



# Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

## *Audit Report*

# The Social Security Administration's Compliance with the Digital Accountability and Transparency Act of 2014

*A-15-20-50917 | November 2021*



# Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

## MEMORANDUM

**Date:** November 5, 2021

**Refer To:** A-15-20-50917

**To:** Kilolo Kijakazi  
Acting Commissioner

**From:** Gail S. Ennis  
Inspector General *Gail S. Ennis*

**Subject:** The Social Security Administration's Compliance with the Digital Accountability and Transparency Act of 2014

The attached draft report presents the results of the Office of Audit's review. The objectives were to assess the (1) completeness, accuracy, timeliness, and quality of Fiscal Year 2020 third quarter financial and award data the Social Security Administration submitted for publication on USASpending.gov and (2) Agency's implementation and use of the Government-wide financial data standards established by the Office of Management and Budget and Department of the Treasury.

If you wish to discuss the final report, please contact Michelle Anderson, Assistant Inspector General for Audit.

Attachment

# The Social Security Administration's Compliance with the Digital Accountability and Transparency Act of 2014 A-15-20-50917



November 2021

Office of Audit Report Summary

## Objectives

To assess the (1) completeness, accuracy, timeliness, and quality of Fiscal Year (FY) 2020 third-quarter financial and award data the Social Security Administration (SSA) submitted for publication on USASpending.gov and (2) implementation and use of the Government-wide financial data standards established by the Office of Management and Budget (OMB) and Department of the Treasury (Treasury).

## Background

The *Digital Accountability and Transparency Act of 2014* (DATA Act), in part, requires that SSA report financial and award data in accordance with the established Government-wide financial data standards. OMB and Treasury published 59 data definition standards (commonly known as data elements) and required that SSA report financial and award data in accordance with the standards for DATA Act reporting. In accordance with the DATA Act, Treasury began displaying SSA data on USASpending.gov for taxpayers and policy makers.

Inspectors General were required to audit a statistically valid sample of their Agencies' financial and award data. We issued our first report in November 2017, with subsequent reports due on a 2-year cycle, in November 2019 and November 2021.

## Findings

SSA's Fiscal Year (FY) 2020 third-quarter (April 1 to June 30, 2020) financial and award data, which totaled over \$288 billion, submitted for publication on USASpending.gov was complete, accurate, timely, and met the Council of the Inspectors General on Integrity and Efficiency's standard of excellent quality. However, of the 250 items we sampled, 2 did not meet Treasury's definition for accuracy. These errors were not significant and would not lead to any material misunderstanding of SSA's financial and award data as reported.

In addition, we evaluated SSA's implementation and use of the Government-wide financial data standards and found the Agency's definitions of the data standards complied with OMB and Treasury guidance.

We also found that SSA processes aggregated financial assistance benefit payments on a monthly basis. This monthly processing is inconsistent with OMB's requirement that agencies report financial assistance awards twice a month.

## Recommendation

We recommend SSA seek a waiver from OMB for the twice monthly reporting of financial assistance awards to better align with its own business processes.

SSA agreed with our recommendation.

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## **ABBREVIATIONS**

CARES Act	<i>Coronavirus Aid, Relief, and Economic Security Act of 2020</i>
CIGIE	Council of the Inspectors General on Integrity and Efficiency
COVID-19	Coronavirus Disease 2019
CPMS	Case Processing and Management System
DATA Act	<i>Digital Accountability and Transparency Act of 2014</i>
FAADS PLUS	Federal Assistance Award Data System – PLUS
FAEC	Federal Audit Executive Council
FY	Fiscal Year
GAO	Government Accountability Office
Guide	<i>Inspectors General Guide to Compliance under the DATA Act</i>
IG	Inspector General
OIG	Office of the Inspector General
OMB	Office of Management and Budget
SSA	Social Security Administration
SSASy	SSA’s Streamlined Acquisition System
Treasury	Department of the Treasury

## OBJECTIVES

To assess the (1) completeness, accuracy, timeliness, and quality of Fiscal Year (FY) 2020 third-quarter financial and award data the Social Security Administration (SSA) submitted for publication on USASpending.gov and (2) implementation and use of the Government-wide financial data standards established by the Office of Management and Budget and Department of the Treasury (Treasury).

## BACKGROUND

### *Digital Accountability and Transparency Act*

The *Digital Accountability and Transparency Act of 2014* (DATA Act)<sup>1</sup> expanded the reporting requirements pursuant to the *Federal Funding Accountability and Transparency Act of 2006*.<sup>2</sup> The DATA Act, in part, requires that SSA report financial and award data<sup>3</sup> (benefit payments, procurements, and grants) in accordance with established Government-wide financial data standards.<sup>4</sup> In May 2015, OMB and Treasury published 57<sup>5</sup> data definition standards (commonly known as data elements)<sup>6</sup> and required that SSA report financial and award data in accordance with these standards for DATA Act reporting in January 2017.<sup>7</sup> In May 2017, in accordance with the DATA Act, Treasury began displaying SSA's data on USASpending.gov for taxpayers and policy makers.

Under the DATA Act, SSA's Office of the Inspector General (OIG) audited a statistically valid sample of SSA's financial and award data and submit to Congress a publicly available report assessing the (1) completeness, accuracy, timeliness, and quality of the data sampled, and (2) Agency's implementation and use of the Government-wide financial data standards.<sup>8</sup> We provided Congress with the first required report in November 2017<sup>9</sup> and the second required report in November 2019.<sup>10</sup> See Appendix B for the CIGIE DATA Act Anomaly Letter.

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<sup>1</sup> *Digital Accountability and Transparency Act of 2014*, Pub. L. No. 113-101, 128 Stat. 1146.

<sup>2</sup> *Federal Funding Accountability and Transparency Act of 2006*, Pub. L. No. 109-282, 120 Stat. 1186.

<sup>3</sup> Council of the Inspectors General on Integrity and Efficiency's (CIGIE) Federal Audit Executive Council, *Inspectors General Guide to Compliance Under the DATA Act* (December 4, 2020) used "spending data" and "financial and award data" interchangeably. We use financial and award data throughout this report for consistency.

<sup>4</sup> *Digital Accountability and Transparency Act of 2014*, Pub. L. No. 113-101, § 4, 128 Stat. 1146, p.1148.

<sup>5</sup> As of 2021, OMB and Treasury had added 2 additional data elements for a total of 59.

<sup>6</sup> See *Appendix A for the list of data elements*.

<sup>7</sup> OMB, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*, M-15-12 (2015).

<sup>8</sup> *Digital Accountability and Transparency Act of 2014*, Pub. L. No. 113-101, §§ 6(a)(1), 128 Stat. 1146, p. 1151.

<sup>9</sup> SSA, OIG, *The Social Security Administration's Compliance with the Digital Accountability and Transparency Act of 2014 as of May 2017*, A-15-17-50250 (November 2017).

<sup>10</sup> SSA, OIG, *The Social Security Administration's Compliance with the Digital Accountability and Transparency Act as of 2019*, A-15-18-50614 (November 2019).

The *Coronavirus Aid, Relief, and Economic Security Act (CARES Act)*<sup>11</sup> provided SSA \$38 million, available until September 30, 2021, to assist Treasury with issuing economic impact payments to all eligible Old-Age, Survivors and Disability Insurance beneficiaries and Supplemental Security Income recipients and to coordinate with Treasury on a public awareness campaign regarding the payments. In addition, the CARES Act provided SSA with \$300 million, available until September 30, 2021, for its COVID-19 pandemic response efforts.

In April 2020, OMB changed the DATA Act reporting requirements.<sup>12</sup> Beginning June 2020, SSA must submit DATA Act Files A, B, and C monthly rather than quarterly. These monthly submissions must also include a running total of outlays for each award in File C funded with COVID-19 supplemental relief funds. There are seven required data files, as shown in Table 1.

**Table 1: DATA Act Required Files**

DATA Act Required Files	File Contents
<b>SSA Uploaded Files</b>	
File A – Appropriations Account	Quarterly budget information in accordance with SF-133, <i>Report on Budget Execution and Budgetary Resources</i> . <sup>13</sup>
File B – Object Class and Program Activity	Obligation data by budget program activity and object class.
File C – Award Financial	Budgetary obligations related to agency contract and financial assistance awards.
<b>Broker<sup>14</sup> Extracted Data</b>	
File D1 – Award and Awardee Attributes (Procurement)	Procurement data from Federal Procurement Data System-Next Generation. <sup>15</sup>
File D2 – Award and Awardee Attributes (Financial Assistance)	Financial assistance data from the Financial Assistance Broker Submission. <sup>16</sup>
File E – Additional Awardee Attributes	Data on vendors’ highly compensated executives obtained from the System for Award Management. <sup>17</sup>
File F – Sub-award Attributes	Subcontractor data from <i>Federal Funding Accountability and Transparency Act</i> Sub-award Reporting System. <sup>18</sup>

<sup>11</sup> *Coronavirus Aid, Relief, and Economic Security Act*, 15 U.S.C. § 116 note.

<sup>12</sup> OMB, Memorandum M-20-21, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)* (2020).

<sup>13</sup> SF-133 contains information on the sources of budget authority and the status of budgetary resources by individual fund or appropriation.

<sup>14</sup> Treasury developed the DATA Act Broker to allow agencies to submit the required data in a standardized format for publication on USASpending.gov.

<sup>15</sup> The System is a General Services Administration database that collects and reports data on Federal procurements.

<sup>16</sup> Federal agencies use the Financial Assistance Broker Submission Portal to upload, validate, and publish financial assistance data.

<sup>17</sup> Vendors use the System for Award Management to register to do business with the Government. The Government uses it to, among other activities, search for entity registration and exclusion records.

<sup>18</sup> Federal prime contractors and grant recipients use the *Federal Funding Accountability and Transparency Act* Sub-award Reporting System to capture and report sub-award and executive compensation data for first-tier sub-awards to meet *Federal Funding Accountability and Transparency Act* reporting requirements.

On July 30, 2020, SSA submitted to Treasury its financial and award data for the third quarter of the Fiscal Year (FY) ended September 30, 2020. On August 14, 2020, SSA's Senior Accountable Official<sup>19</sup> certified these seven data files for its financial and award data to be published on USASpending.gov.

## **OIG-required Review of the Agency's Compliance Under the Digital Accountability and Transparency Act of 2014**

In consultation with the Government Accountability Office (GAO), the CIGIE Federal Audit Executive Council DATA Act Working Group<sup>20</sup> developed the *CIGIE Federal Audit Executive Council Inspectors General Guide to Compliance under the DATA Act* (Guide). The Guide includes the baseline framework for OIGs to determine the completeness, accuracy, timeliness, and quality of their agencies' financial and award data submitted to USASpending.gov. In addition, it includes guidance for assessing the internal controls over financial and award data for publication on USASpending.gov and guidance to assess agencies' implementation and use of OMB and Treasury data standards.<sup>21, 22</sup>

We selected a statistically valid sample of FY 2020 third-quarter<sup>23</sup> financial and award data to assess completeness, accuracy, timeliness, and quality. We reviewed a sample of 250 transactions: 165 disability hearing transactions from the Case Processing and Management System (CPMS),<sup>24</sup> 83 benefit payments transactions from the Federal Assistance Award Data System-Plus (FAADS Plus),<sup>25</sup> and 2 contract awards from SSA's Streamlined Acquisition System (SSASy).<sup>26</sup> In addition, we selected all nine File C COVID-19 outlay records, totaling \$21,785,746, from June 2020, the third month of the FY 2020 third quarter

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<sup>19</sup> Senior Accountable Officials are responsible for the quality and objectivity of Federal spending information. They ensure the information conforms to OMB guidance on information quality and adequate systems and processes are in place to promote such conformity. CIGIE Federal Audit Executive Council, *Inspectors General Guide to Compliance under the DATA Act* (December 4, 2020). SSA's Senior Accountable Official is the Deputy Commissioner of Budget, Finance, and Management.

<sup>20</sup> The Working Group comprises nearly 230 auditors who represent 53 Offices of Inspectors General. The Working Group's mission is to assist the Inspector General community in understanding and meeting its DATA Act requirements.

<sup>21</sup> CIGIE Federal Audit Executive Council, *Inspectors General Guide to Compliance Under the DATA Act* (December 4, 2020).

<sup>22</sup> In May 2015, OMB and Treasury published 57 data definition standards and required that Federal agencies report financial and award data in accordance with these standards for DATA Act reporting. OMB, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*, M-15-12 (2015). Two additional data elements were added because of the COVID 19 pandemic, for a total of 59 data definition standards.

<sup>23</sup> The Guide requires that each IG select its respective agency's quarter, but it must fall within the range of FY 2020 third quarter through FY 2021 second quarter. We selected FY 2020 third quarter for our review because it was most representative of SSA's spending, including CARES Act funding.

<sup>24</sup> The Office of Hearings Operations uses CPMS to store call order information for vendor services for medical and vocational experts and hearing reporters as part of the hearing process.

<sup>25</sup> FAADS PLUS is an SSA-created and maintained system used to allocate SSA benefit awards to congressional districts, which SSA reports in USASpending.gov.

<sup>26</sup> SSASy is a paperless, electronic tool used to prepare, submit, and process purchase requests.

DATA Act submission.<sup>27</sup> Our testing included assessing the File C outlay data elements for completeness, accuracy, and timeliness. See Appendix C for our sampling methodology. We also reviewed SSA's implementation and use of Government-wide financial data standards.

Finally, we reviewed the internal controls over SSA's source systems for reporting financial and award data to USASpending.gov, including an assessment of the internal controls over the actual submission of the data to USASpending.gov. See Appendix D for more information on our scope and methodology.

## **RESULTS OF REVIEW**

SSA's FY 2020 third-quarter (April 1 to June 30, 2020) financial and award data, which totaled over \$288 billion, and the nine File C COVID-19 outlay records, which totaled over \$21 million from June 2020, submitted for publication on USASpending.gov were complete, accurate, and timely and met CIGIE's standard of excellent quality. Although we identified minor errors, these errors were insignificant and would not lead to material misunderstanding of SSA's financial and award data, as reported. In addition, the Agency's definitions of the data standards complied with OMB and Treasury guidance. Finally, SSA's internal controls over source systems used to report financial and award data on USASpending.gov were effective.

### **Completeness and Timeliness of the Agency's Submission**

SSA's DATA Act submission to Treasury's DATA Act Broker was complete and timely. We evaluated Files A (Appropriations Account), B (Object Class and Program activity), and C (Award Financial) to determine whether all transactions and events that should have been recorded were recorded in the proper period. To be considered timely, the DATA Act submission had to be submitted by the end of the following month and certified by the Senior Accountability Official within 45 days of the end of the quarter.

Files A and B were complete and accurate. We reconciled the summary-level links between Files A, B, and C and determined the linkages were valid; and there were no significant variances between the Files. Therefore, we determined File C to be reliable for statistical sampling. We reviewed the record-level data and links between Files C and D (Award and Awardee Attributes – Procurement and Financial Assistance). All of the applicable data elements in File C were included in File D.

### **File C Statistical Sample**

We selected a statistically random sample of 250 records from SSA's FY 2020 third-quarter financial and award data (File C) and tested the applicable data elements for completeness, accuracy, and timeliness. The File C statistical sample population contained 214,009<sup>28</sup> records that totaled approximately \$288 billion (see Appendix C). Our statistical sample is shown in Table 2.

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<sup>27</sup> The Guide requires that we select a non-statistical sample from the outlay records from the third month (June 2020) of the quarter selected (FY 2020 third quarter) and test COVID-19 outlays records separately.

<sup>28</sup> We removed outlay transactions from our combined April, May, and June 2020 File C statistical sample population, in accordance with the 2021 Required Review Guide. We tested these outlays in our File C non-statistical sample.

**Table 2: Statistical Sample of File C**

Record Type	Source System	Sample Size	Amount of Obligations
Contract Awards	SSASy	2	(\$127,802)
Disability Hearings	CPMS	165	\$21,793
Benefit Allocations	FAADS PLUS	83	\$489,342,877
<b>Total</b>		<b>250</b>	<b>\$489,236,868</b>

**Note:** Difference due to rounding.

As shown in Table 2, 165 (66 percent) of the 250 sample records were CPMS transactions. However, CPMS records totaled only .004 percent of obligations tested. CPMS transactions represent approximately 63 percent of the 214,009 transactions. Our sample totals are consistent with the population characteristics. See Appendix C for detailed information on the composition of our population.

### ***Completeness of the Data Elements***

All data elements we tested met the attribute for completeness. A data element is considered complete if the required data element that should have been reported is reported. SSA included all necessary data elements for our sample of 250 transactions.

### ***Accuracy of the Data Elements***

We considered a data element accurate when amounts and other transaction data were recorded in accordance with the DATA Act Information Model Schema, Reporting Submission Specification, Interface Definition Document, the online data dictionary and agreed with the authoritative source records. The projected error rate<sup>29</sup> for the accuracy of the data elements is 0.13 percent.<sup>30</sup>

Of our sample of 250 transactions, only 2 were inaccurate. All of these transactions were related to Data Element 53, Obligation. SSA did not capture transactions, totaling \$84, in its File C submission.

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<sup>29</sup> The projected overall error rate is the rate of error by record averaged over the total number of sample items. Although we sampled 250 test items, we were required to calculate the projected overall error rate by unique transaction. Our 250 test item sample contained 228 unique transaction sample items.

<sup>30</sup> Based on a 95-percent confidence level, the projected error rate for the accuracy of the data elements is 0.13 percent.

## ***Timeliness of the Data Elements***

SSA included all 250 of our sample transactions and data elements in File C timely. The timeliness of data elements was based on the reporting schedules defined by the procurement and financial assistance requirements.<sup>31</sup> Specifically, SSA submitted its financial assistance awards within 30 days, in accordance with the *Federal Funding Accountability and Transparency Act of 2006*.<sup>32</sup> Because SSA reported its financial assistance benefit allocations as aggregates at month's end, this would be 30 days as of the end of each month. SSA reported its FY 2020 third-quarter financial assistance awards, including our 83 benefit allocations samples, once each month and within 30 days of each month's end.

OMB Memorandum M-20-21, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*, requires that agencies report financial assistance awards twice a month, beginning in June 2020, with an emphasis on distributing the reporting evenly throughout the month as stated below:

*Effective for the June 2020 reporting period, agencies with COVID-19 relief funding must submit DATA Act Files A, B, and C on a monthly basis . . . . To support this new requirement, all agencies that are not currently reporting within two weeks of issuance of an award must now report financial assistance awards (File D2) to USASpending.gov within two weeks of issuance.*

Reporting twice monthly facilitates cross-file linking between File C and File D2 in the monthly submission. Although SSA was not compliant with OMB Memorandum M-20-21 and the DATA Act Information Model Schema regarding timeliness of reporting its financial assistance awards, the Agency reported all its financial assistance timely within the 30 day *Federal Funding Accountability and Transparency Act* requirement.

SSA processes aggregated financial assistance benefit payments monthly. This prevents the Agency from meeting OMB's twice monthly reporting requirement. We recommend SSA seek a waiver from OMB for the twice monthly reporting of aggregated financial assistance awards, to better align with its own business processes.

## ***Quality***

We determined the quality of the data using weighted scores of both the statistical and non-statistical testing results as directed by CIGIE. Using the quality scorecard provided by CIGIE, we categorized quality based on the CIGIE quality range, as shown in Table 3: CIGIE Quality Determination.

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<sup>31</sup> Procurement and financial assistance requirements include *Federal Funding Accountability and Transparency Act of 2006*, Federal Acquisition Regulations, Federal Procurement Data System-Next Generation, Financial Assistance Broker Submission, and the DATA Act Information Model Schema.

<sup>32</sup> *Federal Funding Accountability and Transparency Act of 2006, Section 2(c)4.*

**Table 3: CIGIE Quality Determination**

Quality Level		
Range		Level
0	69.999	Lower
70	84.999	Moderate
85	94.999	Higher
95	100	Excellent

Based on the results of our statistical and non-statistical testing of SSA’s FY 2020 third-quarter financial and award data, SSA scored 98.01 points, which is a quality rating of “Excellent,” as shown in Appendix F.

### **File C Non-Statistical sample (COVID-19 Outlay Testing)**

SSA had nine COVID-19 File C outlay records during the third month of the FY 2020 Third Quarter DATA Act submission. We selected all nine File C outlay records, totaling \$21,785,746 from June 2020, the third month of the FY 2020 third quarter DATA Act submission. We determined the records were complete, accurate, and timely.<sup>33</sup>

### **Testing Limitations for Data Reported from Files E and F**

File E of the DATA Act Information Model Schema contains additional awardee attribute information the Treasury DATA Act Broker software extracts from the System for Award Management. File F contains sub-award attribute information the broker software extracts from the Federal Funding Accountability and Transparency Act Subaward Reporting System. File E and F data remain the responsibility of the awardee in accordance with terms and conditions of Federal agreements, and the quality of these 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, but they are responsible for ensuring controls are in place to verify that financial assistance awardees register in the System for Award Management when the award is made. As such, we did not assess the completeness, timeliness, quality, and accuracy of the data extracted from the System for Award Management and Subaward Reporting System via the Treasury broker software system.

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<sup>33</sup> This non-statistical sample is not included in the projection of the test results to the universe from which the samples were selected in the File C statistical sample.

## Implementation and Use of the Data Standards

We evaluated SSA's implementation and use of the Government-wide financial data standards for financial and award information. Our evaluation determined SSA had fully implemented and was using these data standards as defined by OMB and Treasury.

## Assessment of Internal Controls

SSA is responsible for the design, implementation, and operating effectiveness of its internal controls. In accordance with OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, Appendix A, SSA assessed its internal controls over financial reporting and provided reasonable assurance that those internal controls were operating effectively.

We assessed the design of SSA's internal and information system controls related to extracting data from the source systems and reporting data to the Broker to ensure they are properly designed and implemented as well as operating effectively. Overall, we determined SSA properly designed and implemented internal controls over financial and award data to ensure it managed and reported financial and award data in accordance with the DATA Act. Therefore, SSA's internal controls over source systems used to report financial and award data on USASpending.gov were effective. See Appendix E for more information on our assessment of internal controls.

In addition, the Senior Accountable Official approved SSA's Data Quality Plan on August 14, 2020.<sup>34</sup> Therefore, the Plan was considered during the FY 2020 third quarter Senior Accountable Official certification, as required. SSA's Data Quality Plan documents its process for identifying and assessing risks related to financial and award data.

## RECOMMENDATION

We recommend SSA seek a waiver from OMB for the twice monthly reporting of financial assistance awards to better align with its own business processes.

## AGENCY COMMENTS

SSA agreed with our recommendation. See Appendix G for the full text of SSA's comments.



Michelle Anderson  
Assistant Inspector General for Audit

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<sup>34</sup> SSA, *Data Quality Plan for the Social Security Administration (SSA) Fiscal Year 2020* (August 4, 2020).

# ***APPENDICES***

## Appendix A – DATA ELEMENTS

The Office of Management and Budget and Department of the Treasury published 59 data definition standards (commonly referred to as data elements as shown in Table A–1) and required that the Social Security Administration (SSA) report financial and award data in accordance with the standards for *Digital Accountability and Transparency Act of 2014* reporting.<sup>1</sup>

**Table A–1: 59 Data Elements**

Element	Data Element Name	Element	Data Element Name
1	Awardee/Recipient Legal Entity Name	31	Primary Place of Performance Congressional District
2	Awardee/Recipient Unique Identifier	32	Primary Place of Performance Country Code
3	Ultimate Parent Unique Identifier	33	Primary Place of Performance Country Name
4	Ultimate Parent Legal Entity Name	34	Award ID Number (Procurement Instrument Identifier Number/Financial Assistance Identifier Number)
5	Legal Entity Address	35	Record Type
6	Legal Entity Congressional District	36	Action Type
7	Legal Entity Country Code	37	Business Types
8	Legal Entity Country Name	38	Funding Agency Name
9	Highly Compensated Officer Name	39	Funding Agency Code
10	Highly Compensated Officer Total Compensation	40	Funding Sub Tier Agency Name
11	Amount of Award	41	Funding Sub Tier Agency Code
12	Non-Federal Funding Amount	42	Funding Office Name
13	Federal Action Obligation	43	Funding Office Code
14	Current Total Value of Award	44	Awarding Agency Name
15	Potential Total Value of Award	45	Awarding Agency Code
16	Award Type	46	Awarding Sub Tier Agency Name
17	North American Industrial Classification System (NAICS) Code	47	Awarding Sub Tier Agency Code
18	NAICS Description	48	Awarding Office Name
19	Catalog of Federal Domestic Assistance Number	49	Awarding Office Code
20	Catalog of Federal Domestic Assistance Title	50	Object Class
21	Treasury Account Symbol	51	Appropriations Account
22	Award Description	52	Budget Authority Appropriated
23	Award Modification / Amendment Number	53	Obligation
24	Parent Award ID Number	54	Unobligated Balance
25	Action Date	55	Other Budgetary Resources
26	Period of Performance Start Date	56	Program Activity
27	Period of Performance Current End Date	57	Outlay
28	Period of Performance Potential End Date	163	National Interest Action
29	Ordering Period End Date	430	Disaster Emergency Fund Code
30	Primary Place of Performance Address		

<sup>1</sup> OMB, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*, M-15-12 (2015).

Table A-2 identifies the error rate by data element from the Fiscal Year 2019 first quarter and Fiscal Year 2020 third quarter audit results. The information is being provided for illustrative purposes only and may not necessarily indicate actual percent change based on differences in testing procedures, such as population size, quarter tested, and changes to data definition standards.

**Table A–2: SSA’s Comparative Results Table for Data Elements Based on Accuracy Error Rate in Descending Order**

SSA’s Comparative Results for Data Elements		Error Rate		
DATA Element	Data Element Name	2020 Q3	2019 Q1	% Change
53	Obligation	0.13%	0.13%	0.00%
1	Awardee/Recipient Legal Entity Name	0.00%	0.00%	0.00%
2	Awardee/Recipient Unique Identifier	0.00%	0.00%	0.00%
3	Ultimate Parent Unique Identifier	0.00%	0.00%	0.00%
4	Ultimate Parent Legal Entity Name	0.00%	0.00%	0.00%
5	Legal Entity Address	0.00%	0.00%	0.00%
6	Legal Entity Congressional District	0.00%	0.00%	0.00%
7	Legal Entity Country Code	0.00%	0.00%	0.00%
8	Legal Entity Country Name	0.00%	0.00%	0.00%
11	Amount of Award	0.00%	0.00%	0.00%
12	Non-federal Funding Amount	0.00%	0.00%	0.00%
13	Federal Action Obligation	0.00%	0.00%	0.00%
14	Current Total Value of Award	0.00%	0.00%	0.00%
15	Potential Total Value of Award	0.00%	0.00%	0.00%
16	Award Type	0.00%	0.00%	0.00%
17	NAICS Code	0.00%	0.00%	0.00%
18	NAICS Description	0.00%	0.00%	0.00%
19	Catalog of Federal Domestic Assistance (CFDA) Number	0.00%	0.00%	0.00%
20	Catalog of Federal Domestic Assistance (CFDA) Title	0.00%	0.00%	0.00%
22	Award Description	0.00%	0.00%	0.00%
23	Award Modification/Amendment Number	0.00%	0.00%	0.00%
24	Parent Award ID Number	0.00%	0.00%	0.00%
25	Action Date	0.00%	0.00%	0.00%
26	Period of Performance Start Date	0.00%	0.00%	0.00%
27	Period of Performance Current End Date	0.00%	0.00%	0.00%
28	Period of Performance Potential End Date	0.00%	0.00%	0.00%
29	Ordering Period End Date	0.00%	0.00%	0.00%
30	Primary Place of Performance Address	0.00%	0.00%	0.00%
31	Primary Place of Performance Congressional District	0.00%	0.00%	0.00%
32	Primary Place of Performance Country Code	0.00%	0.00%	0.00%

SSA's Comparative Results for Data Elements		Error Rate		
<b>33</b>	Primary Place of Performance Country Name	0.00%	0.00%	0.00%
<b>34</b>	Award ID Number (PIID/FAIN)	0.00%	0.00%	0.00%
<b>35</b>	Record Type	0.00%	0.00%	0.00%
<b>36</b>	Action Type	0.00%	0.00%	0.00%
<b>37</b>	Business Types	0.00%	0.00%	0.00%
<b>38</b>	Funding Agency Name	0.00%	0.00%	0.00%
<b>39</b>	Funding Agency Code	0.00%	0.00%	0.00%
<b>40</b>	Funding Sub Tier Agency Name	0.00%	0.00%	0.00%
<b>41</b>	Funding Sub Tier Agency Code	0.00%	0.00%	0.00%
<b>42</b>	Funding Office Name	0.00%	0.00%	0.00%
<b>43</b>	Funding Office Code	0.00%	0.00%	0.00%
<b>44</b>	Awarding Agency Name	0.00%	0.00%	0.00%
<b>45</b>	Awarding Agency Code	0.00%	0.00%	0.00%
<b>46</b>	Awarding Sub Tier Agency Name	0.00%	0.00%	0.00%
<b>47</b>	Awarding Sub Tier Agency Code	0.00%	0.00%	0.00%
<b>48</b>	Awarding Office Name	0.00%	0.00%	0.00%
<b>49</b>	Awarding Office Code	0.00%	0.00%	0.00%
<b>50</b>	Object Class	0.00%	0.00%	0.00%
<b>51</b>	Appropriations Account	0.00%	0.00%	0.00%
<b>54</b>	Unobligated Balance	0.00%	0.00%	0.00%
<b>56</b>	Program Activity	0.00%	0.00%	0.00%
<b>57</b>	Outlay (File C-Gross Outlay Amount by Award CPE)	0.00%	n/a	n/a
<b>163</b>	National Interest Action	0.00%	n/a	n/a
<b>430</b>	Disaster Emergency Fund Code	0.00%	n/a	n/a

## **Appendix B – COUNCIL OF INSPECTORS GENERAL LETTER**

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The *Digital Accountability and Transparency Act of 2014* (DATA Act) requires that the first set of Office of Inspector General (OIG) reports be submitted to Congress in November 2016.<sup>1</sup> However, Federal agencies were not required to display financial and award data in compliance with the DATA Act until May 2017.<sup>2</sup> As a result, OIGs could not report on the financial and award data submitted under the DATA Act in 2016, as the information did not exist until 2017. For this reason, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) developed an approach to address the reporting date anomaly.

*[CIGIE] identified a timing anomaly with the oversight requirements contained in the [DATA Act]. That is, the first Inspector General (IG) reports were due to Congress in November 2016; however, Federal agencies were not required to report spending data until May 2017. To address this reporting date anomaly, the IGs provided Congress with their first required reports by November 8, 2017, 1 year after the statutory due date, with two subsequent reports to be submitted following on a 2-year cycle. This is the third and final report required under the DATA Act. On December 22, 2015, CIGIE's chair issued a letter detailing the strategy for dealing with the IG reporting date anomaly and communicated the strategy to the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform.<sup>3</sup>*

The CIGIE letter memorializing this strategy follows.

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<sup>1</sup> *Digital Accountability and Transparency Act of 2014*, Pub. L. No. 113-101, § 6(a)(2)(A), 128 Stat. 1146, p. 1151.

<sup>2</sup> *Digital Accountability and Transparency Act of 2014*, Pub. L. No. 113-101, § 3(a), 128 Stat. 1146, p. 1148.

<sup>3</sup> CIGIE Federal Audit Executive Council, *Inspectors General Guide to Compliance under the DATA Act* (December 4, 2020).



*Council of the*  
**INSPECTORS GENERAL**  
*on INTEGRITY and EFFICIENCY*

December 22, 2015

The Honorable Ron Johnson  
Chairman  
The Honorable Thomas Carper  
Ranking Member  
Committee on Homeland Security  
and Governmental Affairs  
United States Senate  
Washington, D.C.

The Honorable Jason Chaffetz  
Chairman  
The Honorable Elijah Cummings  
Ranking Member  
Committee on Oversight and Government Reform  
U.S. House of Representatives  
Washington, D.C.

Dear Mr. Chairmen and Ranking Members:

The Council of the Inspectors General on Integrity and Efficiency (CIGIE) recognizes and appreciates your leadership on issues of Government transparency and accountability. In particular, we believe the enactment last year of the Digital Accountability and Transparency Act of 2014 (DATA Act) will significantly improve the quality of Federal spending data available to Congress, the public, and the accountability community if properly implemented. To make sure this happens, the DATA Act provides for strong oversight by way of the Federal Inspectors General and the Government Accountability Office (GAO). In particular, the DATA Act requires a series of reports from each to include, among other things, an assessment of the completeness, timeliness, quality, and accuracy of data submitted by agencies under the DATA Act.

I am writing this letter on behalf of CIGIE to inform you of an important timing anomaly with the oversight requirement for Inspectors General in the DATA Act. Your staffs have been briefed on this timing anomaly, which affects the first Inspector General reports required by the DATA Act. Specifically, the first Inspector General reports are due to Congress in November 2016. However, the agencies we oversee are not required to submit spending data in compliance with the DATA Act until May 2017. As a result, Inspectors General would be unable to report on the spending data submitted under the Act, as this data will not exist until the following year. This anomaly would cause the body of reports submitted by the Inspectors General in November 2016 to be of minimal use to the public, the Congress, the Executive Branch, and others.

To address this reporting date anomaly, the Inspectors General plan to provide Congress with their first required reports in November 2017, a one-year delay from the due date in statute, with subsequent reports following on a two-year cycle, in November 2019 and November 2021. We believe that moving the due dates back one year will enable the Inspectors General to meet the

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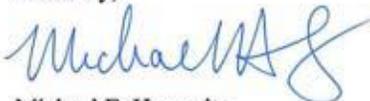
Page 2

intent of the oversight provisions in the DATA Act and provide useful reports for the public, the Congress, the Executive Branch, and others.

Although we think the best course of action is to delay the Inspector General reports, CIGIE is encouraging the Federal Inspector General Community to undertake DATA Act “readiness reviews” at their respective agencies well in advance of the first November 2017 report. Through a working group, CIGIE has developed guidance for these reviews. I am pleased to report that several Inspectors General have already begun reviews at their respective agencies, and many Inspectors General are planning to begin reviews in the near future. We believe that these reviews, which are in addition to the specific oversight requirements of the Act, will assist all parties in helping to ensure the success of the DATA Act implementation. We have kept GAO officials informed about our plan to delay the first Inspector General reports for one year, which they are comfortable with, and our ongoing efforts to help ensure early engagement through Inspector General readiness reviews.

Should you or your staffs have any questions about our approach or other aspects of our collective DATA Act oversight activities, please do not hesitate to contact me at (202) 514-3435.

Sincerely,



Michael E. Horowitz  
Chair, Council of the Inspectors General on Integrity and Efficiency  
Inspector General, U.S. Department of Justice

cc: The Honorable David Mader, Controller, OMB  
The Honorable Gene Dodaro, Comptroller General, GAO

## Appendix C – SAMPLING METHODOLOGY

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### File C Transactions

The *Digital Accountability and Transparency Act of 2014* (DATA Act)<sup>1</sup> expanded reporting requirements pursuant to the *Federal Funding Accountability and Transparency Act of 2006*.<sup>2</sup> In consultation with the Government Accountability Office (GAO), the Council of Inspectors General on Integrity and Efficiency (CIGIE) Federal Audit Executive Council DATA Act Working Group<sup>3</sup> developed the *CIGIE Federal Audit Executive Council Inspectors General Guide to Compliance Under the DATA Act* (Guide). The Guide includes the baseline framework for Offices of Inspector General to determine the completeness, accuracy, timeliness, and quality of their agency's financial and award data submitted to USASpending.gov.<sup>4</sup>

Per the Guide, we selected a statistically valid sample of the Social Security Administration's (SSA) File C transactions, which contained SSA's Fiscal Year (FY) 2020 third quarter financial and award data related to contracts, grants, and benefit payments. In addition, the Guide provided the sampling criteria and parameters, as shown in Table C–1.

**Table C–1: Sample Parameters**

Criteria	Parameter
Confidence Level	95 Percent
Expected Error Rate	20 Percent <sup>5</sup>
Sample Precision	+/- 5 Percent
Sample Size	250 Records

In the third quarter of FY 2020, SSA had 214,009 records (lines of transactions), as shown in Table C–2.

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<sup>1</sup> *Digital Accountability and Transparency Act of 2014*, Pub. L. No. 113-101, 128 Stat. 1146.

<sup>2</sup> *Federal Funding Accountability and Transparency Act of 2006*, Pub. L. No. 109-282, 120 Stat. 1186.

<sup>3</sup> The Working Group's mission is to assist the Inspector General community in understanding and meeting its DATA Act requirements. The Working Group comprises 230 auditors who represent 53 Inspectors General.

<sup>4</sup> CIGIE Federal Audit Executive Council, *Inspectors General Guide to Compliance under the DATA Act* (December 4, 2020).

<sup>5</sup> The 2019 audit error rate was under 20 percent and, as such, a 20-percent expected error rate is to be used according to the CIGIE guide p. 20, Footnote 24.

**Table C–2: FY 2020 Third-quarter Population**

Category	Population Count	Percent of Population Count	Dollar Amount of Obligations	Percent of Population Amount
CPMS	134,304	62.756	\$14,132,646	0.005
FAADS Plus	77,639	36.278	288,057,224,669	99.865
SSASy	1,963	0.917	354,117,296	0.123
Grants	93	0.043	20,523,552	0.007
Purchase Card	10	0.005	32,280	0.000
<b>Total</b>	<b>214,009</b>	<b>100.000</b>	<b>\$288,446,030,443</b>	<b>100.000</b>

**Note:** Difference due to rounding.

As shown in Table C–2, Case Processing and Management System (CPMS) transactions represent approximately 63 percent of the 214,009 total transactions; however, the CPMS transactions represent approximately 0.005 percent of the \$288 billion in transactions.

We reviewed a sample of 250 transactions, as shown in Table C–3.

**Table C–3: Population and Sample Size**

Description	Number
Population	214,009
Sample Size	250

To conduct this review, we used a simple random sample statistical approach. This is a standard statistical approach used for creating a sample from a population completely at random. As a result, each sample item had an equal chance of being selected throughout the sampling process, and the selection of one item had no impact on the selection of other items. Therefore, we were guaranteed to choose a sample that represented the population, absent human biases, and ensured statistically valid conclusions of, and projections to, the entire population under review. We randomly selected 250 sample items, as shown in Table C–4.

**Table C–4: FY 2020 Third Quarter Sample**

Category	Sample Count	Percent of Sample Count	Dollar Amount of Obligations	Percent of Sample Amount
Contract Awards (SSASy)	2	0.800	(\$127,802)	(0.026)
Disability Hearings (CPMS)	165	66.000	\$21,793	0.004
Benefit Payments (FAADS Plus)	83	33.200	\$489,342,877	100.022
<b>Total</b>	<b>250</b>	<b>100.000</b>	<b>\$489,236,868</b>	<b>100.00</b>

**Note:** Difference due to rounding.

As a result, based on random sampling, our sample included many low-dollar CPMS transactions (see Table C–4). Our sample is consistent with the characteristics of the population. For example, our sample consisted of approximately 66 percent of CPMS transactions, which totaled approximately 0.004 percent of the sample dollars.

## Detailed Record-level DATA Elements

We performed detailed testing at the data element-level for each record selected in the sample. We determined the completeness, accuracy, and timeliness for each of the data elements of the recorded transactions. In addition, we reported statistical projections for completeness, accuracy, and timeliness for the overall data elements tested.

### *Completeness of a Data Element*<sup>6</sup>

To assess the completeness of the sampled data, we determined whether the data element was required for the record selected. If required, we determined whether the data element was included in the appropriate files. If a data element that was required to be reported was not, the data element was not complete.

### *Accuracy of a Data Element*<sup>7</sup>

We matched the data elements in File C to the system of record, the Agency's financial system, and source documentation. Based on our sample, two transactions did not satisfy the attribute for accuracy since it did not capture the total obligation for each of these transactions.

### *Timeliness of a Data Element*<sup>8</sup>

We assessed the timeliness of the data elements as follows.

- Award financial data elements in File C should be reported in the quarter in which they occurred.
- Procurement award data elements in File D1 should be reported in Federal Procurement Data System-Next Generation within 3 business days after contract award in accordance with the Federal Acquisition Regulations, Part 4.604.
- Financial assistance award data elements in File D2 should be reported no later than 30 days after award, in accordance with the *Federal Funding Accountability and Transparency Act of 2006*. OMB Memorandum M-20-21 strengthened this requirement. As of June 2020, agencies must report all financial assistance award data twice a month, and space the reporting roughly 2 weeks apart.

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<sup>6</sup> Completeness of DATA Element is defined as, for each of the required data elements that should have been reported, the data element was reported in the appropriate Files A through D2.

<sup>7</sup> Accuracy of a Data Element is defined as amounts and other data relating to recorded transactions have been recorded in accordance with the DATA Act Information Model Schema, Reporting Submission Specification, Interface Definition Document, and the online data dictionary, and agree with the original award documentation/contract file.

<sup>8</sup> Timeliness of a Data Element is defined as, for each of the required data elements that should have been reported, the data elements were reported in accordance with the reporting schedules defined by the financial, procurement and financial assistance requirements (*Federal Funding Accountability and Transparency Act of 2006*, Federal Acquisition Regulations, Federal Procurement Data System – Next Generation, Financial Assistance Broker Submission, and the DATA Act Information Model Schema).

## Appendix D – SCOPE AND METHODOLOGY

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### Scope

We reviewed the Social Security Administration's (SSA) Fiscal Year (FY) 2020, third-quarter financial and award data published on USASpending.gov, and any applicable procedures, certifications, documentation, and controls to achieve this process.

### Methodology

To accomplish our objectives, we:

- Participated in Federal Audit Executive Council *Digital Accountability and Transparency Act of 2014* (DATA Act) Working Group meetings and workshops.
- Reviewed Federal Audit Executive Council DATA Act Working Group's *Inspectors General Guide to Compliance Under the DATA Act*.<sup>1</sup>
- Obtained an understanding of any regulatory criteria related to SSA's responsibilities to report financial and award data under the DATA Act, which included the following:
  - *Digital Accountability and Transparency Act of 2014*;<sup>2</sup>
  - *Federal Funding Accountability and Transparency Act of 2006*;<sup>3</sup>
  - *Coronavirus Aid, Relief, and Economic Security Act of 2020*;<sup>4</sup>
  - *Office of Management and Budget (OMB) Memorandum M-15-12, Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*;<sup>5</sup>
  - *OMB Management Procedures Memorandum No. 2016-03, Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information*;<sup>6</sup>
  - *OMB Memorandum M-17-04, Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability*;<sup>7</sup>

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<sup>1</sup> CIGIE Federal Audit Executive Council, *Inspectors General Guide to Compliance under the DATA Act* (December 4, 2020).

<sup>2</sup> *Digital Accountability and Transparency Act of 2014*, Pub. L. No. 113-101, 128 Stat. 1146.

<sup>3</sup> *Federal Funding Accountability and Transparency Act of 2006*, Pub. L. No. 109-282, 120 Stat. 1186.

<sup>4</sup> *Coronavirus Aid, Relief, and Economic Security Act*, 15 U.S.C. § 116 note.

<sup>5</sup> OMB Memorandum M-15-12, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable* (2015).

<sup>6</sup> OMB Management Procedures Memorandum No. 2016-03, *Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information* (2016).

<sup>7</sup> OMB Memorandum M-17-04, *Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability* (2016).

- *OMB M-16-17, OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control*;<sup>8</sup>
- *OMB M-18-16, Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk*;<sup>9</sup> and
- *OMB, Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*.<sup>10</sup>
- Reviewed SSA's Data Quality Plan.<sup>11</sup>
- Assessed the internal and information system controls in place as they related to the extraction of data from the source systems and the reporting of data to Treasury's DATA Act Broker to assess audit risk and design audit procedures. In our assessment of internal controls, we relied on the following:
  - Grant Thornton audits of SSA's FY 2020 financial statements.
  - SSA's current implementation status of any applicable recommendations per Grant Thornton's 2019 audit of the general and/or application controls over the source systems related to the DATA Act, as follows:
    - Social Security Online Accounting and Reporting System,
    - SSA's Streamlined Acquisition System,
    - Federal Assistance Award Data System – PLUS,
    - GrantSolutions,
    - Case Processing and Management System, and
    - Office of Finance Online.
  - Our prior knowledge related to the DATA Act readiness review,<sup>12</sup> first required report under the DATA Act in November 2017,<sup>13</sup> and second required report under the DATA Act in November 2019.<sup>14</sup>
  - Our substantive testing.

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<sup>8</sup> OMB Memorandum M-16-17, *Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control* (2016).

<sup>9</sup> OMB Memorandum M-18-16, *Appendix A to Circular No. A-123, Management of Reporting and Data Integrity Risk* (2018).

<sup>10</sup> OMB Memorandum M-20-21, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)* (2020).

<sup>11</sup> DATA Act reporting agencies must implement a Data Quality Plan effective FY 2019 through FY 2021 at a minimum. OMB Memorandum M-18-16, *Appendix A to Circular No. A-123, Management of Reporting and Data Integrity Risk*, p. 4 (2018).

<sup>12</sup> SSA, OIG, *Digital Accountability and Transparency Act Readiness, A-15-17-50148* (October 2016).

<sup>13</sup> SSA, OIG, *The Social Security Administration's Compliance with the Digital Accountability and Transparency Act of 2014 as of May 2017, A-15-17-50250* (November 2017).

<sup>14</sup> SSA, OIG, *The Social Security Administration's Compliance with the Digital Accountability and Transparency Act as of 2019, A-15-18-50614* (November 2019).

- Reviewed and reconciled SSA's FY 2020 third-quarter financial and award data published on USASpending.gov.
- Reviewed a statistically valid sample from SSA's FY 2020, third-quarter financial and award data published on USASpending.gov. We traced each transaction in our sample to its underlying source record, a financial system report, or a combination of both to ensure the transactions were accurate.
- Assessed the completeness, accuracy, timeliness, and quality of the financial and award data sampled. However, File E and F data remain the awardee's responsibility in accordance with terms and conditions of Federal agreements; and the quality of these data remains the recipient's legal responsibility. Therefore, we did not assess the completeness, accuracy, timeliness, and quality of the data extracted from System for Award Management and *Federal Funding Accountability and Transparency Act* Subaward Reporting System via the DATA Act broker system.
- Assessed SSA's implementation and use of the 59 data elements/standards established by OMB and the Department of the Treasury.
- Interviewed staff from SSA's Offices of Financial Policy and Operations, Acquisition and Grants, and Systems Architecture.

We conducted our review at SSA Headquarters in Baltimore, Maryland, from March to October 2021. We determined the data used in this report were sufficiently reliable given our audit objectives and their intended use. The principal entity audited was the Office of Financial Policy and Operations. We assessed the significance of internal controls necessary to satisfy the audit objective. This included an assessment of the five internal control components, including control environment, risk assessment, control activities, information and communication, and monitoring. In addition, we reviewed the principles of internal controls associated with the audit objective. We identified the following components and principles as significant to the audit objective:

- Component 1 - Control Environment
  - Principle 2 - Exercise oversight responsibility
  - Principle 3 - Establish structure, responsibility, and authority
- Component 3 - Control Activities
  - Principle 12 - Implement Control activities
- Component 4 - Information and Communication
  - Principle 13 - Use quality information
  - Principle 15 - Communicate externally

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 findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Appendix E – INTERNAL CONTROL ASSESSMENT

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The Social Security Administration (SSA) is responsible for the design, implementation, and operating effectiveness of its internal controls. In accordance with Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, Appendix A, SSA assessed its internal controls over financial reporting and provided reasonable assurance that those internal controls were operating effectively.

In accordance with the Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government*<sup>1</sup> (Green Book), we determined whether SSA's internal controls over financial and award data (1) had been properly designed and implemented and (2) operated effectively to manage and report financial and award data in accordance with the DATA Act. Specifically, we assessed SSA's internal and information system controls over source systems used to report financial and award data for publication on USASpending.gov. Overall, we determined SSA properly designed and implemented internal controls over financial and award data to ensure it managed and reported financial and award data in accordance with the *Digital Accountability and Transparency Act of 2014* (DATA Act).

We followed up on applicable prior-year findings, recommendations, and correction actions on SSA's general and/or application controls over the source systems related to the DATA Act as follows:

- Office of Finance Online,<sup>2</sup>
- Social Security Online Accounting and Reporting System,<sup>3</sup>
- SSA's Streamlined Acquisition System (SSASy),<sup>4</sup>
- Federal Assistance Award Data System - PLUS (FAADS PLUS),<sup>5</sup>
- Case Processing and Management System (CPMS),<sup>6</sup> and
- GrantSolutions.<sup>7</sup>

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<sup>1</sup> GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (2014).

<sup>2</sup> SSA uses the Office of Finance Online system, which mimics the DATA Act Broker, to verify the information SSA generated and reported in Files A and B.

<sup>3</sup> The Social Security Online Accounting and Reporting System is SSA's core accounting system.

<sup>4</sup> SSASy is a paperless, electronic tool used to prepare, submit, and process purchase requests.

<sup>5</sup> FAADS PLUS is an SSA-created and maintained system used to allocate SSA benefit awards to congressional districts, which SSA reports in USASpending.gov.

<sup>6</sup> The Office of Hearings Operations uses CPMS to store Call Order information for vendor services for medical and vocational experts and verbatim hearing reporters as part of the Office of Hearings Operations' hearing process.

<sup>7</sup> GrantSolutions is SSA's grant management system. It is maintained by the Department of Health and Human Services; therefore, in 2019 Grant Thornton only reviewed the internal controls that are SSA's responsibility, such as access controls, controls over the completeness and accuracy of data transfer, and other interface controls.

The prior audit identified system control deficiencies over some SSA source systems related to the DATA Act. However, these system control deficiencies did not affect the financial and award data submitted to USASpending.gov. Therefore, we performed a limited review to document how SSA addressed these prior audit findings, recommendations, and correction actions. In summary, SSA's corrective action plan addresses most of the prior year findings. Only one corrective action is still in process. However, this control deficiency did not affect the financial and award data submitted to USASpending.gov.

In addition, as part of the FY 2020 Financial Statement audit, Grant Thornton issued an unqualified opinion on management's assertion that SSA maintained effective internal controls over financial reporting based on the criteria in GAO's *Green Book*. In its report, Grant Thornton identified four significant deficiencies in internal control: (1) Certain Financial Information Systems Controls, (2) Information Systems Risk Management, (3) Accounts Receivable with the Public (Benefit Overpayments), and (4) Disability Program Monitoring. However, these system control deficiencies did not affect the financial and award data submitted to USASpending.gov.

## Appendix F – QUALITY SCORECARD

Social Security Administration			Maximum Points Possible	
FY 2021 DATA Act Quality Scorecard			Without Outlays (No COVID-19 Funding)	With Outlays (COVID-19 Funding)
	Criteria	Score		
Non-Statistical	Timeliness of Agency Submission	5.0	5.0	5.0
	Completeness of Summary Level Data (Files A & B)	10.0	13.0	10.0
	Suitability of File C for Sample Selection	9.5	13.0	10.0
	Record-Level Linkages (Files C & D1/D2)	5.6 <sup>1</sup>	9.0	7.0
	COVID-19 Outlay Testing Non-Statistical Sample	8.0	0.0	8.0
Statistical	Completeness	15.0	15.0	15.0
	Accuracy	30.0	30.0	30.0
	Timeliness	15.0	15.0	15.0
Quality Score	Excellent	98.01	100.0	100.0

<sup>1</sup> We identified 60 CPMS File C sample records not on File D1. These were not errors, however we included these 60 records in our Scorecard calculation for Record-Level Linkages Files C & D1/D2.

## Appendix G – AGENCY COMMENTS

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## SOCIAL SECURITY

### MEMORANDUM

Date: 10/29/2021

Refer To: TQA-1

To: Gail S. Ennis  
Inspector General



From: Scott Frey  
Chief of Staff

Subject: Office of the Inspector General Draft Report "The Social Security Administration's Compliance with the Digital Accountability and Transparency Act of 2014" (A-15-20-50917) —  
INFORMATION

Thank you for the opportunity to review the draft report. We agree with the recommendation.

Please let me know if I can be of further assistance. You may direct staff inquiries to Trae Sommer at (410) 965-9102.



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