May 8, 2015, additional data definition standards related to Federal award reporting were finalized on August 31, 2015, to improve comparability of data reported in connection with the Federal Funding and Accountability Transparency Act's Fiscal Years 2006 and 2008 requirements. For example, Section 2(b) of the Federal Funding and Accountability Transparency Act requires reporting of Federal award-level data to include award title, award amount, recipient, and purpose of the award, among other data elements. Appendix VII lists the 57 DATA Act elements.

<sup>4</sup> The Treasury Information Executive Repository is a database containing a record of all month-end standard general ledger account balances at the lowest level of attribute detail for each Treasury Account Symbol. The Treasury Account Symbol is an identification code assigned by the Treasury Department, in collaboration with the OMB, to an individual appropriation, receipt, or other fund account. The Treasury Information Executive Repository is owned, operated, and maintained by the Treasury Department.

<sup>5</sup> Initial agency data report covered the period January 2017 to March 2017 and was required to be submitted and certified by May 2017.



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Federal agency information submitted to USAspending.gov in accordance with DATA Act reporting requirements is comprised of seven data files.

**File A:** Summary financial information on Agency Appropriation Accounts. An appropriation is a provision of law authorizing the expenditure of funds for a given purpose.

**File B:** Summary financial information categorized by Object Class and Program Activity. Object Class is the classification of an expense by type, *e.g.*, personnel compensation, and travel and transportation. Program Activity is the classification of an expense by program, *e.g.*, prefilings and education.

**File C:** Transaction-level financial information on agency procurements and grants. The data include financial information about specific awards, *e.g.*, award funding source.

**Files D1 and D2:** Transaction-level awardee attribute information on agency procurements and grants, respectively. The data include attribute information about specific awards, *e.g.*, awardee name. It is important to note that procurements (D1) and grants (D2) have different attribute information for specific data elements required for DATA Act reporting.

**File E:** Additional transaction-level awardee attribute information on agency procurements and grants. The data include additional attribute information about specific awards, *e.g.*, top five company officer compensation.

**File F:** Transaction-level subawardee attribute information on agency procurements and grants.

DATA Act reporting is also accomplished through direct linkage with various Federal procurement and financial assistance systems. These systems include the System for Award Management, a platform through which entities applying to receive awards from the Federal Government must register, and the Federal Procurement Data System–Next Generation (FPDS-NG), a repository of data related to Government procurement and contracts. DATA Act information is also extracted from the Award Submission Portal, a platform that allows Federal agencies to submit assistance award (grants) data.

To aid agency implementation of the DATA Act's requirements, the OMB provided guidance to agencies.<sup>6</sup> OMB guidance required all Federal agencies to link agency financial systems with award systems by the use of unique prime Award Identification Numbers for financial assistance

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<sup>6</sup> OMB, Memorandum M-15-12, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable* (May 2015) and OMB, Controller Alert, *DATA Act Implementation and Offices for Financial Assistance Awards* (Dec. 2015).



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awards (grants) and contracts.<sup>7</sup> Agencies were required to have the Award Identification Number linkage for all modifications (amendments) to awards made after January 1, 2017, for reporting to USAspending.gov. The Award Identification Number serves as the key to connect data across award systems and financial systems. The purpose of this linkage is to facilitate the timely reporting of award-level financial data and to reduce reporting errors.

Additionally, on June 6, 2018, the OMB released OMB M-18-16,<sup>8</sup> which requires agencies subject to DATA Act reporting to develop a Data Quality Plan (DQP) by Fiscal Year (FY) 2019. Agencies are required to consider incremental risks to data quality in Federal spending data and any controls that would manage such risks, in accordance with OMB Circular A-123. Each plan should focus on the agency's determination of the importance and materiality of the 57 data elements with respect to that agency. This plan must be reviewed and assessed annually by the agency for three years or until the agency determines sufficient controls are in place to achieve the reporting objectives.

### **Audit requirements**

The DATA Act requires a series of oversight reports by Federal Offices of Inspectors General (OIG) in consultation with the Government Accountability Office (GAO). Specifically, the OIGs are required to review: 1) a statistically valid sampling of the spending data submitted by the Federal agency and assess the completeness, accuracy, timeliness, and quality of the data sampled and 2) the implementation and use of the Governmentwide financial data standards. Under the DATA Act, the OIGs provided Congress with their first required reports in November 2017, a one-year delay from the statutory due date, with two subsequent reports, each following on a two-year cycle. This report is the second of the three mandatory OIG audits required by the DATA Act. The scope of this audit is the FY 2019 first quarter financial and award data (procurements and grants) for the IRS as part of the Treasury Department's publication on USAspending.gov.

The Council of Inspectors General on Integrity and Efficiency (CIGIE) developed a common methodological approach for the OIG community to use in performing its mandated work under the DATA Act.<sup>9</sup> The CIGIE guide provides the following criteria to assess the overall quality of data:

- **Completeness of Data Elements** - For each of the required data elements that should have been reported, the data elements were reported in the appropriate File.

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<sup>7</sup> The Award Identification Number is the unique identifier of the specific award reported. Financial Assistance Instrument Identifiers are the unique identifiers for grants, and Procurement Instrument Identifiers are the unique identifiers for procurements.

<sup>8</sup> OMB M-18-16, *Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk* (June 6, 2018).

<sup>9</sup> CIGIE, *Federal Audit Executive Council Inspectors General Guide to Compliance under the DATA Act* (March 2019).



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- Accuracy of Data Elements - Amounts and other data related to recorded transactions were reported in accordance with specified requirements and agreed with the authoritative source records.
- Timeliness of Data Elements - For each of the required data elements that should have been reported, the data elements were reported in accordance with the required reporting schedule.

The overall quality of the data is determined using these three attributes, with the highest of the error rates determining the overall quality. Figure 1 shows the range of results and the associated quality level.

**Figure 1: Range of Results and Associated Quality Level**

Highest Error Rate	Quality Level
0% - 20%	HIGHER
21% - 40%	MODERATE
41% and Above	LOWER

*Source: CIGIE Federal Audit Executive Council Inspectors General Guide to Compliance under the DATA Act.*

Because the required CIGIE methodology for this audit varied significantly from the approach used in the last DATA Act audit, completed in November 2017, the results reported in the two reviews are not directly comparable.

**Prior Treasury Inspector General for Tax Administration (TIGTA) audits**

We conducted two prior audits on DATA Act reporting; one was issued in March 2017, which evaluated the IRS’s readiness to implement DATA Act reporting requirements,<sup>10</sup> and the other, issued in November 2017, was the first required report to evaluate the IRS’s compliance with DATA Act reporting.<sup>11</sup> In our audit report on DATA Act implementation readiness, we identified areas that required additional attention. Specifically:

<sup>10</sup> TIGTA, Ref. No. 2017-10-018, *Status of Digital Accountability and Transparency Act Implementation Efforts* (Mar. 2017).

<sup>11</sup> TIGTA, Ref. No. 2018-10-006, *Fiscal Year 2017 Digital Accountability and Transparency Act Reporting Compliance* (Nov. 2017).



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- The IRS had not clearly identified the source for 18 of the required 57 data elements or documented how the 57 standardized reporting data elements are used in its business processes.
- The IRS had not finalized the accounting procedures needed to support the posting of transaction-level grant program information in its financial system.
- The IRS Office of Procurement and grant program offices manually entered data for 10 elements related to procurements required for DATA Act reporting. We determined that the IRS could improve the reliability of information related to these 10 elements if data entry were automated.

TIGTA recommended that the Chief Financial Officer update the data source inventory to include all required information and clearly document the data source of all required data elements. In addition, we recommended that the Chief Financial Officer finalize accounting procedures and associated controls to support the posting of transaction-level financial information for IRS grant programs. Finally, we recommended that the Chief, Procurement, should pursue methods of automating the capture of data for the 10 procurement-related elements required for DATA Act reporting. The IRS agreed with our recommendations.

In our November 2017 audit report on DATA Act Reporting compliance, we found that significant improvements were needed to ensure the completeness, accuracy, and overall quality of the procurement and grant information submitted. Specifically, of the 206 procurement and grant transactions TIGTA reviewed, 201 (more than 97 percent) had one or more data elements that were inaccurate. TIGTA recommended that the Chief Financial Officer, in coordination with the Chief, Procurement, and the National Taxpayer Advocate, develop and implement policies and procedures that: 1) clarify the definition of DATA Act elements and associated fields, 2) specify documentation which should be maintained, and 3) provide mandatory training to all contracting officers and grant program staff. TIGTA also recommended quality assurance procedures be enhanced. The IRS agreed with our recommendations.

### **Audit coordination**

Because there is only one submission for publication on USAspending.gov for all Treasury Department bureaus and offices, including the IRS, TIGTA and the Treasury OIG agreed to perform a joint review of the Treasury Department's DATA Act submission of FY 2019 first quarter financial and award data. The Treasury Department's DATA Act submission population consisted of 4,065 transactions. These transactions were divided into two subpopulations: 1) the IRS and 2) all other Treasury Department bureaus and offices. The IRS subpopulation consisted of 1,490 transactions, and the subpopulation for all other Treasury bureaus and offices consisted of 2,575 transactions. TIGTA and the Treasury OIG jointly selected a random, statistically valid sample of 234 of the 4,065 transactions. TIGTA reviewed 86 IRS sample transactions, and the Treasury OIG reviewed the remaining 148 sample transactions for the other Treasury Department bureaus and offices. The Treasury OIG also assessed the overall completeness,



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accuracy, timeliness, and quality of summary financial data reported for all Treasury Department bureaus and offices in the first quarter of FY 2019 (Files A and B). Additionally, the Treasury OIG assessed the reconciliation process between the data in Files B and C for all Treasury Department bureaus and offices. Details on the results of this substantive testing will be reported separately by the Treasury OIG.

As part of our coordination with the Treasury OIG, we agreed to assist if any material differences were identified in the Treasury OIG's reconciliation and review of Treasury Department (including the IRS) files. The Treasury OIG did not identify any IRS differences and, as a result, did not contact us regarding the resolution of any differences of this type. Consequently, TIGTA's focus was on reviewing the financial (File C) and award (procurement (File D1) and grant (File D2)) information included in the IRS's submission to the Treasury Department and assessing it for completeness, accuracy, and timeliness. TIGTA and the Treasury OIG maintained close coordination during our separate DATA Act audits.

This review was performed at the Headquarters offices of the Office of the Chief Financial Officer; Chief, Procurement; and Taxpayer Advocate located in Washington, D.C. This review was also performed at the field offices of the Office of the Chief, Procurement, located in Atlanta, Georgia; Lanham, Maryland; New York City, New York; and Dallas, Texas, and the Wage and Investment Division field office located in Atlanta, Georgia, during the period November 2018 through October 2019. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objectives. Detailed information on our audit objectives, scope, and methodology is presented in Appendix I. Major contributors to the report are listed in Appendix II.



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## *Results of Review*

### **Additional Efforts Are Needed to Improve the Quality of IRS Spending Data**

The IRS submitted its spending data by March 2019, as required, for publication on USAspending.gov. In addition, based on a standardized assessment methodology developed by the CIGIE, the IRS received the highest (green) of three possible ratings (green, yellow, or red) for data quality. However, TIGTA's review of 86 sample transactions found that additional improvements are needed to ensure the completeness, accuracy, timeliness, and overall quality of the financial and award attribute data submitted.<sup>12</sup> Specifically, we identified award (procurement) attribute data as most in need of improvement.

The 86 sample transactions we reviewed were comprised of 3,576 applicable data elements.<sup>13</sup> We evaluated the elements based on the 2019 CIGIE Guide requirements that include an assessment of data completeness, accuracy, and timeliness. We determined the following:

- Completeness of Data Elements – 147 (4 percent) of the 3,576 applicable data elements were incomplete. The 147 incomplete elements were missing required information such as the award date and the award total amount.
- Accuracy of Data Elements – 440 (12 percent) of the 3,576 applicable data elements were inaccurate. The 440 data elements with inaccuracies reported data element information on USAspending.gov that did not match the supporting documentation, or for which supporting documentation was not provided.
- Timeliness of Data Elements – 300 (8 percent) of the 3,576 applicable data elements were untimely.

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<sup>12</sup> TIGTA's sample of 86 transactions was randomly selected from the population of all IRS procurement and grant transactions. Our sample did not include any grant transactions.

<sup>13</sup> Some DATA Act elements did not apply to all 86 transactions, such as 'Action Type' and 'Parent Award ID,' etc.



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Figure 2 shows the results of our review of the 86 IRS sampled transactions.

**Figure 2: Evaluation of IRS Transactions**

IRS Strata	Transaction Population	Transactions Examined	Elements Examined	Elements Incomplete	Elements Inaccurate	Elements Untimely
<b>Procurements</b>	1471	86	3576	147	440	300
<b>Grants</b>	19	0	0	0	0	0
<b>Total</b>	1490	86	3576	147	440	300
<b>Exception Rate</b>				<b>4%</b>	<b>12%</b>	<b>8%</b>

Source: TIGTA analysis of the IRS’s DATA Act transactions.

Based on criteria established in the 2019 CIGIE Guide, the overall quality of the data elements is determined using these three error rates, with the highest of the error rates determining overall quality. A higher quality (green) rating requires that the highest error rate fall between 0 percent and 20 percent. Our analysis determined that the highest error rate was inaccuracy in the IRS’s spending data at 12 percent. Therefore, the overall quality of the IRS data sampled is considered to be higher (green).

**Sample testing results**

We determined that the majority of the data elements that were incomplete, inaccurate, or untimely relate to File D (attribute) information, such as the primary place of performance address and potential total value of the award.

*Incomplete Data*

The incomplete elements we identified are attributable to information missing from required fields on File D and untimely submission of contract actions in the FPDS-NG. Untimely submission of contract data results in incompleteness because the data were not available for review at the time we obtained data from the system.

*Inaccurate Data*

The inaccuracies we identified are primarily the result of continued difficulty by contracting officers in properly determining the correct information to enter for these elements. For example, for the element “primary place of performance address,” contracting officers sometimes incorrectly entered the IRS office location where a product was delivered rather than the location where the product was actually produced as required by the element definition. Because the IRS lacks a comprehensive quality review process designed to ensure that contract attribute information is accurately entered, it is unable to identify these inaccuracies.



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Of the 86 sampled transactions, we determined that the following DATA Act elements listed in Figure 3 had the highest percentage of inaccuracies, *i.e.*, data element information listed on USA Spending.gov did not match the supporting documentation, or support was not provided.<sup>14</sup>

**Figure 3: DATA Act Elements With Highest Percentage of Inaccuracies**

DATA Act Element Name and Definition	Percentage Inaccurate
<b>Ultimate Parent Legal Entity Name</b> <i>The name of the ultimate parent of the awardee or recipient.</i>	<b>52%</b>
<b>Primary Place of Performance Address</b> <i>The location where the predominant performance of the award will be accomplished.</i>	<b>52%</b>
<b>Potential Total Value of Award</b> <i>Total amount that could be obligated on a contract, if the base and all options are exercised.</i>	<b>35%</b>
<b>Current Total Value of Award</b> <i>Total amount obligated to date on an award.</i>	<b>35%</b>
<b>Period of Performance Start Date</b> <i>The date on which, for the award referred to by the action being reported, awardee effort begins or the award is otherwise effective.</i>	<b>33%</b>
<b>Period of Performance Potential End Date</b> <i>For procurement, the date on which, for the award referred to by the action being reported if all potential predetermined or prenegotiated options were exercised, awardee effort is completed or the award is otherwise ended.</i>	<b>28%</b>
<b>Action Date</b> <i>The date the action being reported was issued/signed by the Government or a binding agreement was reached.</i>	<b>28%</b>

Source: TIGTA analysis of sampled IRS DATA Act transactions.

*Untimely Data*

The untimely elements we identified are attributable to IRS contracting officers entering contract actions in the FPDS-NG late. Some contract actions were not entered into the FPDS-NG before the reporting cutoff for FY 2019 first quarter spending data. Other contract actions were submitted by the reporting cutoff for FY 2019 first quarter spending, but were not submitted by

<sup>14</sup> Some DATA Act elements did not apply to all of the 86 transactions tested. For example, Ultimate Parent Legal Entity Name in Figure 3 only applied to 27 of the 86 transactions.



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the three-day reporting window required by the Federal Acquisition Regulation.<sup>15</sup> The IRS stated that it is in the process of completing enhancements to its contract writing system,<sup>16</sup> which will require that DATA Act procurement element information in the FPDS-NG be finalized concurrent with the entry of information in the IRS's financial system. These enhancements, when complete and operating as described, should help significantly mitigate future instances of untimely/incomplete data elements.

We previously recommended that the IRS enhance quality assurance procedures to improve the accuracy of DATA Act procurement attribute information. The IRS agreed and established a charter outlining responsibility for performance of quality assurance reviews of DATA Act procurement attribute information; however, the reviews themselves have not yet been initiated. In addition, the IRS has not established procedures to guide the performance of these reviews, such as how frequently the reviews will be performed and how the sample size will be determined.

We also previously recommended that the IRS provide training to contracting officers to ensure an understanding of DATA Act attribute element definitions. Although this training was completed and the definitions of DATA Act attribute elements were included in training materials provided to contracting officers, the continued data inaccuracies indicate that additional training and guidance may be warranted. Finally, the lack of ongoing quality assurance reviews makes it difficult to accurately identify which elements may require additional training and/or supplemental instructions.

Without effective internal controls over award attribute data quality, including the performance of regular quality assurance reviews of data accuracy, the IRS will be unable to ensure that spending data it reports on USAspending.gov are consistent and reliable.

### ***Recommendation***

***Recommendation 1:*** The Chief Financial Officer and the Chief, Procurement, should jointly 1) establish procedures to guide the performance of the planned quality assurance reviews, such as how frequently the reviews will be performed and how the sample size will be determined and 2) initiate the reviews.

***Management's Response:*** IRS management agreed with our recommendation. The Chief Procurement Officer, working with the Chief Financial Officer, will develop and initiate a quality assurance process addressing the frequency of when the reviews will be performed, and a sample size will be determined to ensure that Data Act procurement attribute information in contract files is appropriate and accurate.

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<sup>15</sup> Federal Acquisition Regulation Part 4.6, *Contract Reporting*.

<sup>16</sup> The IRS's contract writing system is a module within the Integrated Financial System. The Procurement for Public Sector module was implemented in October 2017.



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**Governmentwide Financial Data Standards Have Been Implemented  
As Required**

In May 2015, the OMB and the Treasury Department published 57 data definition standards and required Federal agencies to convey financial data in accordance with these standards for DATA Act reporting, beginning January 2017. In addition, the DATA Act technical schema, developed by the Treasury Department, details the specifications for the format, structure, and transmission of the required data.

We determined that the IRS was substantially compliant in implementing the Governmentwide financial data standards. We previously reported that the IRS had not determined how it will collect and report grantee matching cash contributions under the Non-Federal Funding Amount data element. The IRS subsequently developed guidelines outlining how it will collect and report these contributions. The IRS also updated the data source inventory that it uses to track the 57 DATA Act data elements and to reflect the updated approach to the Non-Federal Funding Amount data element.

**The IRS Has Generally Improved Other Internal Controls Related to  
Digital Accountability and Transparency Act Reporting**

Overall, the IRS has taken a number of actions to improve internal controls related to DATA Act reporting since our previous review. However, due to the timing of the IRS's implementation of some actions, we will be unable to confirm the effectiveness of these internal controls until our final mandatory DATA Act audit scheduled for completion in November 2021. Our assessment of key internal controls related to DATA Act reporting are listed below.

*Auto-Population of the FPDS-NG With DATA Act Elements*

We previously recommended that the Chief, Procurement, should pursue methods of automating the capture of data for 10 procurement-related elements required for DATA Act reporting. Automated control activities tend to be more reliable because they are less susceptible to human error and are typically more efficient. In July 2019, the IRS reported that it completed the automated capture of these 10 elements. The implementation of this corrective action will be evaluated as part of our final mandatory DATA Act audit.

*The DQP*

On June 6, 2018, the OMB released OMB M-18-16,<sup>17</sup> which requires agencies subject to DATA Act reporting to develop a DQP by FY 2019. Agencies are required to consider incremental risks to data quality in Federal spending data and any controls that would manage such risks, in

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<sup>17</sup> OMB M-18-16, *Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk* (June 6, 2018).



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accordance with OMB Circular A-123, in their respective plans. Each plan should focus on the agency's determination of the importance and materiality of the 57 data elements with respect to that agency. This plan must be reviewed and assessed annually by the agency, for three years, or until the agency determines sufficient controls are in place to achieve the reporting objective.

In May 2019, the Treasury Department finalized development of a Department-wide DQP as required by OMB Memorandum M-18-16. The IRS stated that, with concurrence from the Treasury Department, the Treasury Department DQP will serve as the DQP for all Treasury Department offices, and the IRS will not prepare a separate plan. The IRS provided input into the development of the plan as requested. The DQP provides a framework for remediating data quality issues and documents remediation strategies to improve reporting. The development of the Treasury Department DQP was reviewed by the Treasury OIG as part of its mandatory DATA Act audit. IRS actions in support of DQP Department-wide initiatives will be reviewed as part of our final DATA Act mandatory audit.

### *FY 2019 A-123 Testing – DATA Act Compliance*

OMB Circular A-123 requires agencies to provide annual assurance on internal control effectiveness to achieve specific internal control objectives including those related to external reporting requirements. In August 2019, the IRS completed an assessment of internal controls over compliance with the DATA Act. The assessment included a review of DATA Act reporting for a sample of 45 awards. The assessment results noted control deficiencies related to the completeness and accuracy of DATA Act information reported. Assessment recommendations included implementing focused reviews of select elements and an overall improvement in established monitoring and quality review practices. Implementation of these recommendations will be reviewed as part of our final DATA Act mandatory audit.

### *Data Act Submission Assurance Statement*

OMB M-17-4<sup>18</sup> requires that agency DATA Act Senior Accountability Officials or their designees must provide a quarterly assurance that their agency's internal controls support the reliability and validity of the agency account-level and award-level data reported for display on USAspending.gov. This includes controls over financial management systems. The IRS provided a DATA Act Submission Assurance Statement for the first quarter of FY 2019 as required. In this statement, the IRS addressed controls regarding its spending data, agency source systems, and DATA Act submission files (File A–Appropriation Account, File B–Object Class, File C–Award Financial, and File D2–Financial Assistance).

The IRS DATA Act Senior Accountability Official did not certify to the accuracy, reliability, and validity of File D1, which includes attribute information for its procurement awards. The award attribute information provided in File D1 includes data elements such as the award identification number, the Federal contract action obligation amount, and period of performance

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<sup>18</sup> OMB M-17-04, *Memorandum for Agency Senior Accountable Officials* (November 2016).



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dates. However, the Treasury Senior Accountability Official provided an assurance statement certifying the completeness, accuracy, and timeliness of agency data for all Treasury Department bureaus and offices (including the IRS) for File D1. The implementation of a program of ongoing quality reviews by the IRS, as previously discussed, would enhance its ability to provide information on File D1 data accuracy as part of its quarterly certification process.

### *Financial System Information*

Our analysis did not identify any differences between financial information reported for the 86 transactions we sampled and information contained in the IRS's Integrated Financial System.

### *Annual Financial Statement Audit*

Our discussions with IRS financial statement auditors from the GAO did not identify financial reporting control weaknesses that would materially affect the IRS's ability to timely and accurately report award and financial information. In the GAO's audits of the IRS's financial statements as of and for the fiscal years ended September 30, 2017, and 2018, the GAO rendered an unmodified opinion on the IRS's financial statements.<sup>19</sup> The GAO found no reportable noncompliance with provisions of applicable laws, regulations, contracts, and grant agreements that it tested.

The GAO did report a significant deficiency in internal control over financial reporting systems which concerns general controls relied upon by the administrative and custodial accounting systems. Specifically, the GAO found an issue with mandatory access controls related to the administrative accounting systems of the Integrated Financial System. With the exception of the issues discussed in our audit report, the GAO did not identify any other material weaknesses or significant deficiencies in internal control over financial reporting.

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<sup>19</sup> GAO, GA0-18-150, *Financial Audit: IRS's Fiscal Years 2018 and 2017 Financial Statements* (Nov. 9, 2018).



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## **Appendix I**

### *Detailed Objectives, Scope, and Methodology*

The overall objectives of this audit were to assess 1) the completeness, accuracy, timeliness, and quality of the IRS's FY 2019 first quarter financial and award data submitted for publication on USAspending.gov and 2) the IRS's implementation and use of the Governmentwide financial data standards established by the OMB and the Department of the Treasury. To accomplish our objectives, we:

- I. Obtained an understanding of the applicable regulatory criteria, systems, processes, and internal controls the IRS relies on to facilitate the reporting of financial and award data under the DATA Act.<sup>1</sup>
- II. Assessed the systems, processes, and internal controls in place over data management and reporting under the DATA Act.
- III. Assessed the completeness, timeliness, quality, and accuracy of the financial and award data reported in the first quarter of FY 2019.
- IV. Reviewed a statistically valid random sample of the IRS's certified FY 2019 first quarter (October through December 2018) financial and award data submitted for publication on USAspending.gov, and assessed the data for completeness, timeliness, quality, and accuracy.

#### **Sampling methodology**

The DATA Act requires the Inspector General of each Federal agency to audit a statistically valid sample of the spending data submitted by its Federal agency. In coordination with the Treasury Inspector General, we selected a statistically valid, random sample of certified spending submitted for publication on USAspending.gov, specifically from the reportable award-level transactions included in the Treasury Department's certified data submission for File C. We met with TIGTA's contract statistician to discuss this audit and the associated sampling plan.

The following criteria were used to select the sample:

- Population size – the number of detailed award transactions included in the Treasury Department's quarterly certified data submission were determined by adding the total number of detail award transactions in submission File C, identified as 4,065.

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<sup>1</sup> Pub. L. No. 113-101, 128 Stat. 1146 (2014).



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- Confidence level – the percentage of all possible samples that can be expected to include the true population parameter, set at 95 percent.
- Expected error rate – the estimated number of errors in the population to be sampled, set at 80 percent.
- Sample precision – the expected difference between the true population parameter and a sample estimate of that parameter, set at plus or minus 5 percent.
- Sample size – the number of transactions selected for this review was 234 transactions (86 IRS and 148 other Treasury Department bureau transactions). The sample size is based on a 95 percent confidence level, an expected error rate of 50 percent, and a desired sampling precision of 5 percent.
- Review methodology – TIGTA reviewed those transactions applicable to the IRS; the Treasury Inspector General reviewed all other Treasury Department bureau transactions.

### **Data reliability**

We performed validation tests to ensure the reliability of the FY 2019 first quarter Treasury Submission File C (IRS transactions) data we extracted. This testing included evaluating whether all transactions reported contained all expected fields (including award identification number), had values within expected ranges, and had funding codes applicable to the IRS. Overall, we determined that the extracted data were reliable for the purposes of our substantive testing, which focused on an in-depth analysis of the accuracy of selected sample cases through the review of source documentation.

### **Internal controls methodology**

Internal controls relate to management's plans, methods, and procedures used to meet their mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance. We determined that the following internal controls were relevant to our audit objectives: the IRS's procedures for creating, validating, and submitting the monthly Award Financial submission file; procedures for the reconciliation of award and financial information; and the process used for the quality review of award attribute information. We evaluated these controls by interviewing officials in the Offices of the Chief Financial Officer; Chief, Procurement; Taxpayer Advocate; and Wage and Investment Division, and reviewing the FY 2019 first quarter DATA Assurance Certification and associated corrective action report.



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**Appendix II**

*Major Contributors to This Report*

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**Appendix III**

*Report Distribution List*

Deputy Commissioner for Operations Support  
Deputy Commissioner for Services and Enforcement  
Chief Financial Officer  
Chief, Procurement  
Commissioner, Wage and Investment Division  
National Taxpayer Advocate  
Director, Office of Legislative Affairs  
Director, Enterprise Audit Management



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## **Appendix IV**

### *Outcome Measure*

This appendix presents detailed information on the measurable impact that our recommended corrective action will have on tax administration. This benefit will be incorporated into our Semiannual Report to Congress.

#### **Type and Value of Outcome Measure:**

- Reliability of Information – Potential; 440 (12 percent) of the 3,576 applicable data elements we tested from our sample of 86 IRS transactions included in the Department of the Treasury’s FY 2019 first quarter financial and award data submission were inaccurate (see page 7).

#### **Methodology Used to Measure the Reported Benefit:**

Department of the Treasury DATA Act<sup>1</sup> spending data submitted in March 2019 consisted of 4,065 transactions. These transactions included the IRS and all other Treasury Department bureaus and offices. The IRS subpopulation consisted of 1,490 transactions, and all other Treasury Department bureaus and offices subpopulations consisted of 2,575 transactions. Based on the formula provided in Data Act guidance, we selected a sample of 234 transactions and stratified the sample in two groups, one for the IRS and the other for all other Treasury Department bureaus. The IRS sample consisted of 86 transactions. The 86 sample transactions we reviewed were comprised of 3,576 applicable data elements. Out of those 3,576 applicable data elements, we found that 440 (12 percent) were inaccurate.

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<sup>1</sup> Pub. L. No. 113-101, 128 Stat. 1146 (2014).



*Fiscal Year 2019 Digital Accountability and Transparency Act  
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**Appendix V**

*IRS Exceptions Based on Applicable Elements*

Data Element Name	Incomplete	Inaccurate	Untimely
Primary Place of Performance Address	5%	52%	9%
Ultimate Parent Legal Entity Name*	4%	52%	15%
Current Total Value of Award	5%	35%	9%
Potential Total Value of Award	5%	35%	9%
Period of Performance Start Date	5%	33%	9%
Action Date	5%	28%	9%
Period of Performance Potential End Date	5%	28%	9%
Period of Performance Current End Date	5%	24%	9%
Ultimate Parent Unique Identifier*	5%	23%	18%
Primary Place of Performance Congressional District	6%	21%	9%
Legal Entity Address	5%	19%	9%
NAICS Code	5%	17%	9%
NAICS Description	5%	16%	9%
Legal Entity Congressional District	5%	15%	9%
Parent Award ID Number*	0%	13%	13%
Federal Action Obligation	5%	13%	9%
Funding Office Name	5%	9%	9%
Funding Office Code	5%	9%	9%
Awardee/Recipient Legal Entity Name	5%	8%	9%
Award Modification / Amendment Number*	7%	7%	14%
Action Type*	7%	7%	14%
Primary Place of Performance Country Code	5%	7%	9%
Primary Place of Performance Country Name	5%	7%	9%
Award Description	5%	6%	9%
Awardee/Recipient Unique Identifier	5%	5%	9%
Object Class	0%	5%	0%
Appropriations Account	0%	5%	0%
Obligation	0%	5%	0%
Program Activity	0%	5%	0%
Legal Entity Country Code	5%	5%	9%
Legal Entity Country Name	5%	5%	9%
Award Type	5%	5%	9%
Award ID Number (PIID/FAIN)	5%	5%	9%
Funding Agency Name	5%	5%	9%
Funding Agency Code	5%	5%	9%
Funding Sub Tier Agency Name	5%	5%	9%
Funding Sub Tier Agency Code	5%	5%	9%
Awarding Agency Name	5%	5%	9%
Awarding Agency Code	5%	5%	9%
Awarding Sub Tier Agency Name	5%	5%	9%
Awarding Sub Tier Agency Code	5%	5%	9%
Awarding Office Name	5%	5%	9%
Awarding Office Code	5%	5%	9%
Ordering Period End Date*	0%	0%	0%

Source: TIGTA analysis of 3,576 applicable elements based on criteria established by the CIGIE.

\*Some 'Not Applicable' DATA Act elements identified and not included in calculation.

*IRS Exceptions Rates Per Sample*

Sample Record	Applicable Elements	Incomplete		Inaccurate		Untimely	
		Number	Percent	Number	Percent	Number	Percent
1	41	0	0%	2	5%	0	0%
2	42	1	2%	8	19%	0	0%
3	41	0	0%	2	5%	0	0%
4	41	0	0%	0	0%	0	0%
5	41	0	0%	0	0%	0	0%
6	41	0	0%	1	2%	0	0%
7	41	0	0%	3	7%	0	0%
8	41	0	0%	2	5%	0	0%
9	39	0	0%	0	0%	0	0%
10	43	0	0%	0	0%	0	0%
11	39	0	0%	3	8%	0	0%
12	39	0	0%	1	3%	0	0%
13	39	0	0%	3	8%	0	0%
14	39	0	0%	1	3%	0	0%
15	39	0	0%	3	8%	0	0%
16	39	0	0%	0	0%	0	0%
17	39	0	0%	0	0%	0	0%
18	39	0	0%	4	10%	0	0%
19	41	0	0%	3	7%	0	0%
20	45	0	0%	4	9%	0	0%
21	45	0	0%	4	9%	39	87%
22	45	0	0%	4	9%	0	0%
23	45	0	0%	5	11%	0	0%
24	45	0	0%	4	9%	0	0%
25	45	0	0%	4	9%	0	0%
26	41	0	0%	2	5%	0	0%
27	43	0	0%	1	2%	0	0%
28	45	0	0%	4	9%	0	0%
29	43	0	0%	4	9%	0	0%
30	43	0	0%	5	12%	0	0%
31	41	36	88%	36	88%	36	88%
32	39	0	0%	6	15%	0	0%
33	39	0	0%	2	5%	0	0%
34	41	0	0%	2	5%	0	0%
35	43	38	88%	38	88%	38	88%
36	41	0	0%	2	5%	0	0%
37	43	0	0%	1	2%	0	0%
38	39	0	0%	1	3%	0	0%
39	39	0	0%	0	0%	0	0%
40	39	0	0%	0	0%	0	0%
41	39	0	0%	1	3%	0	0%
42	45	0	0%	10	22%	39	87%
43	43	0	0%	5	12%	0	0%
44	41	0	0%	2	5%	0	0%
45	41	0	0%	1	2%	0	0%

Sample Record	Applicable Elements	Incomplete		Inaccurate		Untimely	
		Number	Percent	Number	Percent	Number	Percent
46	39	0	0%	2	5%	0	0%
47	39	0	0%	1	3%	0	0%
48	41	36	88%	40	98%	36	88%
49	41	0	0%	4	10%	0	0%
50	41	0	0%	0	0%	0	0%
51	41	0	0%	0	0%	0	0%
52	39	0	0%	3	8%	0	0%
53	39	0	0%	0	0%	0	0%
54	39	0	0%	0	0%	0	0%
55	39	0	0%	4	10%	0	0%
56	39	0	0%	1	3%	0	0%
57	39	0	0%	2	5%	0	0%
58	39	0	0%	4	10%	0	0%
59	41	0	0%	5	12%	0	0%
60	41	36	88%	36	88%	36	88%
61	41	0	0%	2	5%	0	0%
62	41	0	0%	14	34%	0	0%
63	45	0	0%	6	13%	0	0%
64	41	0	0%	3	7%	0	0%
65	41	0	0%	5	12%	0	0%
66	45	0	0%	20	44%	39	87%
67	45	0	0%	5	11%	0	0%
68	45	0	0%	4	9%	0	0%
69	43	0	0%	7	16%	0	0%
70	43	0	0%	6	14%	0	0%
71	43	0	0%	0	0%	0	0%
72	45	0	0%	6	13%	0	0%
73	43	0	0%	3	7%	0	0%
74	43	0	0%	5	12%	0	0%
75	43	0	0%	5	12%	37	86%
76	43	0	0%	4	9%	0	0%
77	41	0	0%	2	5%	0	0%
78	41	0	0%	15	37%	0	0%
79	41	0	0%	6	15%	0	0%
80	44	0	0%	5	11%	0	0%
81	44	0	0%	5	11%	0	0%
82	44	0	0%	5	11%	0	0%
83	44	0	0%	4	9%	0	0%
84	41	0	0%	5	12%	0	0%
85	43	0	0%	5	12%	0	0%
86	44	0	0%	7	16%	0	0%

<b>Total Errors</b>	<b>147</b>	<b>440</b>	<b>300</b>
<b>Average Error Rate<sup>1</sup></b>	<b>4%</b>	<b>12%</b>	<b>8%</b>

Source: TIGTA analysis of sampled IRS DATA Act transactions.

<sup>1</sup> 'Average Error Rate' was calculated by taking an average of the percentages for completeness, accuracy, and timeliness.



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**Appendix VII**

*Digital Accountability and  
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<b>57 Data Elements</b>
1. Appropriations Account
2. Budget Authority Appropriated
3. Object Class
4. Obligation
5. Other Budgetary Resources
6. Outlay
7. Program Activity
8. Treasury Account Symbol (excluding sub-account)
9. Unobligated Balance
10. Action Date
11. Action Type
12. Award Description
13. Award Identification Number
14. Award Modification/Amendment Number
15. Award Type
16. Business Type
17. Catalog of Federal Domestic Assistance Number
18. Catalog of Federal Domestic Assistance Title
19. North American Industrial Classification System Code
20. North American Industrial Classification System Description
21. Ordering Period End Date
22. Parent Award Identification Number
23. Period of Performance Current End Date
24. Period of Performance Potential End Date
25. Period of Performance Start Date
26. Primary Place of Performance Address



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<b>57 Data Elements</b>
27. Primary Place of Performance Congressional District
28. Primary Place of Performance Country Code
29. Primary Place of Performance Country Name
30. Record Type
31. Amount of Award
32. Current Total Value of Award
33. Federal Action Obligation
34. Non-Federal Funding Amount
35. Potential Total Value of Award
36. Awardee/Recipient Legal Entity Name
37. Awardee Recipient Unique Identifier
38. Highly Compensated Office Name
39. Highly Compensated Officer Total Compensation
40. Legal Entity Address
41. Legal Entity Congressional District
42. Legal Entity Country Code
43. Legal Entity Country Name
44. Ultimate Parent Legal Entity Name
45. Ultimate Parent Unique Identifier
46. Awarding Agency Code
47. Awarding Agency Name
48. Awarding Office Code
49. Awarding Office Name
50. Awarding Sub Tier Agency Code
51. Awarding Sub Tier Agency Name
52. Funding Agency Code
53. Funding Agency Name
54. Funding Office Code
55. Funding Office Name
56. Funding Sub Tier Agency Code
57. Funding Sub Tier Agency Name

Source: Department of the Treasury DATA Act Data Standards.



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**Appendix VIII**

*Management's Response to the Draft Report*



CHIEF FINANCIAL OFFICER

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

October 24, 2019

MEMORANDUM FOR HEATHER M. HILL  
ACTING ASSISTANT INSPECTOR GENERAL FOR AUDIT  
(MANAGEMENT SERVICES AND EXEMPT ORGANIZATIONS)

FROM: Ursula S. Gillis   
Chief Financial Officer

SUBJECT: Discussion Draft Audit Report – Fiscal Year 2019 Digital  
Accountability and Transparency Act Reporting Compliance  
(Audit # 201810005)

Thank you for the opportunity to respond to the draft report from your review of the IRS's compliance with the Digital Accountability and Transparency Act (DATA Act) of 2014 (P.L. 113-101). We agree with the recommendation listed in the draft report and will implement the corrective action detailed in the attachment.

Compliance with this Act focuses primarily on the completeness, accuracy, timeliness, quality and use of governmentwide financial data standards. The IRS has maintained a high degree of financial integrity and confidence in its publicly displayed financial information, evidenced by achieving 19 consecutive unmodified audit opinions.

Since your last audit, the IRS focused primarily on enhancing the completeness, accuracy, timeliness and quality of its data by authoring standard operating procedures, providing training, adding enhancements to automate the data file to FPDS-NG and establishing working groups focused on implementing quality assurance reviews. We are pleased that TIGTA acknowledged our data quality improvement to 88% accurate, showing a major improvement across all files required to be submitted under the DATA Act.

You reviewed 57 DATA Act elements and reported that the IRS was substantially compliant in implementing the governmentwide financial data standards and received the highest of three possible ratings for overall data quality. The IRS takes its compliance requirements seriously and is committed to ensuring our DATA Act submissions comply fully. While authoring standard operating procedures and performing training, we determined that quality assurance reviews needed to be implemented. Therefore, we established a charter between the Chief Financial Officer



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and Procurement offices outlining responsibility for performing quality assurance reviews of DATA Act procurement attribute information.

Moving forward, the IRS will continue to enhance its DATA Act-related quality assurance reviews, processes, systems and education.

If you have any questions, please contact William H. Maglin II, Associate Chief Financial Officer for Financial Management, at 202-803-9730.

Attachment

cc: Legislative Affairs



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Attachment

**RECOMMENDATION**

The Chief Financial Officer and the Chief, Procurement, should jointly, 1) establish procedures to guide the performance of the planned quality assurance reviews such as how frequently the reviews will be performed and how the sample size will be determined and, 2) initiate the reviews.

**CORRECTIVE ACTION**

The IRS agrees with this recommendation. The Chief Procurement Officer, working with the Chief Financial Officer, will develop and initiate a quality assurance review process addressing the frequency of when reviews will be performed and the sample size, to ensure DATA Act procurement attribute information in contract files is appropriate and accurate.

**IMPLEMENTATION DATE**

September 30, 2020

**RESPONSIBLE OFFICIAL**

Chief Procurement Officer

**CORRECTIVE ACTION MONITORING PLAN**

N/A

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