



# 2015 Internal Control & Fraud Prevention Training

September 15 – 16 | Washington | 14 CPEs

## **W103: DATA Act Update**



@AGACGFM  
#FRAUD15



- Agenda:
  - Introduction
  - Polling Questions
  - Panelist Discussion
  - Q & A



## Meet Today's Panelists



**Renata Maziarz**

***Senior Policy Analyst, Bureau of the Fiscal Service, U.S. Department of the Treasury***

Ms. Maziarz is a member of the newly established Data Transparency Office. Her portfolio includes improving USASpending.gov and developing the strategy for improving government-wide financial management data transparency.



**Karen Lee**

***Chief, Management Controls & Assistance Branch, Office of Management and Budget***

Ms. Lee is responsible for government-wide financial assistance management, Single Audit policy, federal real property management, and Federal spending transparency under the Open Government Directive.



**Bob Taylor**

***Deputy Assistant Inspector General, Office of the Inspector General, U.S. Department of the Treasury***

Mr. Taylor directs the planning and execution of performance audits over a number of Treasury programs and operations including those of the Department's government-wide fiscal services. Mr. Taylor has been with Treasury OIG for nearly 24 years.



**Jim Lisle**

***Director of Fiscal Service Audit, Office of the Inspector General, U.S. Department of the Treasury***

Mr. Lisle is responsible for performance audits of Treasury's Bureau of the Fiscal Service including government payments, revenue collection and debt management; treasury securities; and data transparency. Mr. Lisle leads Treasury OIG's oversight of Treasury's DATA Act implementation effort.

### Moderator



**Robert Gramss**

***Principal, Deloitte & Touche LLP***

Mr. Gramss is Deloitte's Federal Advisory Analytics leader. Mr. Gramss currently oversees client engagements in the Defense, Health, and Civilian sectors and has over 20 years of experience serving Federal and Commercial clients.



# POLLING QUESTION

- Which office do you work at in your Agency?
  - CFO/Comptroller/Accounting
  - Inspector General
  - Program Office
  - Budget, Acquisitions
  - Contractor
  - Other



# POLLING QUESTION

- Does your Agency have a team in place to implement the DATA Act?
  - Yes
  - No
  - Not sure



# POLLING QUESTION

- Are you responsible for DATA Act implementation, auditing, oversight and/or reporting in your Agency?
  - Yes (Implementation)
  - Yes (Auditing)
  - Yes (Oversight)
  - Yes (Reporting)
  - Yes (All Areas)
  - No
  - Not applicable



# POLLING QUESTIONS

- Do you think your Agency will be ready for full implementation by FY2017?
  - Yes, Definitely Yes
  - With a little help from my (OMB/Treasury) friends
  - Maybe if the stars align
  - No, my agency never gets anything done on time
  - I have no idea



# **Transforming Government Spending Information: Status of the DATA Act**

**Renata Maziarz**

U.S. Department of the Treasury

**Karen Lee**

Office of Management and Budget



## Polling Question

- Which best describes your level of familiarity with the DATA Act?
  - Expert in the Act and its Implementation
  - Familiar with the Act
  - Know a Little About It
  - Never Heard of It



## Federal Financial Transparency

- Federal Financial Accountability and Transparency Act – established USASpending.gov in 2006
  - Publish data for contracts, grants, other financial assistance
- Digital Accountability and Transparency Act (DATA Act) passed in 2014



## DATA Act Overview

- Expands USAspending.gov to include agency expenditures
- Requires consistent data standards
- Requires recommendations to reduce recipient burden for contract and grant recipients
- Enables the data to be used by multiple communities



# DATA Act Vision

*Better Data, Better Decisions, Better Government*

Provide reliable, timely, secure, and consumable financial management data for the purpose of promoting transparency, facilitating better decision making, and improving operational efficiency.



## Using the Data

- Federal executives and program managers
- Federal CFOs
- State and local government officials
- Private entrepreneurs
- Academics/ researchers
- General public



# Implementation Progress

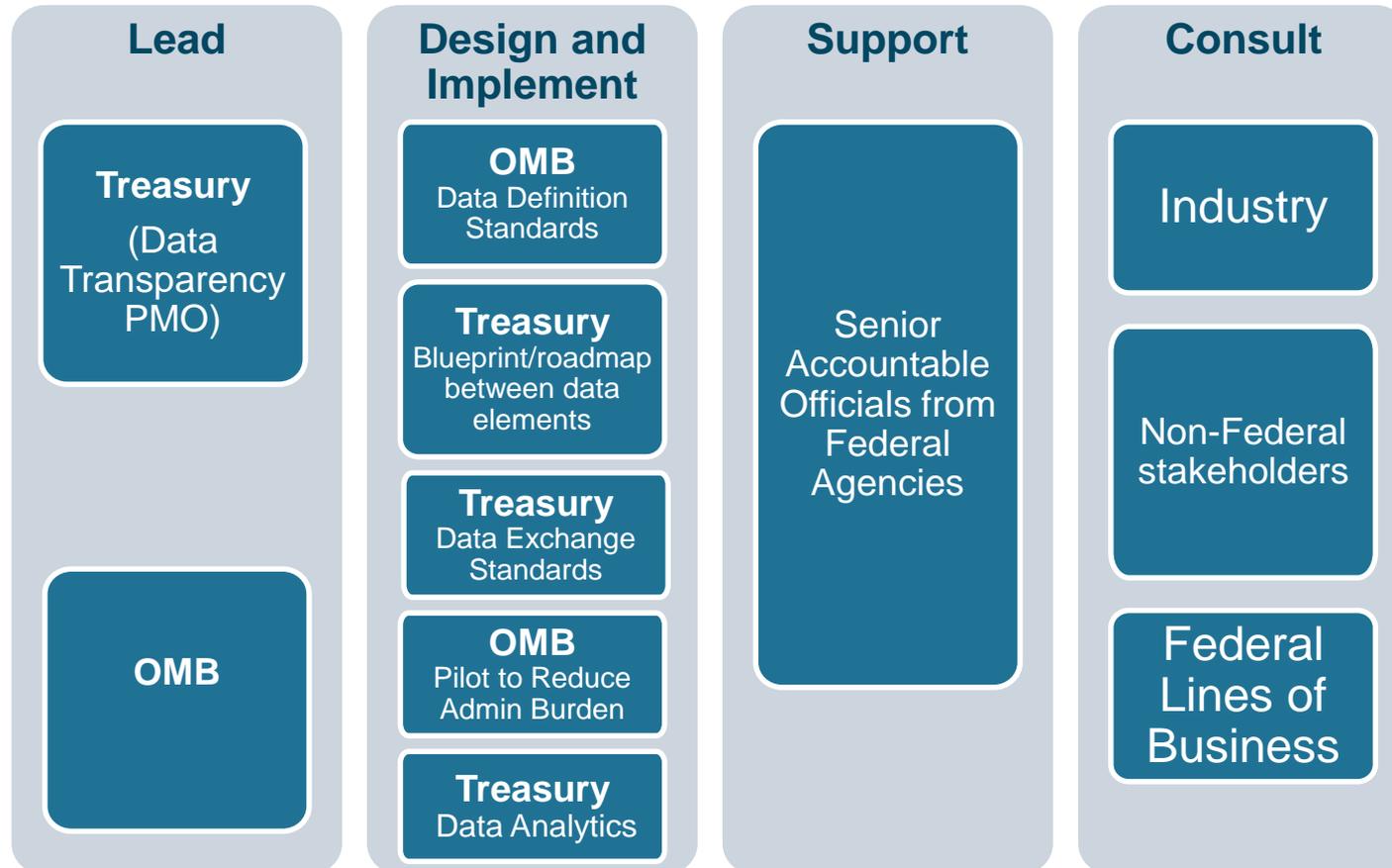
- Governance Structure
- Data Standards
- Policy Guidance
- Pilot for Reporting Burden Reduction
- Internal Controls
- Data Exchange/ DATA Act Schema
- Agency Implementation Playbook
- Stakeholder Outreach



# Governance and Implementation Structure

## Executive Steering Committee – OMB and Treasury

Inter-Agency Advisory Committee – OMB, Treasury, OSTP, GSA and Representatives from: CFOC, BOAC, ACE, COFAR, CAOC, CIOC, PIC





## Data Standards

- 57 Data Elements went through a community review and public input period.
- The Data Element definitions were finalized on a rolling basis.
- All 57 elements were finalized on August 31, 2015.



## Guidance

- Outlines policy requirements to improve data quality and adhere to DATA Act
- Requires reporting of financial data at appropriations account level
- Establishes requirement to link financial and management systems
- Lowers award reporting requirement to micro purchase threshold



# Pilot to Reduce Burden on Federal Recipients of Contracts & Grants

- National dialogue to identify further opportunities to reduce reporting burden and/or duplication and compliance costs for contract and grant recipients
- Grants information gateway
- Data standards library



# Internal Controls





## DATA Act Schema

- Map Federal financial data to a standard taxonomy and format
- Labeling data with a definition and other characteristics such as reporting period, units of measure and validation rules
- Represented in an XBRL format



# DATA Act Playbook

- Organize Your Team
- Review Elements
- Inventory Data
- Design & Strategize
- Execute Broker
- Test Broker Implementation
- Update Systems
- Submit Data



## Stakeholder Outreach

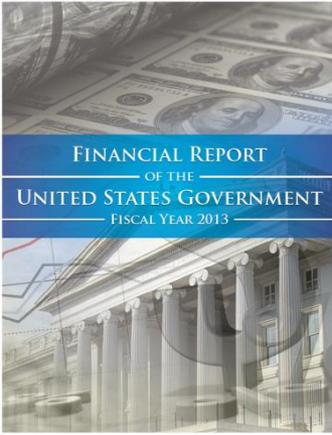
- DATA Act Town hall (September 2014)
- Interagency Advisory Council
- Federal Spending Collaboration Site (Github)
  - Public input on the data standards and schema
- Webinar (April 2015)
- Monthly calls with internal and external stakeholders
- Participation in relevant forums

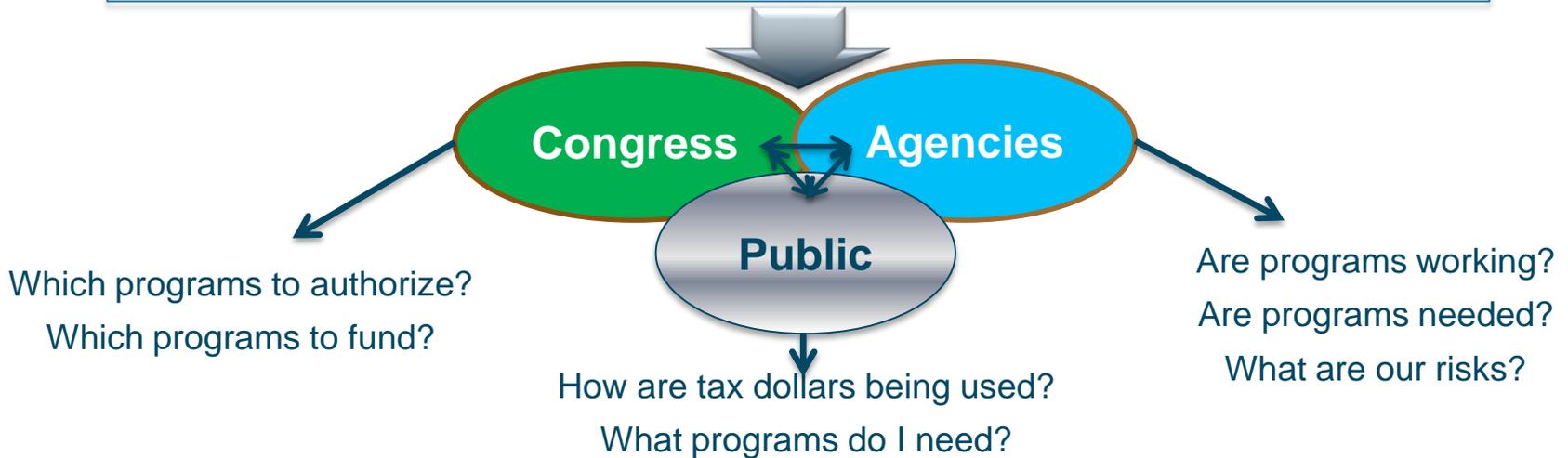


## Opportunities



USASpending.gov  
 Performance.gov  
 Grants.gov  
 Benefits.gov  
 FederalRegister.gov  
 Data.gov  
 Etc.







# Next Steps

## Agency Implementation

- Review agency implementation plans
- Conduct additional agency workshops
- Consider any open policy issues

## Data Exchange

- Continue to revise DATA Act Schema to capture additional award-level data elements
- Complete DATA Act pilot and demonstrate “data broker” concept

## Outreach

- Continue to engage external stakeholders (through means such as GitHub, monthly calls)



## Resources

- USAspending.gov
- Github site:  
<http://fedspendingtransparency.github.io/>



# **DATA Act Oversight**

**Bob Taylor**

U.S. Department of the Treasury

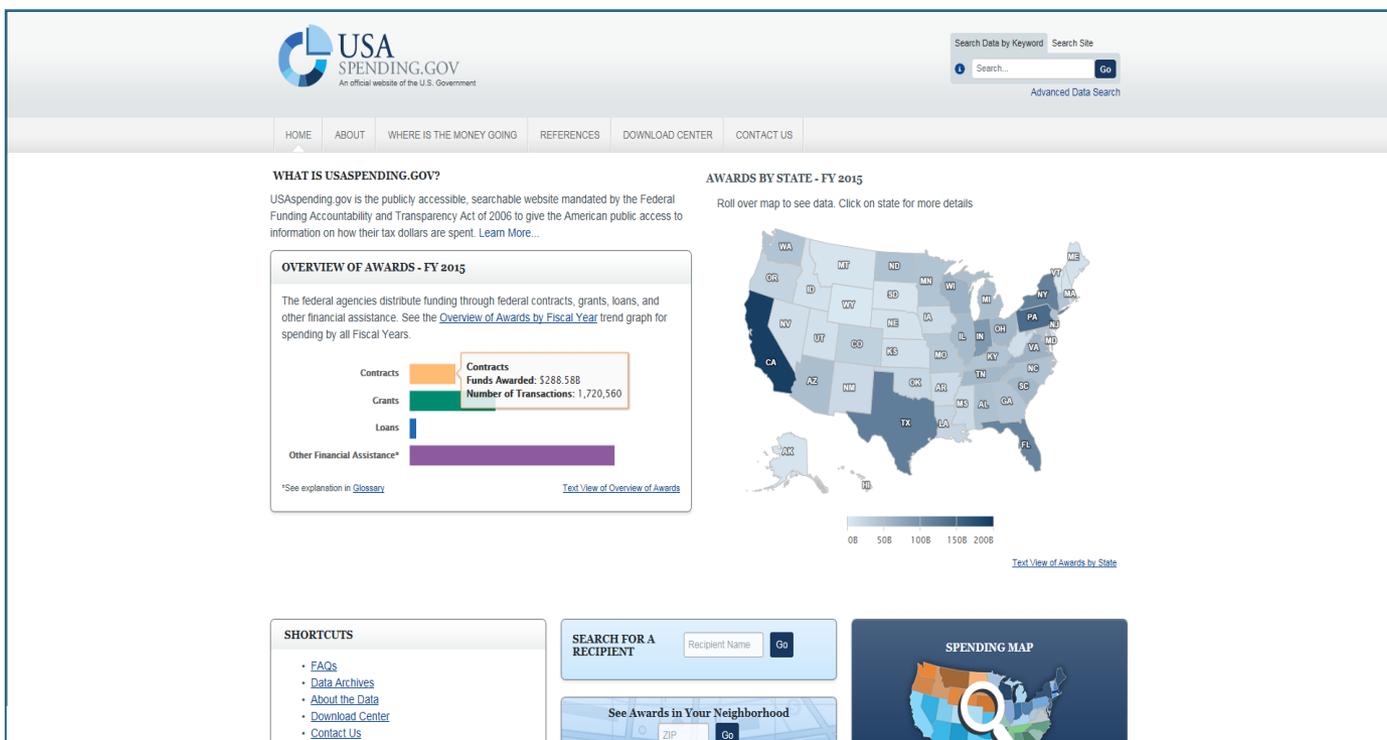
**Jim Lisle**

U.S. Department of the Treasury



# DATA Act Oversight

*Yes, the Auditors Are Coming*



The screenshot shows the USA SPENDING.GOV website. At the top, there is a navigation bar with links for HOME, ABOUT, WHERE IS THE MONEY GOING, REFERENCES, DOWNLOAD CENTER, and CONTACT US. A search bar is located in the top right corner. The main content area is divided into several sections:

- WHAT IS USASPENDING.GOV?**: A brief introduction to the website's purpose, mentioning the Federal Funding Accountability and Transparency Act of 2006.
- OVERVIEW OF AWARDS - FY 2015**: A section featuring a horizontal bar chart showing the distribution of funding types:
 

| Category                    | Value                             |
|-----------------------------|-----------------------------------|
| Contracts                   | Funds Awarded: \$288,588          |
| Grants                      | Number of Transactions: 1,720,560 |
| Loans                       |                                   |
| Other Financial Assistance* |                                   |
- AWARDS BY STATE - FY 2015**: A map of the United States where states are shaded in various colors to represent the amount of awards. A legend below the map shows a color scale from 0B to 200B.
- SHORTCUTS**: A list of links including FAQs, Data Archives, About the Data, Download Center, and Contact Us.
- SEARCH FOR A RECIPIENT**: A search box with a 'Recipient Name' field and a 'Go' button.
- See Awards in Your Neighborhood**: A search box with a 'ZIP' field and a 'Go' button.
- SPENDING MAP**: A small map icon with a magnifying glass over it.

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Ronald Reagan Building and International Trade Center  
September 16, 2015*



## *What Jim and I will Talk About—*

- ✓ An OIG Perspective
- ✓ IG Oversight
- ✓ GAO Oversight
- ✓ DATA Act Timeline – A Challenge
- ✓ FAEC DATA Act Working Group
- ✓ Treasury OIG Audits



“The DATA Act, if implemented properly, will help the IG community advance our work of deterring, detecting and preventing fraud, waste, and abuse.”

- The Honorable Michael Horowitz, Inspector General, Department of Justice and Chair, CIGIE

Data reported under the DATA Act will help IGs to:

- ✓ Better determine where to focus scarce audit and investigatory resources
- ✓ Better determine whether programs are effective in meeting their goals
- ✓ Be creative, using the data together with that from existing sources, to identify problems across agencies and solve them.

*But it will only be useful if the data reported is reliable (accurate, complete, timely)*



## IG Oversight

- Three reviews (November 2016, 2018, 2020)
- 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

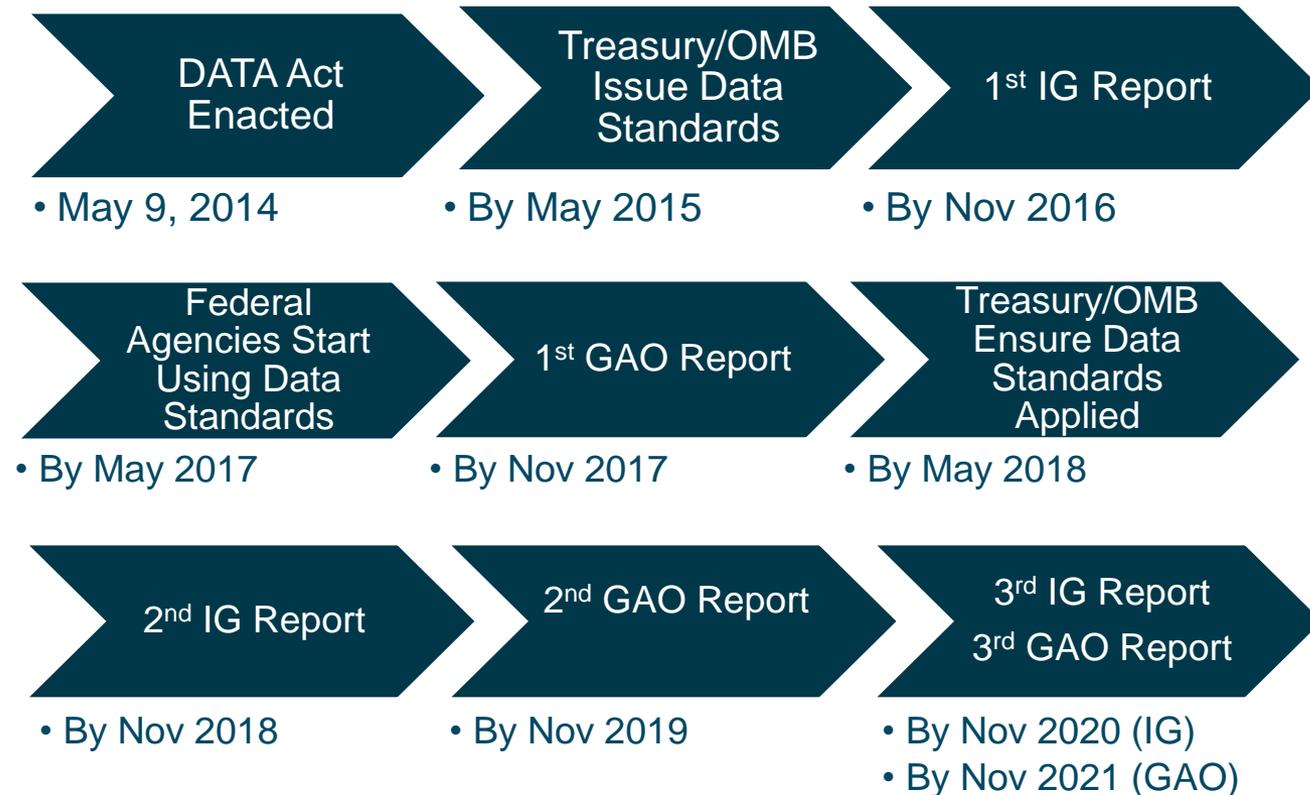


## GAO Oversight

- Three reviews (November 2017, 2019, 2021)
- 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

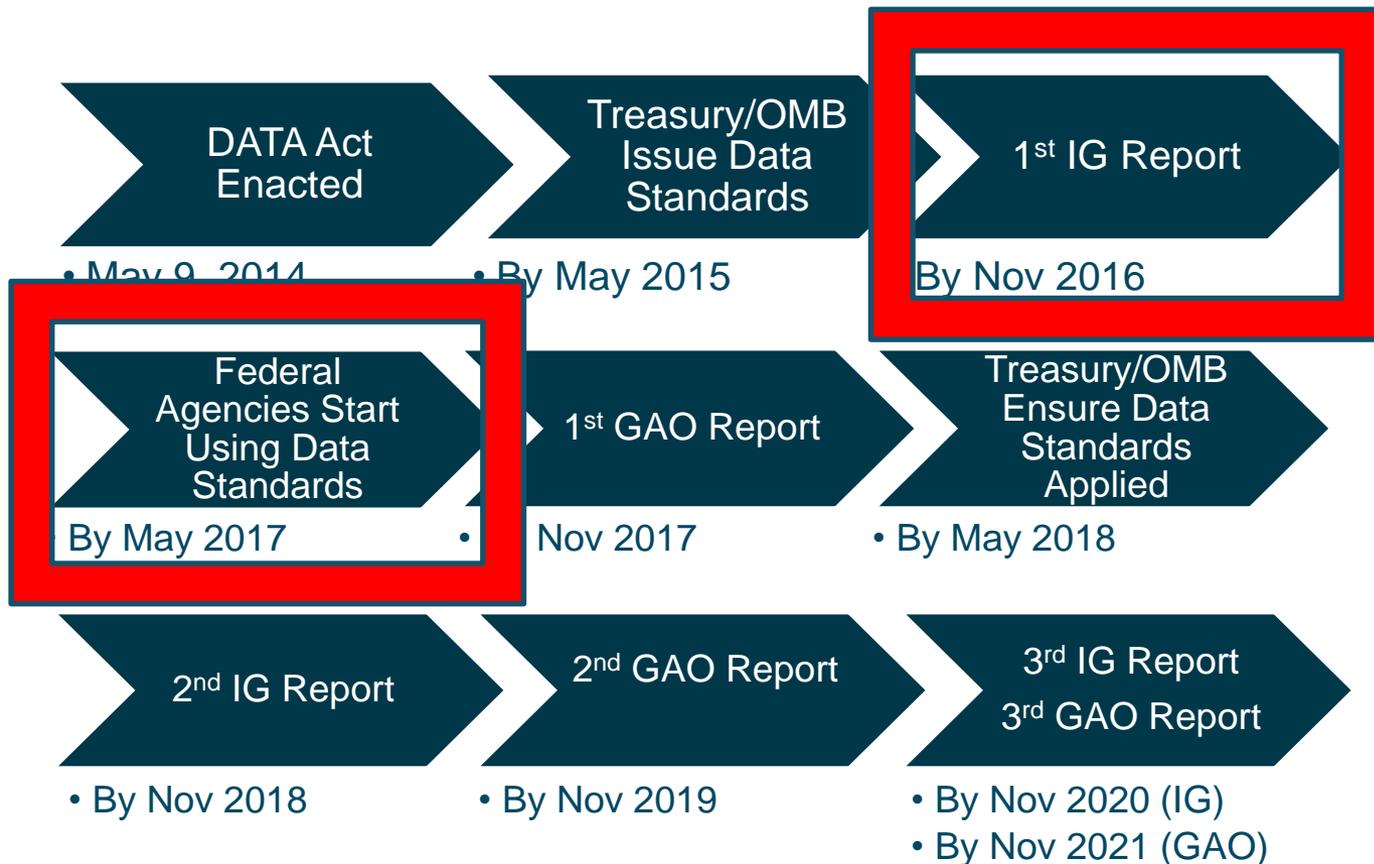


## DATA Act Timeline – A Challenge





## DATA Act Timeline – A Challenge





## FAEC DATA Act Working Group

### ➤ Mission

*Assist the IG Community in understanding and meeting its DATA Act oversight requirements by (1) serving as a working level liaison with Treasury, (2) consulting with the Government Accountability Office, (3) developing a common review approach and methodology, and (4) coordinating key communications with other stakeholders*

### ➤ 50 Members from 22 OIGs

### ➤ Regular Meetings

### ➤ Subgroups

- Governance/Stakeholder Communication
- Technical Approach
- Data Standards
- Common Methodology
- Data Analytics Center



## FAEC DATA Act Working Group

- Primary Workstreams/Accomplishments To Date
  - Process to inform CIGIE Audit Committee and CIGIE
  - Ongoing Consultation with GAO
  - Strategy to Address IG Reporting Anomaly
  - Common Methodology – Readiness Reviews



## Treasury OIG Audits

- Three Major Bodies of Work
  - Treasury's Implementation of the DATA Act
  - Treasury's Reporting Under the DATA Act
  - Fiscal Service's Standup of a Financial Management Transparency Office and Administration of USAspending.gov



## Treasury OIG Audits

### ➤ Treasury's Implementation of the DATA Act

- A series of audits
- Focus on Government- Wide Implementation
- 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
  - ✓ 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
- First Report Issued May 19, 2015 – Covered period thru 10/31/2014
- Second Engagement Begun – Covers period thru 5/31/2015



## Treasury OIG Audits

- Treasury's Implementation of the DATA Act
  - Treasury, working with OMB, made progress.
    - ✓ Developed vision,
    - ✓ Set governance structure,
    - ✓ Made progress on workstreams
  - Identified Weaknesses in project management.
    - ✓ Missing documentation of work, project management artifacts
    - ✓ Inconsistency in status reporting
    - ✓ Difficulty hiring program manager
  - Recommendations to improve documentation and ensure program manager has resources needed to succeed



## Treasury OIG Audits

- Treasury's Reporting Under the DATA Act
  - A series of audits
  - Focus on Agency Reporting Process
    - ✓ Governance Structure
    - ✓ Data Inventory
    - ✓ Implementation Plan
    - ✓ Progress Tracking
  - Fieldwork in Process
  - Audit Program to serve as starting point for Agency Readiness Review Template



## Treasury OIG Audits

- Fiscal Service's Standup of a Financial Management Transparency Office and Administration of USASpending.gov
  - 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
  - audit is in the reporting phase



# Questions?

Association of Government Accountants  
2015 Internal Control & Fraud Prevention Training  
Ronald Reagan Building & International Trade Center  
Washington DC  
September 16, 2015

Panel: DATA Act Update

Panel Members:

Bob Taylor, Deputy Assistant Inspector General for Audit, Department of the  
Treasury Office of Inspector General

Jim Lisle, Audit Director, Department of the Treasury Office of Inspector  
General

Karen Lee, Branch Chief, Office of Federal Financial Management, Office of  
Management and Budget

Renata Maziarz, Senior Policy Analyst, Bureau of the Fiscal Service

Robert Gramss, Deloitte & Touche LLP (Moderator)

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## Bob's Comments

### **(Slide 27)**

Thank-you Robert and thanks to the AGA for the opportunity to speak to you today on this important subject. Karen and Renata have provided you with background on the DATA Act and an overview of the Government-wide implementation process. As you can see, this implementation is a complex project involving multiple agencies and systems and the development of new data handling methodologies, coupled with aggressive deadlines.

**(Slide 28)**

Jim and I will now discuss DATA Act from an OIG perspective. We will cover (1) the DATA Act's benefits for the IG community, (2) the IG and GAO oversight provisions of the DATA Act, (3) an issue with the timeline for performing that oversight, (3) the initiatives undertaken by the IG Community to meet its oversight responsibilities; and (4) some specific work undertaken by my office, the Treasury OIG, relative to the DATA Act.

**(Slide 29)**

So, how will a successful implementation of the DATA Act help the IG community? Karen and Renata have put forth the mantra "Better Data, Better Decisions, Better Government," and we certainly agree. There is a corollary to this for OIGs; that is, "Better Data, Better Analysis, Better Audits and Investigations." Just like agency management and the taxpayers, OIGs are data users who will benefit from a successful DATA Act implementation. As the Justice Department Inspector General Michael Horowitz, who is the Chair of the Council of IGs for Integrity and Efficiency, or CIGIE, has noted, access to complete, accurate government spending data can only help

OIGs advance our work of deterring, detecting, and preventing fraud, waste, and abuse. Spending data aids risk assessment and audit planning and it will give us a tool to better evaluate the effectiveness programs. But before we get too excited, for this data to be useful, it must be complete, timely, and accurate. The Congress apparently understood this too by improving on previous data transparency laws to incorporate strong oversight provisions into the Act, which I will now go into.

**(Slide 30)**

Section 6 of the DATA Act, aptly named Accountability for Federal Funding, calls for IGs, in consultation with GAO, to conduct reviews and report to Congress 3 times over the next 6 years on their respective agencies' spending data and use of the Treasury/OMB Data Standards. The IGs are specifically charged to assess the completeness, timeliness, quality, and accuracy of a statistically valid sample of spending data submitted under the Act by their agencies.

**(Slide 31)**

Similarly, GAO will report to Congress 3 times as well. After reviewing the IG reports, GAO is to also assess and compare the

completeness, timeliness, quality, and accuracy of data submitted under the Act by Federal agencies; and the implementation and use of the Data Standards.

**(Slide 32)**

So when will these IG and GAO reviews occur? Well, the first IG reports are due 18 months after Treasury and OMB issue the Data Standards. That would be November 2016, as the first Data Standards were issued in May 2015. The other two IG reports are to follow in alternating years, which would be November 2018 and November 2020. GAO's reporting comes 1 year after each IG reporting cycle. Therefore, under the Act GAO is to report in November 2017, November 2019, and 2021.

**(Slide 33)**

I do want to point out an anomaly in the reporting timeline above. As you can see, the date by which agencies are to start submitting spending data in accordance with the Act is May 2017. However, as I just mentioned, the first IG report on spending data is due in November 2016, 6 months before agencies are required to report spending data. Given that we are not used to auditing something that doesn't yet

exist, we have begun engaging the IG community, GAO, our agencies, and our congressional stakeholders on how to best address this anomaly.

**(Slide 34)**

In this regard, last year, the Federal Audit Executive Council, or FAEC, put out a call for volunteers on behalf of the CIGIE Audit Committee to start tackling the reporting date anomaly and other DATA Act oversight matters. In January 2015 the FAEC DATA Act working group was established, and is now comprised of 50 members from 22 OIGs. The working group's mission is to assist the IG Community in understanding and meeting its DATA Act oversight requirements by (1) serving as a working level liaison with Treasury, (2) consulting with GAO, (3) developing a common review approach and methodology, and (4) coordinating key communications with stakeholders.

**(Slide 35)**

The working group has accomplished quite a bit so far. It has become the IG Community's forum on all things DATA Act. The group regularly briefs the CIGIE Audit Committee on DATA Act developments. And, the group has established a coordination protocol

with GAO. The DATA Act Working Group has also taken the lead to reach out to the Hill to address the reporting date anomaly that we discussed a few minutes ago. In general, we have found that the Hill stakeholders are amenable to pushing the due dates for the required IG reviews back 1 year, but have expressed the strong desire for IGs to engage in oversight early in the implementation process through “readiness reviews”; that is, reviews where the OIGs assess their respective agencies’ progress towards implementing the Act.

In this regard, the Working Group is developing a common methodology for performing “readiness reviews.” Once this is complete, the group will turn its attention toward developing a common methodology for the IG reviews required by the Act.

So, that is a thumbnail sketch of how the IG community is responding to the DATA Act. I’m going to turn it over to Jim who will talk about the Treasury-specific DATA Act work that our office is undertaking.

## Jim's Comments

### **(Slide 36)**

Thanks Bob. As the DATA Act moved toward passage, we recognized that Treasury was unique, holding multiple roles in the implementation. As we've discussed today, Treasury is responsible, together with OMB, for the Government-wide implementation of the Act. Like all other agencies, Treasury must report spending data in accordance with the Act. In addition, Treasury is the agency responsible for maintaining the USASpending website which will serve as the mechanism through which all of the spending data will be made accessible. We engaged Treasury early in the implementation process and started what will be a series of audits over the next several years focused on Treasury's DATA Act efforts.

### **(Slide 37)**

The first body of work is a series of audits to review and assess Treasury's plans and actions to execute its Government-wide implementation responsibilities under the DATA Act. The audits cover the implementation process that Karen and Renata described including aspects such as, the governance structure, development and roll-out of

data standards and schema, development and roll-out of the data gathering methodologies, general project management, etc. Our first report, issued in May 2015, covered Treasury's implementation efforts as of October 31, 2015. We are currently engaged in fieldwork on our second audit, which covers implementation efforts through May 31, 2015.

**(Slide 38)**

Our first audit showed that Treasury made progress in its overall governance structure and implementation approach but we identified weaknesses in project management practices that could hinder timely compliance with the DATA Act. For example, we noted missing documentation of work and key decisions, and inconsistent status reports. We also noted that Treasury had difficulty filling the position of program manager, which may have contributed to the concerns we found. We recommended Treasury improve its project management documentation and ensure that the project manager, who was hired after the completion of our testwork, was provided with the resources needed to succeed. Treasury was responsive to our recommendations.

**(Slide 39)**

Our second body of work is a series of audits focused on Treasury's development of a process to report spending data in compliance with the Act. Specifically, these audits are designed to assess the adequacy of Treasury's actions to comply with the Implementation Playbook issued by Treasury's PMO Office and OMB. You may recall Bob's discussion of the DATA Act working group and "readiness reviews". These audits are our "readiness reviews" of Treasury as a spending data reporting agency.

**(Slide 40)**

The final body of work actually began prior to enactment of the DATA Act, and is looking at Treasury's standup of a Transparency Office and its efforts to improve USASpending.gov. Treasury assumed responsibility for this much-maligned website in February 2014 and immediately began a project to refresh the website. We have completed fieldwork on this audit and are close to issuing a draft report.

**(Slide 41)**

With that, I'd like to thank the audience for your attention; and will be happy to answer any questions you may have.