



Federal Audit Executive Council Annual Conference 2014
U.S. Patent and Trade Office, Alexandria VA
September 4, 2014

DATA Act

A Treasury OIG Perspective

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S. 994

One Hundred Thirteenth Congress
of the
United States of America

AT THE SECOND SESSION

*Began and held at the City of Washington on Friday,
the third day of January, two thousand and fourteen*

An Act

To expand the Federal Funding Accountability and Transparency Act of 2006 to increase accountability and transparency in Federal spending, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Digital Accountability and Transparency Act of 2014" or the "DATA Act".

SEC. 2. PURPOSES.

The purposes of this Act are to—

- (1) expand the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note) by disclosing direct Federal agency expenditures and linking Federal contract, loan, and grant spending information to programs of Federal agencies to enable taxpayers and policy makers 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 policy makers on USASpending.gov (or a successor system that displays the data);
- (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.

SEC. 3. AMENDMENTS TO THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT OF 2006.

The Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note) is amended—

(1) in section 2—

- (A) in subsection (a)—
 - (i) in the matter preceding paragraph (1), by striking "this section" and inserting "this Act";
 - (ii) by redesignating paragraphs (1), (2), and (3) as paragraphs (2), (4), and (7), respectively;



What I'll Talk About—

- ✓ **IG and GAO Oversight**
- ✓ **Timeline, or Where Things Get Really Messy**
- ✓ **Treasury OIG Audits**
- ✓ **Looking Ahead**



IG and GAO Oversight

IGs – 3 reviews

In consultation with the Comptroller General

- ✓ review a statistically valid sampling of the spending data submitted by the Federal agency
- ✓ submit to Congress and make publically available, a report assessing
 - completeness, timeliness, quality, and accuracy of the data sampled
 - implementation and use of Data Standards by the Federal agency



GAO – 3 reviews

After a review of IG reports

- ✓ submit to Congress and make publically available, a report assessing and comparing
 - data completeness, timeliness, quality, and accuracy of the data submitted by Federal agencies
 - implementation and use of data standards by Federal agencies



Timeline

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|-----------------|---|
| February 2014 | OMB transferred programmatic responsibilities for the USASpending.gov website from GSA to Treasury's Fiscal Service |
| May 9, 2014 | DATA Act passed |
| by May 9, 2015 | OMB and Treasury to issue guidance on Data Standards |
| November 2016?? | 1st IG report (due 18 months after Data Standards guidance) |



by May 2017??

Federal agencies start reporting financial and payment information (no later than 2 years after Data Standards guidance) Note: There is a DoD exception

November 2017??

1st GAO report (due 30 months after Data Standards guidance)

by May 2018??

OMB/Treasury ensure that Data Standards are applied to the data on USASpending.gov or successor system (no later than 3 years after Data Standards guidance)



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- November 2018?? **2nd IG report** (due same date as the 2nd financial statement audit report that is submitted after the 1st report) Note: May be part of the financial statement audit report
- November 2019?? 2nd GAO report
- November 2020?? **3rd IG report** Note: May be part of the financial statement audit report
- November 2021?? 3rd GAO report



Treasury OIG Audits

- ✓ Fiscal Service's Standup of a Financial Management Transparency Office and Administration of USASpending.gov (start – March 2014)
 - Assess efforts to improve the transparency and accountability of Federal financial transactions
 - Review standup of a government-wide financial management transparency office
 - Review actions to meet new programmatic responsibilities for USASpending.gov



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- ✓ Treasury's Implementation of the DATA Act (start – August 2014)
 - A series of audits
 - Determine the sufficiency of plans and actions taken to timely comply with the DATA Act
 - establish Data Standards
 - ensure financial data is accurately posted and displayed on USASpending.gov or successor system
 - ensure Data Standards are applied to financial data on USASpending.gov or successor system



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- establish a data analysis center or expand an existing service to provide data, tools, and techniques to prevent/reduce improper payments and improve efficiency/transparency in Federal spending



Looking Ahead

- ✓ In July 2014, we briefed the CIGIE Audit Committee on our perspective of the DATA Act and how to facilitate the required reviews for the IG Community
- ✓ Proposed FAEC Working Group to (initial thoughts):
 - Coordinate with GAO
 - Develop common audit approach
 - Develop tools for required analyses
 - Determine scope
 - Keep stakeholders informed
- ✓ **When established, we hope you volunteer!**