

U.S. International Trade Commission

Audit of FY2019 First Quarter Data Submitted Under the DATA Act



OIG-AR-20-02

November 7, 2019



Office of Inspector General

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Commissioners

*David S. Johanson, Chairman
Rhonda K. Schmidlein
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Amy Karpel*



UNITED STATES INTERNATIONAL TRADE COMMISSION

OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20436

November 7, 2019

IG-RR-027

Chairman Johanson:

This memorandum transmits the Office of Inspector General's final report, *Audit of First Quarter Data Submitted Under the DATA Act*, OIG-AR-20-02. In finalizing the report, we analyzed management's comments to our draft report and have included those comments in their entirety as Appendix A.

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

Based on the government-wide reporting methodology, the Commission's submission was considered to be of higher quality data. We did not issue any recommendations in this report.

The report will be externally distributed to the Commission's Congressional Oversight Committees, the Office of Management and Budget, the Government Accountability Office, and the Treasury DATA Act Program Management Office.

Thank you for the courtesies extended to my staff during this review.

Philip M. Heneghan
Inspector General

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Background

The Digital Accountability and Transparency Act of 2014 (DATA Act) signed into law in May 2014 was designed to increase the transparency of Federal spending data by making it more accessible, searchable, and reliable for taxpayers. The DATA Act expanded on the requirements of the Federal Funding Accountability and Transparency Act of 2006 by requiring Federal agencies to report financial and award data in accordance with government-wide data standards developed by the Office of Management and Budget and the Department of the Treasury. These standards were designed to ensure consistent and comparable Federal spending and award data across the Federal government. The Department of the Treasury makes Federal spending data available to the public on the USASpending.gov website.

In May 2015, the Office of Management and Budget (OMB) and the Department of the Treasury published 57 data definition standards (commonly referred to as data elements) and required Federal agencies to report financial and award data in accordance with these standards for DATA Act reporting beginning in January 2017. Subsequently, and in accordance with the DATA Act, the Department of the Treasury began posting this data on the USASpending.gov website for taxpayers and policymakers in May 2017.

The DATA Act also requires the Inspector General of each Federal agency to review a statistically valid sample of the spending data submitted by its Federal agency and to submit to Congress a publicly available report. The report should assess the completeness, timeliness, quality, and accuracy of the data sampled, as well as implementation and use of the government-wide financial data standards by the Federal agency.

During the 2017 testing and reporting period, Inspectors General employed varying methods for meeting the requirements set forth in the DATA Act. For example, the data the Inspectors General used to select, and review sample transactions varied based on data availability and the type of engagement performed by each Inspector General. Comparing and compiling the information from all Inspector General reports was difficult for stakeholders. In addition, during the 2017 reviews, the Inspectors General identified other government-wide issues that impacted the testing results.

In consultation with the GAO, as required by the DATA Act, the Council of the Inspectors General on Integrity and Efficiency's (CIGIE) Federal Audit Executive Council (FAEC) established a working group to develop a guide to set a baseline framework for the required reviews performed by the Inspector General community and to foster a common methodology for performing these mandated reviews.

The Inspectors General, GAO, OMB, Treasury, agencies and Congress learned a lot of lessons following the 2017 engagements. The CIGIE FAEC working group compiled a list of these lessons learned and came together to revise the guide to address the concerns and ensure that future Inspector General audits would be comparable. This guide was updated for the second required report, which is due November 8, 2019.

The Department of the Treasury developed the DATA Act Implementation Modeling Schema that defines the attributes for seven files to be submitted by agencies. Only four of the seven

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files contain data that is applicable to the Commission. (The other three files contain data related to grants, loans, and third-party systems.) A description of the Commission's files and the data source for the submission are provided in table 1 below.

Table 1: DATA Act Files

File	Description	Source
A	Appropriations and Account Details – provides summary-level information on the status of budgetary resources for the quarter.	Oracle Federal Financial
B	Object Class and Program Activity: Provides the same information as File A, summarized by object class at the program activity level.	Oracle Federal Financial
C	Award and Financial Data: Provides award-level transactions with accounts, object class, program activity, and award identification.	Oracle Federal Financial
D1	Award and Awardee Attributes: Provide transaction-level procurement award and awardee data.	Federal Procurement Data System – Next Generation (FPDS-NG)

The quarterly submission process begins with the Commission generating File A, B, and C from the Commission's own financial system. These three files are then submitted to the DATA Act Broker, which is an external system developed by the Department of the Treasury. The DATA Act Broker extracts information about Commission procurements from a system run by the General Services Administration, the Federal Procurement Data System-Next Generation (FPDS-NG).¹ This extract is used to create File D1. The Commission then reviews, certifies, and submits the files to the Department of the Treasury, which then uploads the DATA Act submission to the USASpending.gov website.

¹ The Federal Procurement Data System-Next Generation is a web-based system owned by the General Services Administration. The system is used to make unclassified Federal award data publicly accessible, in accordance with the Federal Funding Accountability and Transparency Act of 2006. Executive agencies are required to report certain contract actions into the system within three business days after contract award.

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Results of Audit

Completeness and Timeliness of the Agency Submission: We evaluated the Commission's DATA Act submission to the DATA Act Broker and determined that the submission was complete and submitted timely. In order for us to determine if it was a complete submission, we evaluated Files A, B, and C to verify whether all transactions and events that should have been recorded were recorded in the proper period. The reporting deadline for the first quarter submission was March 20, 2019; the Commission's DATA Act submission was certified on March 13, 2019.

Summary-Level Data and Linkages for Files A, B, and C: File A and File B were reconciled to the SF-133, Report on Budget Execution and Budgetary Resources and associated SF-133, Detail GTAS report. We also reviewed the linkages between Files A, B and C and did not identify any significant variances between the files.

The testing procedures from the guide assume that the source data in agency systems is correct, therefore the results will validate the linkages if the data matches. Our test results for File A and File B did not identify any exceptions; however, we cannot provide assurance about the accuracy of the data presented in File B, based on the object code errors we identified in File C.

Record-Level Data and Linkages for Files C and D1: We verified the linkages between File C and File D1 and did not identify any variance in the three data elements that are shared between the two files. File C contained 17 records and File D1 contained 21 records; the total variance involved a net of \$0.00 worth of transactions, which would not have been reported in File C. We compared each record in File C and File D1 to the source document from the contract files maintained in the Office of Procurement.

The Commission had 21 records in File D1. We tested 100% of the records in File D1 for completeness, accuracy and timeliness.

- **Completeness of the Data Elements:** The error rate for the completeness of the data elements was less than 1% (0.44%). A data element was considered complete if the required data element that should have been reported was reported.
- **Accuracy:** The error rate for the accuracy of the data element was 9.13%. A data element was considered accurate when amounts and other data relating to the recorded transactions were recorded in accordance with the DAIMS, RSS, IDD and the online data dictionary, and agree with the authoritative source records.
- **Timeliness of the Data Elements:** The error rate for the timeliness of the data elements was 4.76%. The timeliness of data elements was based on the reporting schedules defined in the Federal Acquisition Regulation for contract awards.

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Quality: The quality of the data elements was determined by the overall error rate for completeness, accuracy and timeliness. The following table provides the range of error from the *CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act*.

Table 2: Error Range

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

Based on the government-wide criteria, audit procedures, and standard reporting template the Commission's highest error rate was 9.01%, which is considered higher quality.

Implementation and Use of the Data Standards: We have evaluated the Commission's implementation and use of the government-wide financial data standards for spending information as developed by the OMB and the Department of the Treasury. The Commission has generally implemented and is using the data standards as defined by OMB and Treasury.

Data Element Analysis: The table below summarizes the results of our data element testing for Accuracy, Completeness, and Timeliness. The results are sorted in descending order by the "accuracy" error rate and are based on our review of 21 procurement records, representing 100% of the records in File D1. The information includes errors attributed to external third parties. The errors identified are generally consistent with the risks identified in the Commission's data quality plan.

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Table 3: Data Element Analysis

Data Element Number	Data Element Name	Error Rate		
		Accuracy	Completeness	Timeliness
DE 5	Legal Entity Address	57.1%	9.5%	4.8%
DE 30	Primary Place of Performance Address	47.6%	0.0%	4.8%
DE 31	Primary Place of Performance Congressional District	42.9%	0.0%	4.8%
DE 4	Ultimate Parent Legal Entity Name	33.3%	0.0%	4.8%
DE 15	Potential Total Value of Award	28.6%	0.0%	4.8%
DE 6	Legal Entity Congressional District	23.8%	9.5%	4.8%
DE 17	NAICS Code	23.8%	0.0%	4.8%
DE 18	NAICS Description	19.0%	0.0%	4.8%
DE 2	Awardee/Recipient Unique Identifier	14.3%	0.0%	4.8%
DE 26	Period of Performance Start Date	14.3%	0.0%	4.8%
DE 36	Action Type	13.3%	0.0%	6.7%
DE 1	Awardee/Recipient Legal Entity Name	9.5%	0.0%	4.8%
DE 7	Legal Entity Country Code	9.5%	0.0%	4.8%
DE 8	Legal Entity Country Name	9.5%	0.0%	4.8%
DE 14	Current Total Value of Award	9.5%	0.0%	4.8%
DE 16	Award Type	9.5%	0.0%	4.8%
DE 28	Period of Performance Potential End Date	9.5%	0.0%	4.8%
DE 3	Ultimate Parent Unique Identifier	4.8%	0.0%	4.8%
DE 25	Action Date	5%	0.0%	4.8%

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Analysis of the Accuracy of Dollar-Value-Related Data Elements: The table below provides the results of the accuracy of the data elements related to dollar values. We tested 100% of the Commission's FY 2019 first quarter transactions.

Table 4: Analysis of the Accuracy of Dollar-Value-Related Data Elements

Data Element	Accurate	Not Accurate	Not Applicable	Total Tested	Error Rate	Absolute Value of Errors
DE 14 Current Total Value of Award	19	2	0	21	9.5%	\$117,792.62
DE 15 Potential Total Value of Award	15	6	0	21	28.5%	\$767,491.55

Analysis of Errors in Data Elements Not Attributable to the Agency: The table below provides the results of our analysis of externally caused errors. An explanation of how we determined it to be an externally caused error is provided in the last column.

Table 5: Errors Not Attributable to the Agency

Data Element Number	Data Element Name	# of Instances	Attributed to
DE 3	Ultimate Parent Unique Identifier	1	The DUNS number in the D1 does not match the Ultimate Parent in Dun & Bradstreet and is identified as the second level DUNS number in the System for Award Management (SAM).
DE 4	Ultimate Parent Legal Entity Name	7	The DUNS number is correct, but it does not match the entity name in Dun & Bradstreet or SAM.
DE 5	Legal Entity Address	5	Zip+4 did not match USPS lookup
DE 17	NAICS Code	1	NAICS code updated; not an editable field in FPDS-NG

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Internal Control Assessments

Assessment of Internal Control over Data Act Submission:

We performed procedures to determine if the Commission's process for evaluating the reliability its DATA Act submission was effective. We reviewed the Commission's internal control procedures for generating reports, addressing validation warnings, and the process to reconcile data between the financial system and the procurement system.

Our assessment of internal control also considered any risks identified in the Commission's enterprise risk management system, the data quality plan, and reports issued by other oversight entities.

The internal control processes are dependent upon the accuracy of the data in the Commission's source systems.

Assessment of Internal Control over Information Systems:

Contract Award: The Commission uses a commercial off-the-shelf software product, Procurement Information System for Management (PRISM) to aid in the procurement process. PRISM is a contract writing system that covers the full procurement lifecycle from solicitation through contract closeout. PRISM is accessed through a secure browser from a desktop, and access is limited to the Office of Procurement staff. PRISM is integrated with the Federal Procurement Data System-Next Generation (FPDS-NG). The data in FPDS-NG is supplemented by manual data entry by procurement staff and external data from third-party systems.

In performing our assessment, we obtained an understanding of the systems and processes used to create contract awards. We obtained and reviewed the annual certification of the agency contract action report to the General Services Administration and supporting documentation. We also reviewed related processes and procedures related to validating the reliability of data in the source system and supporting documentation.

Our review found that the Commission did not have adequate internal control procedures over the quality and integrity of the data that was entered into the contract writing system. This data was subsequently used to reconcile FPDS-NG data and the Commission's DATA Act submission.

We are communicating this issue, along with our recommendations to Commission management in a separate report.

Financial Systems: The Commission's financial data is hosted in the Oracle Federal Financial system which is operated by a Federal Shared Service Provider. As a customer agency, the Commission is responsible for the data in the financial system. The Commission is responsible for internal control procedures over the integrity of data, which includes making sure the

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information is complete, timely, and accurate; having a process for the reconciliation of accounts; and implementing systems for detecting and correcting errors.

Our review found that the Commission did not have adequate internal control procedures over the quality and integrity of the data that was entered into the financial system. The data in the system is being used as the authoritative source for Files A, B, and C.

We are communicating this issue, along with our recommendations to Commission management, in a separate report dated November 7, 2019, *Audit of the Controls on the DATA Act FY2019 First Quarter Submission*, Report Number OIG-AR-20-03.

Federal Shared Service Provider:

The Commission is a customer agency of the Department of the Interior's Interior Business Center (DOI/IBC). DOI/IBC provides vendor maintenance services to the Commission, which includes systems management, help desk administration, network security, and compliance and control. The Commission is the data owner and is responsible for entering financial transactions into the financial system, and ensuring they are complete, accurate, and timely.

DOI/IBC created a DATA Act file generator for its customer agencies that produces File A, B, and C. The Commission is responsible for generating the reports, identifying and resolving discrepancies, and final submission and certification to the Treasury Data Broker. We obtained access to the DATA Act file generator and were able to replicate the Commission's FY2019 first quarter submission of Files A, B, and C from the financial system.

We reviewed the Commission's survey response and the subsequent report issued by the Government Accountability Office, *DATA Act Customer Agencies' Experiences Working with Shared Service Providers for Data Submissions*, issued in July 2019.

We also reviewed the *SSAE 18 SOC1 – Type 2 Report* issued on July 16, 2018 by KPMG. We reviewed the results of testing to specific control objectives and determined that any further testing of DOI/IBC would be unnecessary based on the results of KPMG testing, the role of the FSSP provider, and the Commission's responsibility for ensuring the integrity and quality of data in the financial system.

Management Comments and Our Analysis

On November 5, 2019, Chairman Johanson provided management comments on the draft report. He agreed with our findings. We did not issue any recommendations in the report.

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Objective, Scope, and Methodology

The scope, methodology, and criteria for testing follow the *CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act*. The guide includes a standardized reporting template that will be used to consolidate the results to provide a government-wide view of DATA Act implementation.

Objective: The objective of this audit was to (a) assess the completeness, timeliness, quality, and accuracy of the financial and award data submitted for publication on USASpending.gov; and (b) assess the Commission's implementation and use of the government-wide financial data standards established by the OMB and the Department of the Treasury.

Scope: The scope of this audit was fiscal year 2019, first quarter financial and award data the Commission submitted for publication on the USASpending.gov website, and any procedures, certifications, documentation, and controls used in this process.

DATA Act submission files within the scope of this audit are:

- 1) File A, Appropriations Account Detail
- 2) File B, Object Class and Program Activity Detail
- 3) File C, Award and Financial Detail
- 4) File D1, Award and Awardee Attributes

Methodology: We based our methodology on the *CIGIE FAEC Inspectors General Guide to Compliance Under the DATA Act*. The guide provides a common framework for the Inspector General community to complete the mandated review. We developed our audit procedures based on the guide to be consistent across the Inspector General community. Under this methodology we:

- 1) Obtained an understanding of any regulatory criteria related to its responsibilities to report financial and award data under the DATA Act.
- 2) Reviewed the Commission's data quality plan.
- 3) Assessed the internal and information system controls in place as they relate to the Commission's DATA Act submission.
- 4) Reviewed and reconciled fiscal year 2019, first quarter summary-level data submitted by the agency for publication on the USASpending.gov website.
- 5) Reviewed 100% of the records from fiscal year 2019, first quarter financial and award data submitted by the agency for publication on the USASpending.gov website.
- 6) Assessed the completeness, accuracy, timeliness, and quality of the financial and award data sampled.
- 7) Assessed the Commission's implementation and use of the standard data elements, as applicable.

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Period of Performance Start Date for Procurement Awards: The DATA Act Information Model Schema (DAIMS) defines the Period Of Performance Start Date as “the date on which, for the award referred to by the action being reported, awardee effort begins, or the award is otherwise effective.” For modifications of procurement awards, it is not clear whether “the award referred to” is the initial award or the modification, and neither the Office of Management and Budget nor the DATA Act Program Management Office has issued guidance with specific instructions on this. Thus, for procurement awards with modifications, if agencies recorded the initial award date or the date of the modification as the start date, in accordance with their internal policies and procedures/practices, it is not an error for DATA Act reporting purposes. For our testing we accepted both dates.

Testing Limitations for Data Reported from Files E and F: File E of the DATA Act Information Model Schema (DAIMS) contains additional awardee attribute information that the broker extracts from the System for Award Management (SAM). File F contains sub-award attribute information the broker extracts from the FFATA Subaward Reporting System (FSRS). Files E and F data remain 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. Therefore, agency senior accountable officials are not responsible for certifying the quality of File E and F data reported by awardees. However, they are 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 DATA Act broker system.

GAGAS Statement: We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) during the period of February 2019 through November 2019. 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.

Distribution of this Report: This report will be electronically distributed to the Chairman and Ranking Member of the following Committees:

- United States Senate Committee on Homeland Security and Governmental Affairs
- United States House Committee on Oversight and Reform
- United States Senate Committee on the Budget
- United States House Committee on the Budget

Additionally, this report will be electronically distributed to the GAO and the Department of the Treasury Inspector General.

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Appendix A

Appendix A: Management Comments on Draft Report



UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC 20436

CO83-RR-011

November 5, 2019

MEMORANDUM

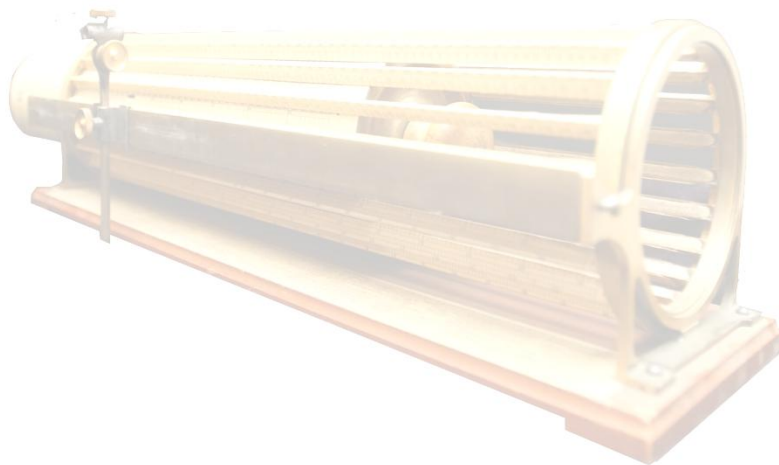
TO: Philip M. Heneghan, Inspector General

FROM: David S. Johanson, Chairman *DSJ (5 Nov. 2019)*

SUBJECT: Response to Draft Report – Audit of FY 2019 First Quarter Data Submitted Under the DATA Act

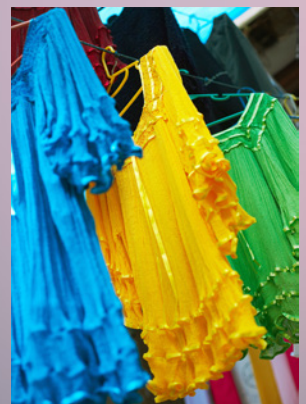
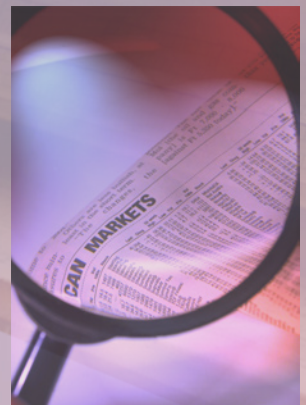
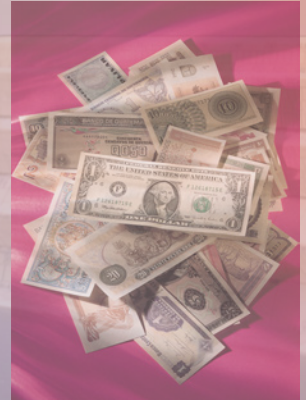
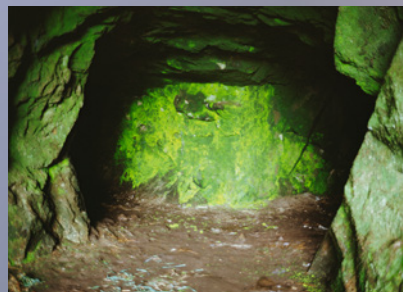
Thank you for the opportunity to review and provide comments to the draft report -- Audit of FY 2019 First Quarter Data Submitted Under the DATA Act.

We agree with your findings in this audit assessing the completeness, timeliness, and accuracy of the financial and award data submitted for publication on USASpending.gov and your assessment of the Commission's implementation and use of the government-wide financial data standards established by OMB and the Department of Treasury. We appreciate that the quality of our data elements are rated in the higher range and we will continue to work on improving our results.



“Thacher’s Calculating Instrument” developed by Edwin Thacher in the late 1870s. It is a cylindrical, rotating slide rule able to quickly perform complex mathematical calculations involving roots and powers quickly. The instrument was used by architects, engineers, and actuaries as a measuring device.

To Promote and Preserve the Efficiency, Effectiveness, and Integrity of the U.S. International Trade Commission



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