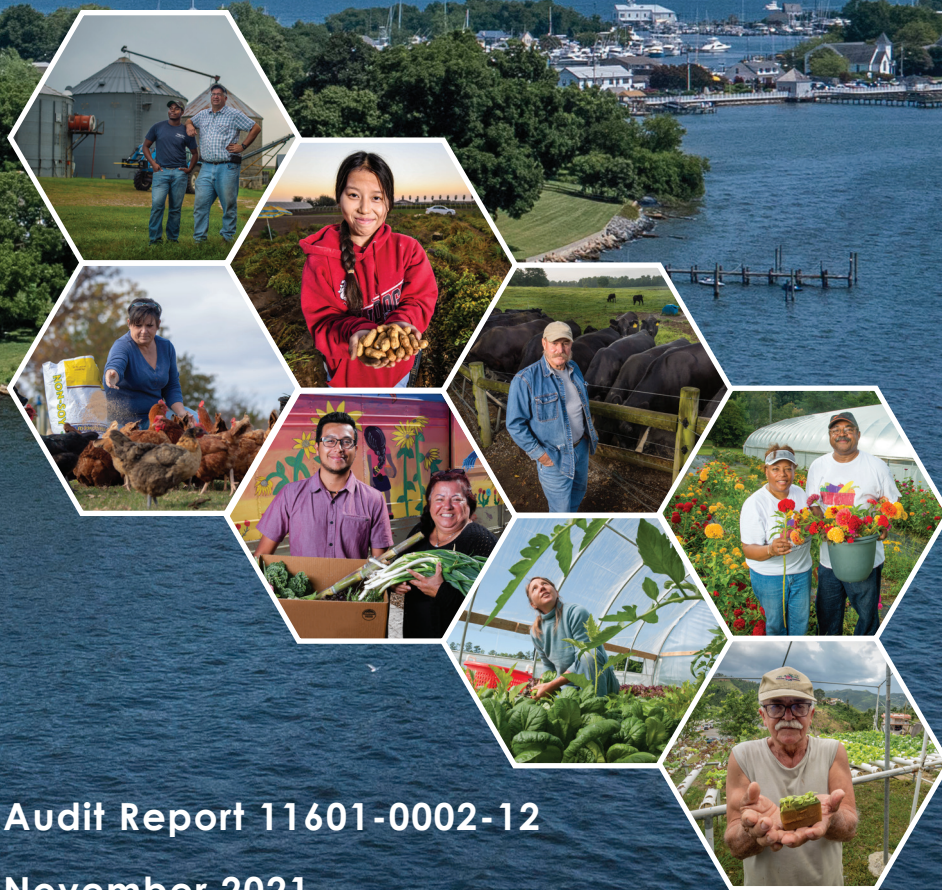




OFFICE OF INSPECTOR GENERAL
U. S. DEPARTMENT OF AGRICULTURE

USDA's Digital Accountability and Transparency Act Compliance Efforts for Fiscal Years 2020 and 2021



Audit Report 11601-0002-12

November 2021

USDA's Digital Accountability and Transparency Act Compliance Efforts for Fiscal Years 2020 and 2021

Audit Report 11601-0002-12

We reviewed the FY 2020 fourth quarter financial and award data that USDA submitted for publication on USAspending.gov and any applicable procedures, certifications, documentation, and controls related to this process through FY 2021.

OBJECTIVE

Our overall objective was to review USDA's implementation of the DATA Act. Specifically, we assessed whether USDA: (1) submitted complete, timely, and accurate financial and award data on USAspending.gov for publication, and (2) implemented and used OMB and Treasury financial data standards.

REVIEWED

We reviewed the FY 2020 fourth quarter financial and award data USDA submitted for publication on USAspending.gov. Additionally, we reviewed FYs 2020 and 2021 procedures, certifications, documentation, and controls related to this process.

RECOMMENDS

We made recommendations to the Office of the Chief Financial Officer (OCFO) to strengthen USDA's DATA Act compliance through the establishment of new oversight processes. Additionally, we recommend that component agencies and offices coordinate with OCFO to establish procedures to identify their DATA Act reportable data, and made other recommendations to specific USDA component agencies to improve the agencies' DATA Act compliance.

WHAT OIG FOUND

The Digital Accountability and Transparency Act of 2014 (DATA Act) requires the United States Department of Agriculture (USDA) to submit to the United States Department of the Treasury (Treasury) Federal contract, loan, and grant spending information for Federal programs so that taxpayers and policy makers can more effectively track Federal spending. The Office of Inspector General (OIG) is responsible for reviewing a sample of the spending data submitted by USDA and submitting to Congress a publicly available report assessing the completeness, timeliness, and accuracy of the sampled data.

We found that, although USDA transmitted its fiscal year (FY) 2020 fourth quarter submission to the Treasury's DATA Act Broker, its submission was not complete and contained records that were not accurate or timely, according to DATA Act reporting standards. We also found that USDA component agencies and offices did not consistently implement and use Governmentwide financial data standards established by the Office of Management and Budget (OMB) and the Treasury. As a result, the intended users of the data—as outlined by the DATA Act—do not have consistent, reliable, and searchable USDA spending data available on USAspending.gov. In addition, without the consistent use of standards, USDA cannot attest to the reporting of reliable, transparent, and consistent Federal spending data for public use.

Departmental and agency officials generally concurred with our recommendations, and OIG was able to accept management decision for 10 out of the 11 recommendations. Further action from the agency is needed before management decision can be reached for the remaining recommendation.



OFFICE OF INSPECTOR GENERAL

United States Department of Agriculture



DATE: November 3, 2021

AUDIT

NUMBER: 11601-0002-12

TO: Lynn Moaney
Deputy Chief Financial Officer
Office of the Chief Financial Officer

ATTN: Annie Walker
Director
Internal Controls Division

FROM: Gil H. Harden
Assistant Inspector General for Audit

SUBJECT: USDA's Digital Accountability and Transparency Act Compliance Efforts for Fiscal Years 2020 and 2021

This report presents the results of the subject review. Your written response to the official draft is included in its entirety at the end of the report. We have incorporated excerpts from your response, and the Office of Inspector General's (OIG) position, into the relevant sections of the report. Based on your written response, we are accepting management decisions on Recommendations 1, 2, 3, 5, 6, 7, 8, 9, 10 and 11. We are unable to accept management decisions on Recommendation 4. Please refer to the OIG position section for additional information on how to reach management decision for the corresponding recommendation.

In accordance with Departmental Regulation 1720-1, please furnish a reply within 60 days describing the corrective actions taken or planned, and timeframes for implementing the recommendations for which management decisions have not been reached. Please note that the regulation requires management decision to be reached on all recommendations within 6 months from report issuance, and final action to be taken within 1 year of each management decision to prevent being listed in the Department's annual Agency Financial Report. For agencies other than OCFO, please follow your internal agency procedures in forwarding final action correspondence to OCFO.

We appreciate the courtesies and cooperation extended to us by members of your staff during our audit fieldwork and subsequent discussions. This report contains publicly available information and will be posted in its entirety to our website (<http://www.usda.gov/oig>) in the near future.

cc: Wing Padilla, Acting Branch Chief, AMS
Robert J. Huttenlocker, Deputy Administrator, APHIS
Lisa Baldus, Associate Deputy Administrator, ARS
Vinny Fusaro, Senior Director, FAS
Melissa Rothstein, Director Office of Internal Controls, FNS

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Background and Objectives

Background

Requirements for Federal Agencies

The Digital Accountability and Transparency Act of 2014 (DATA Act)¹ was enacted on May 9, 2014, to expand the reporting requirements pursuant to the Federal Funding Accountability and Transparency Act of 2006 (FFATA).² The purpose of the DATA Act is to: (1) expand FFATA by disclosing direct Federal agency expenditures and linking Federal contract, loan, and grant spending information to Federal programs; (2) establish Governmentwide data standards for financial data and provide consistent, reliable, and searchable Governmentwide spending data that are displayed accurately; (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 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.

The DATA Act provides that, no later than 3 years after its date of enactment, for any funds made available or expended by a Federal agency or component of a Federal agency,³ the Federal agency or component agency should report the following information: (1) the amount of obligated and unobligated balances for the budget authority appropriated and any other budgetary resources; (2) the accounts and amounts obligated for each program activity,⁴ including the amounts of any outlays; (3) the accounts and amounts obligated for each object class, including the amounts of any outlays; and (4) the amounts obligated and any outlays from each object class by program activity.

In May 2015, the Office of Management and Budget (OMB) and the United States Department of the Treasury (Treasury) published 57 data definition standards and required Federal agencies to report financial data in accordance with these standards for DATA Act reporting, beginning in January 2017.⁵ In April 2020, OMB issued M-20-21, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*, which made changes to DATA Act reporting. As a result, Federal agencies that received COVID-19 supplemental relief funding were required to submit DATA Act Files A, B, and C on a monthly basis, starting with the June 2020 reporting period.

¹ Digital Accountability and Transparency Act of 2014, Pub. L. No. 113-101 (DATA Act).

² Federal Funding Accountability and Transparency Act of 2006, Pub. L. No. 109-282 (FFATA).

³ For the purposes of this audit, the United States Department of Agriculture (USDA) is the Federal agency referred to by DATA Act guidance, and USDA component agencies and staff offices are referred to as components of the Federal agency. USDA is responsible for the Federal agency's overall DATA Act submission, whereas USDA component agencies and staff offices are responsible for submitting DATA Act information for consolidation by USDA officials.

⁴ "Program activity" is a specific activity or project as listed in the program and financing schedules of the annual budget of the United States Government.

⁵ Federal Spending Transparency Data Standards, *MAX Home Page* (last visited Aug. 12, 2021), <https://max.gov/datastandards>.

The inclusion of COVID-19 reporting introduced two additional data elements that were significant in promoting full and transparent reporting of spending. As a result, the National Interest Action code P20C was added to Federal Procurement Data System-Next Generation (FPDS-NG) to help identify procurement actions related to the COVID-19 response. Additionally, OMB M-20-21 required Federal agencies to use a disaster emergency fund code (DEFC) to include covered funds from the COVID-19 relief legislation that are not designated as emergency pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985.⁶

As part of its DATA Act Information Model Schema (DAIMS), the Treasury published Practices and Procedures that required Federal agencies to submit Files A, B, and C and have the DATA Act Broker (Broker) generate Files D1, D2, E, and F on a monthly basis, but not less than quarterly.⁷ The file names and the type of data to be contained within each file are as follows:

- File A: Appropriations Account,
- File B: Object Class and Program Activity,
- File C: Award Financial,
- File D1: Award and Awardee Attributes—Procurement Awards,
- File D2: Award and Awardee Attributes—Financial Assistance Awards,
- File E: Additional Awardee Attributes, and
- File F: Sub-Award Attributes.

Effective for the June 2020 reporting period, Federal agencies with COVID-19 relief funding must submit and certify DATA Act Files A, B, and C on a monthly basis. These monthly submissions must also include a running total of outlays for each award in File C funded with COVID-19 supplemental relief funds. To support this new requirement, all Federal agencies that are not currently reporting within 2 weeks of issuance of an award must now report financial assistance awards (File D2) to USAspending.gov within 2 weeks of issuance.^{8, 9}

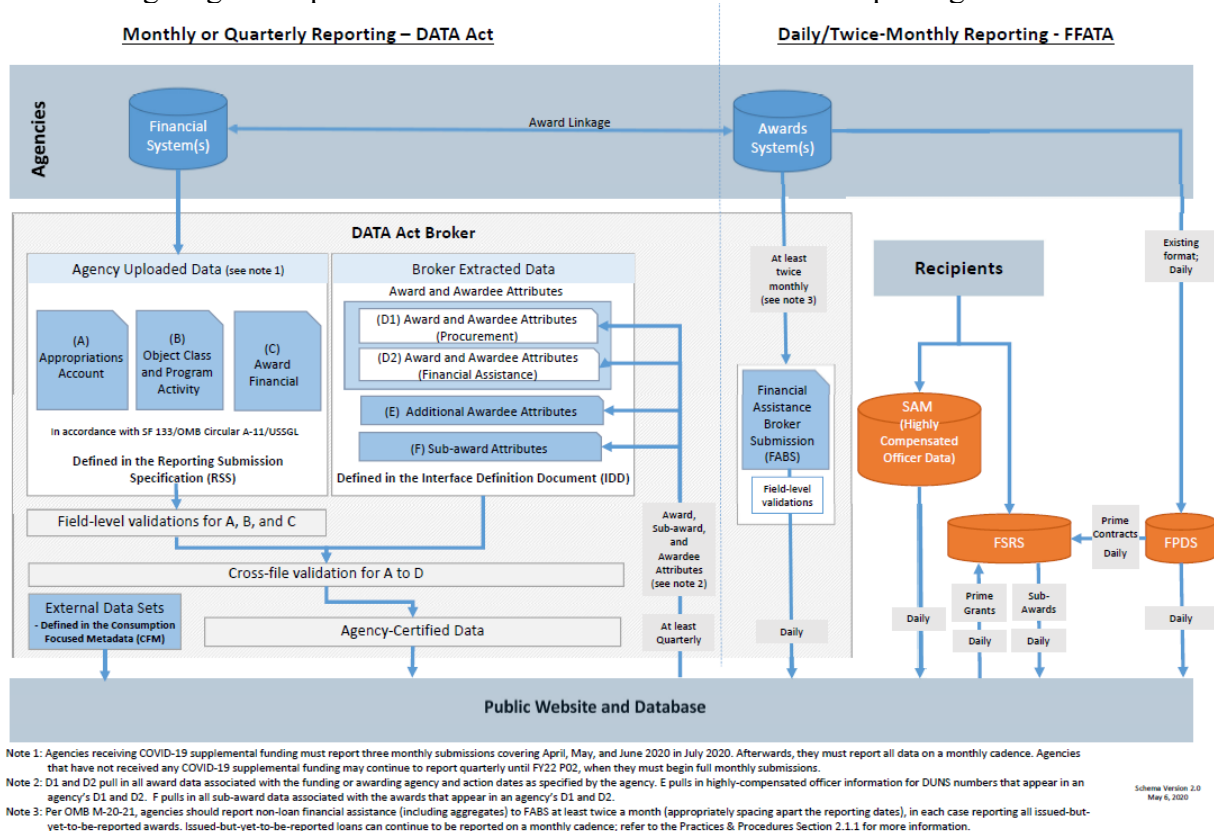
⁶ The COVID-19 relief legislation referred to in OMB M-20-21 includes the Coronavirus Preparedness and Response Supplemental Appropriation Act 2020, Pub. L. No. 116-123; the Families First Coronavirus Response Act, Pub. L. No. 116-127 (FFCRA); and the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136 (CARES Act).

⁷ The Treasury, *DAIMS Practices and Procedures For DATA Act Broker Submissions*, v2.0 (May. 6, 2020).

⁸ OMB, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*, Memorandum M-20-21 (April 10, 2020).

⁹ USAspending.gov is a publicly accessible website that displays required Federal contract, grant, loan, and other financial assistance awards information, to give the American public access to information about how the Government spends tax dollars.

The following diagram depicts the information flow for DATA Act reporting:



The Federal agency submits Files A, B, and C based on data housed within its internal financial system(s). Files A and B contain summary-level financial data and File C contains reportable award-level data. Files D1 through F contain detailed information related to record-level transactions reported in File C. Federal agencies are responsible for compiling and submitting Files A, B, and C to the Broker. The Broker generates the remaining files (D1, D2, E, and F) at the time of submission based on data the Broker extracts from external reporting systems. For File D1, Federal agencies submit procurement award data to FPDS-NG on a daily basis; the Broker extracts this information from FPDS-NG to generate File D1.¹⁰ Additionally, at least twice a month, Federal agencies submit financial assistance data to the Broker through its Financial Assistance Broker Submission (FABS) component.¹¹ The Broker then uses this information to generate File D2. For both Files D1 and D2, though the Broker generates the files at the time of submission, the Federal agency is the source of the initial data entry in both FPDS-NG and FABS.

¹⁰ FPDS-NG contains data from all Government agencies. All contracts with an estimated value equal to or over the micro-purchase threshold are required to be reported in FPDS-NG, as well as every modification to those contracts, regardless of dollar value.

¹¹ FABS is the platform used by Federal agencies to upload assistance data twice monthly to USAspending.gov.

OMB's Management Procedures M-16-03¹² states that Federal financial assistance awards for specific entities should be submitted twice a month to USAspending.gov. Federal agencies must use information from their systems to populate the data on USAspending.gov. The criteria further states that the authoritative sources for the data reported in Files E and F are the System for Award Management (SAM)¹³ and the FFATA Sub-award Reporting System (FSRS),¹⁴ respectively, with no additional action required of Federal agencies. It is the prime awardee's responsibility to report sub-award and executive compensation information in SAM and FSRS. As such, we did not assess the completeness, accuracy, timeliness, and quality of the data the Broker extracted from SAM and FSRS.

Additionally, OMB M-17-04¹⁵ requires that the senior accountable official (SAO)¹⁶ assure, on a quarterly basis, that alignment among all files within the complete DATA Act submission is valid and reliable, including the linkages across all data in Files A through F. It further states that, when there are legitimate differences between the files, the SAO should provide an explanation for any misalignment. To provide this assurance, Federal agencies should have internal controls in place for all of the data reported for display on USAspending.gov. To promote accurate and complete awardee and sub-awardee data in FSRS and SAM, Federal agencies must comply with current regulatory requirements, such as requiring Federal prime awardees to report to FSRS and SAM as part of the terms and conditions of the award.

DAIMS Practices and Procedures¹⁷ provides overall instructions for submitting, validating, and understanding DATA Act reporting and validation rules to ensure Federal agencies are including appropriate and sufficient data in the appropriate format.

Each Federal agency is required to designate an SAO, who is required to certify the seven data files for their Federal agency's financial and award data to be published on USAspending.gov. As a part of the certification, the SAO must provide reasonable assurance that its Federal agency's internal controls support the reliability and validity of the account-level and award-level data the Federal agency submitted to the Treasury for publication. USDA designated its Chief Financial Officer as the SAO.

¹² OMB, *Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information*, Memorandum M-16-03 (May 3, 2016).

¹³ Entities (e.g., contractors, Federal assistance recipients, and other potential award recipients) must register in SAM to do business with the Government, look for opportunities or assistance programs, or report subcontract information. SAM is also used by Government contracting and grants officials responsible for contracts, grants, past performance reporting, and suspension and debarment activities. Additionally, the public uses SAM to search for Government business information.

¹⁴ FSRS is the reporting tool Federal prime awardees use to capture and report sub-award and executive compensation data regarding their first-tier sub-awards to meet FFATA reporting requirements.

¹⁵ OMB, *Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability*, Memorandum M-17-04 (Nov. 4, 2016).

¹⁶ SAOs are delegated, high-level senior officials accountable for the quality and objectivity of Federal spending information. These senior leaders should ensure that the information conforms to OMB guidance on information quality and adequate systems and processes are in place within the Federal agencies to promote such conformity.

¹⁷ The Treasury, *DAIMS Practices and Procedures for DATA Act Broker Submissions*, v2.0 (May 6, 2020).

USDA DATA Act Reporting

The Office of the Chief Financial Officer (OCFO) is responsible for leading USDA's DATA Act implementation and providing oversight of DATA Act reporting. Specific to USDA, the data required for DATA Act reporting reside within 1 of USDA's 30 different procurement, financial, and financial assistance systems. USDA also develops DATA Act reportable data via manual processes, external to the information systems.

Due to the magnitude of the data USDA is required to report, USDA created the USDA DATA Act Repository (Repository) to collect and transmit all of its DATA Act data to the Broker. OCFO designed the Repository to perform validation and error checks before OCFO submits the data to the Broker. The Repository collects USDA component agency data, runs validation checks for errors, allows component agencies to correct and resubmit their data, consolidates the original and corrected data, and submits the combined files to the Broker. The Broker then submits the data to USAspending.gov. The Repository relies on component agencies' assurances that the component agency has reported all applicable data for the quarter, and that the component agency has disclosed any unreported data in its assurance statement.

Our fiscal year (FY) 2019 audit of USDA's DATA Act submission determined that—although USDA submitted and certified data to the Broker by the March 20, 2019, reporting deadline—the Department's submission was not complete and contained records that were not accurate or timely, according to DATA Act reporting standards.¹⁸ We recommended that OCFO strengthen USDA's DATA Act compliance through the establishment of new oversight processes. Additionally, we recommended that component agencies coordinate with OCFO to establish procedures to identify DATA Act reportable data, and made other recommendations to specific USDA component agencies to improve the agencies' DATA Act compliance.

USDA achieved final action for 10 of our 12 recommendations as of August 10, 2021.¹⁹

Requirements for Inspectors General

The DATA Act requires the Inspector General (IG) of each Federal agency to audit a statistically valid sample of the spending data submitted by its Federal agency. The IG must also submit to Congress a publicly available report assessing the completeness, timeliness, quality, and accuracy of the data sampled; and the implementation and use of the Governmentwide financial data standards by the Federal agency.

The *Inspectors General Guide to Compliance under the DATA Act* (IG Guide) presents a common methodological and reporting approach for the IG community to use in performing its mandated work.²⁰ To meet the needs of the IG community, the Council of the Inspectors General on Integrity and Efficiency's (CIGIE) Federal Audit Executive Council (FAEC) established the DATA Act Working Group (Working Group). The Working Group's mission is

¹⁸ Audit Report 11601-0001-12, *USDA's Fiscal Year 2019, First Quarter DATA Act Submission*, Nov. 2019.

¹⁹ See Exhibit C for prior audit recommendations and their status.

²⁰ CIGIE, *CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act* (Dec. 4, 2020), <https://oig.treasury.gov/sites/oig/files/2021-01/OIG-CA-21-008.pdf>.

to assist the IG community in understanding and meeting its DATA Act oversight requirements by: (1) serving as a working-level liaison with the Treasury; (2) consulting with the Government Accountability Office (GAO); (3) developing a common approach and methodology; and (4) coordinating key communications with other stakeholders. The Working Group consists of nearly 230 auditors representing 53 IGs. USDA's Office of Inspector General (OIG) is an active member of the Working Group, as described in the Scope and Methodology section.

As written in the DATA Act, the first set of IG reports was due to Congress in November 2016. However, Federal agencies were not required to display spending data in compliance with the DATA Act until May 2017. As a result, IGs were not able to report on the spending data submitted under the DATA Act, as the information did not exist until 2017. For this reason, CIGIE developed an approach to address the reporting date anomaly. Specifically, the IGs provided Congress with the first required reports in November 2017—1 year later than the due date in the statute—with subsequent reports due on a 2-year cycle, in November 2019 and November 2021. Thus, this is the final mandatory audit required by the DATA Act. The letter explaining this strategy is in Exhibit A.

Objectives

Our overall objective was to review USDA's implementation of the DATA Act. Specifically, we assessed whether USDA: (1) submitted complete, timely, and accurate financial and award data on USAspending.gov for publication, and (2) implemented and used OMB and the Treasury financial data standards.

Summary of Findings: A Look Back on 5 Years of DATA Act Reporting

USDA submitted its first DATA Act data on April 30, 2017. Although USDA transmitted the required files, the files themselves were mostly absent of data. Since then, USDA has worked to develop and implement processes to improve the Department's DATA Act submissions in order to meet the purpose of the Act, which is, in part, to provide transparency for Federal programs so taxpayers and policy makers can more effectively track Federal spending. While USDA has worked to improve its DATA Act submissions, the Department continues to report data to USAspending.gov that are incomplete, inaccurate, and untimely. This is due to several reporting challenges that we have noted over the years.

First, USDA data required for DATA Act reporting are contained within 30 different internal procurement, financial, and financial award systems. As a solution to the challenge of the number of systems within USDA that house the required data, OCFO created the Repository²¹ to collect, process, and transmit data to the Broker. However, the Repository has internal errors that prevent data from being properly reported or transmitted to the Broker.

Second, entities charged with governance do not have access to all the data they need to provide effective oversight within USDA. For example, OCFO, which is charged with DATA Act compliance and oversight, does not have access to all the data in all 30 systems. In addition, the Office of Contracting and Procurement (OCP) provides oversight, guidance, and coordination of acquisition planning, contracting, and execution throughout USDA, but does not have access to all the procurement data within USDA.

Third, due to USDA's decentralized data collection and reporting, OCFO requires each component agency-level SAO to attest the data reported by the component agency are complete, accurate, and that any known issues are disclosed and explained. Each SAO also certifies that the component agency's internal control environment supports the complete, accurate, and timely reporting of data. However, for fourth quarter, fiscal year 2020 (Q4FY20), we noted component agencies were certifying that their DATA Act controls were effective, when 11 component agencies had ineffective controls over DATA Act reporting.

Finally, USDA has unique DATA Act reporting challenges based on nuances with USDA programs. For example, as we noted in FY 2019 and again this year, the Farm Service Agency (FSA) labeled transactions as "PII [personally identifiable information] Redacted," incorrectly applying the label to all FY 2019 transactions, and to a limited group of FY 2020 transactions. This is because the Farm Bill does not require participants to register in SAM or obtain a Data Universal Numbering System number; as a result, participants are not required to obtain a unique identifier (ID). However, without a unique ID, the Broker rejects the submission. By reporting data as "PII Redacted," FSA is able to submit partial data to the Treasury. USDA also has other programs that similarly do not interface with the Broker's reporting parameters.

OCFO notes that USDA has conducted DATA Act compliance efforts without any additional funding. However, until USDA is fully able to address the data, system, and program-specific

²¹ USDA created the USDA DATA Act Repository to collect and transmit all of its DATA Act data to the Broker. OCFO designed the Repository to perform validation and error checks before OCFO submits the data to the Broker.

issues noted, USDA will continue to lack the transparency intended by the Act; and continue to provide incomplete, inaccurate, and untimely data for publication on USAspending.gov.

Section 1: USDA's Fourth Quarter Fiscal Year 2020 DATA Act Submission

Finding 1: USDA's Data Act Submission Should be Complete, Accurate, and Timely

Although USDA transmitted its Q4FY20 submission to the Broker, its submission was not complete and contained records that were not accurate or timely, according to DATA Act reporting standards.²² This occurred because USDA component agencies and offices managed DATA Act source systems that did not automatically transmit data to the Financial Management Modernization Initiative (FMMI), USDA's core financial system.²³ Therefore, OCFO, which is charged with Departmental oversight of DATA Act submission activities, relied on manual processes at both the component agency and Department level to compile each DATA Act submission. As a result, the intended users of the data, as outlined by the DATA Act, do not have consistent, reliable, and searchable USDA spending data available on USAspending.gov.

The DATA Act requires Federal agencies to report financial and award data in accordance with Governmentwide financial data standards established by the Treasury and OMB. Specifically, each Federal agency is required to report: (1) the amount of obligated and unobligated balances for the budget authority appropriated and any other budgetary resources; (2) the accounts and amounts that are obligated for each program activity, including the amounts of any outlays; (3) the accounts and amounts that are obligated for each object class, including the amounts of any outlays; and (4) the amounts obligated and any outlays from each object class by program activity.²⁴

USDA is comprised of 34 component agencies and staff offices, some of which maintain separate systems needed for DATA Act reporting. For example, across USDA there are 30 separate systems used to report data for USDA's DATA Act submission. In some cases, component agencies are responsible for collecting and manually submitting the information from their systems. Specifically, two component agencies have separate financial systems, other than USDA's core financial system, which requires them to manually submit data to the Repository. USDA also maintains more than one procurement system, with systems dedicated to commodity procurements and wildfire incidents, in addition to USDA's primary procurement system.

We found that, although USDA had adhered to the file submission requirements for Q4FY20, as outlined by the Treasury, timely submitting Files A, B, and C (and the subsequent generation of Files D1, D2, E, and F from the Broker), the files were either incomplete or the data were inaccurate or untimely. Files E and F data remain the responsibility of the awardee, in accordance with the terms and conditions of Federal agreements, and the quality of these data

²² CIGIE established definitions to determine quality, completeness, accuracy, and timeliness in the IG Guide (Dec. 4, 2020).

²³ A source system, for DATA Act purposes, is a system at the component agency level where DATA Act reportable data reside.

²⁴ Digital Accountability and Transparency Act of 2014, Pub. L. No. 113-101 (DATA Act).

remains the legal responsibility of the recipient. Therefore, while agency SAOs are not responsible for certifying the quality of data reported by awardees for Files E and F, they are responsible for assuring controls are in place to verify that financial assistance awardees register in SAM at the time of the award. As such, we did not assess the completeness, timeliness, quality, and accuracy of the data the Treasury Broker's software system extracted from SAM and FSRS. As part of our testing, we conducted a statistical sample of data in File C from USDA's Q4FY20 DATA Act submission. This sample contained 250 File C transactions, of which 215 transactions (more than 86 percent) had no corresponding File D1 or D2 record within the Q4FY20 submission. According to the IG Guide, because an applicable data element of a record was not reported, these records were considered incomplete, inaccurate, and untimely.

Overall, USDA's Q4FY20 DATA Act submission was incomplete, inaccurate, and untimely. Specifically:

- 74.6 percent of the data elements reviewed for our sampled transactions in Files C, D1, and D2 were incomplete because the data elements were not reported;
- 77.6 percent of the data elements reported for our sampled transactions were not supported by source documentation and therefore considered inaccurate;
- 83.4 percent of the data elements reported for our sampled transactions were untimely because the records were not submitted according to required timeframes; and
- 82.4 percent of the reported DEFC values in File C were inaccurate.

In addition, for this audit, and in accordance with the IG guide, we reviewed a non-statistical sample of outlays specific to COVID-19. We selected a sample of 10 percent of September 2020 outlays, identified by a Coronavirus Aid, Relief, and Economic Security (CARES) Act DEFC value; this sample resulted in 22 outlays, in which our review found no exceptions.

Finally, based on our testing and statistical projections, we determined that USDA's overall quality of data published on USAspending.gov is "Lower," as determined by the IG Guide's established levels of data quality.²⁵ We based our projections on the population of data obtained from USDA's Q4FY20 DATA Act submission. USDA's submission did not include all reportable data and therefore the error rates identified and projected are for the data submitted. Our statistical projection for USDA's Q4FY20 DATA Act submission was based on a 95 percent confidence level.

²⁵ The IG Guide established four levels of data quality: "Excellent," "Higher," "Moderate," and "Lower." The quality is determined by weighing the results of Timeliness, Summary-Level Data, Suitability of File C, Record-Level Linkages, Data Element Testing, and COVID-19 Outlay Testing. If the quality is calculated as between 95 and 100, the quality would be considered "Excellent." If the quality is calculated as between 85 and 94.9, the quality would be considered "Higher." If the quality is calculated as between 70 and 84.9, the quality would be considered "Moderate." If the quality is calculated as between 0 and 69.9, the quality would be considered "Lower."

Table 1: Data Quality of Sampled Transactions in File C for Q4FY20

Percentage of Incomplete Transactions*	Statistical Projection Error Rate—Completeness	Percentage of Inaccurate Transactions*	Statistical Projection Error Rate—Accuracy	Percentage of Untimely Transactions*	Statistical Projection Error Rate—Timeliness
74.6%	70.9%-78.3%	77.6%	74.2%-81.0%	83.4%	79.8%-87.0%

**Conservatively rounded; actual percentage is slightly higher than stated percentage*

USDA's Incomplete, Inaccurate, and Untimely DATA Act Reporting

The causes for USDA's low quality data submission varied and included the following.

First, USDA did not transmit all data to the Broker for each transaction. According to DAIMS Practices and Procedures, each unique award ID in File C, as identified by the procurement instrument identifier (PIID) or Federal award identification number (FAIN), should exist in File D1 or D2. However, for the Q4FY20 submission, we noted 5,592 missing award IDs in File C from File D1 (\$1.8 billion absolute value)²⁶ and 797,510 missing award IDs in File C from File D2 (\$8.9 billion). While the Broker produces warning reports²⁷ that could help reconcile these issues, USDA was unable to open the Q4FY20 warning reports due to their size. Using specialized software,²⁸ OIG was able to review the reports and noted there were more than 1.1 million warnings related to award IDs not being present between Files C, D1, and D2, indicating that not all data were transmitted for each award ID.

Second, various agencies did not consistently report transactions captured in the Web-Based Supply Chain Management (WBSCM) procurement system, which the Agricultural Marketing Service (AMS) manages. Specifically:

- Commodity Credit Corporation (CCC) did not report accounting data in File C for 394 Q4FY20 transactions totaling more than \$455 million because of its manual submission process; and
- AMS did not report 707 of 1,093 WBSCM transactions in File D1 because the component agency did not timely enter the data into FPDS-NG.

Third, the Natural Resources Conservation Service (NRCS) did not submit complete File D2 records for Q4FY20, which had a net impact of more than \$1.79 billion. Specifically, NRCS did not submit the September File D2, and the July and August File D2 records were incomplete because of an IT error. We noted a similar cause in the

²⁶ An absolute dollar value is a non-negative dollar value that is equal in value to a given real dollar value. We used absolute dollar values for our analysis, as they provided a more accurate representation of the magnitude of the financial data errors identified, as suggested by the IG Guide. All dollar values included in this report are presented in absolute value unless otherwise stated.

²⁷ Warning reports consist of messages that were created by data validation rules to alert the Federal agency to possible data quality issues worth further review.

²⁸ We utilized a data analytics software to analyze the large data set.

FY 2019 DATA Act audit; refer to Exhibit C, Recommendation 3 for the prior audit recommendation, which remains open.

Fourth, the Risk Management Agency (RMA) excluded indemnities and underwriting gains from its Q4FY20 DATA Act submission by labeling the transactions as “Non-DATA Act reportable.” Although RMA reported that, “[a]ctivity related to indemnities, premium subsidies, late fees, interest, and subsidy are not required to be reported under the DATA Act,” RMA was unable to provide adequate support for why reporting the transactions was not required. According to a Farm Production and Conservation Business Center official, RMA’s indemnity and underwriting gains programs have inherent challenges that prevent RMA from fully reporting DATA Act reportable data to the Broker.

Fifth, more than \$20 million in DATA Act reportable SmartPay transactions²⁹ were not reported by the applicable agencies in File C for Q4FY20, in addition to more than \$16 million previously unreported transactions. According to OCP, the office responsible for managing SmartPay, these transactions were not reported because purchasers did not attach a PIID to these transactions. We noted a similar cause in the FY 2019 DATA Act audit; refer to Exhibit C, Recommendation 6 for the prior audit recommendation. Although OCP issued a memorandum in response to the FY 2019 audit finding, which required all USDA agencies and offices to include a PIID for any SmartPay transactions over the micro-purchase threshold, the audit recommendation remains open, and the issues persist.

Sixth, we noted differences of more than \$187.8 billion between File A and File B, which resulted in inaccurate summary level data in File B. This caused the data to be duplicated on File B. Further discussions with OCFO identified this has been a known issue that OCFO has been trying to resolve since May 2019. OCFO is still reviewing the cause of the error.

Seventh, USDA does not consistently report data for the Parent Award ID, a required DATA Act data element. Specifically, we found that 100 percent of the transactions we reviewed did not include the Parent Award ID in File C, as required by DAIMS. Additionally, our review of all Q4FY20 data found that 96.9 percent of File C records did not include the Parent Award ID when it was reported in the corresponding D1 record. Further review identified that the Parent Award ID element was not captured as a data field in USDA’s core financial system.

Lastly, Forest Service (FS) continues to report wildfire incidents late, causing them to be untimely. The DATA Act requires the Government to report transactions in the quarter in which it incurred the obligation.³⁰ FS reports wildfire incident orders to FPDS-NG

²⁹ The General Services Administration SmartPay Program is the Government charge card and commercial payment solutions program that enables authorized Government employees to make purchases on behalf of the Federal Government in support of their agency/organization’s mission.

³⁰ Obligation means a binding agreement that will result in outlays, immediately or in the future. Budgetary resources must be available before obligations can be incurred legally.

after the agency processes the payment, which is when it also assigns the PIID. This timing resulted in FS not reporting certain File D1 transactions in Q4FY20, as required. Specifically, we found more than 4,600 transactions totaling more than \$204 million in procurements that FS did not report in the Q4FY20 DATA Act submission. This occurred as a result of the manual process that FS uses for incident reporting. We noted a similar cause in the FY 2019 DATA Act audit; refer to Exhibit C, Recommendation 9 for the prior audit recommendation.

As a result of the incomplete, inaccurate, and untimely DATA Act submission, the intended users of the data, as outlined by the DATA Act, do not have consistent, reliable, and searchable USDA spending data available on USAspending.gov. Further, because the USDA data available to taxpayers and policy makers are not consistent, reliable, and searchable, the data are not transparently portraying Departmental spending, as intended by the DATA Act.

Recommendation 1

RMA needs to report indemnities, underwriting gains, and premium subsidies for the DATA Act or obtain a legal opinion from the Office of the General Counsel that supports continuing not to report the transactions.

Agency Response

The Farm Production and Conservation Business Center in conjunction with RMA will contact the Office of the General Counsel to obtain an opinion on the matter. We expect to receive an opinion from [the Office of the General Counsel] by March 31, 2022. If [the Office of the General Counsel] believes indemnities, underwriting gains and/or premium subsidy should be reported, RMA will do so accordingly. We expect to be in full compliance by September 30, 2022.

OIG Position

We accept RMA's management decision on this recommendation.

Recommendation 2

OCP needs to develop a process for conducting oversight to ensure that PIIDs are being properly entered in all USDA procurement systems to facilitate proper reporting of DATA Act Files C and D1.

Agency Response

OCP's policy requires the creation of a PIID for every contract action. OCP will implement oversight activities by December 31, 2021 that require system owners to:

- Extract information identifying instances when a PIID is not created on a financial transaction that requires a PIID;
- Conduct a monthly review and resolve missing PIIDs; and

- Provide a report to OCP [no later than] 3 business days after the end of each quarter that certifies that on the date signed there are 1) no missing PIIDs, or 2) there are transactions that do not have the required PIID and identify them until resolved.

Additionally, OCP will monitor reports submitted by system owners; ensure reports are submitted; and follow-up with system owners on resolution of financial transactions with unresolved issues. OCP also plans to establish a standing working group consisting of OCP, IAS, WBSCM, VIPR, and SmartPay3 system owners to achieve improvements in DATA ACT reporting and other initiatives.

The estimated completion date provided was December 31, 2021.

OIG Position

We accept OCP's management decision on this recommendation.

Recommendation 3

OCFO needs to develop and implement the necessary process or system modification to address the duplication of data in File B that prevents the summary level data in File B from matching the data in File A.

Agency Response

OCFO plans to implement a significant system enhancement to address this issue with implementation in May 2022.

The estimated completion date provided was May 31, 2022.

OIG Position

We accept OCFO's management decision for this recommendation.

Recommendation 4

CCC needs to develop and implement a process to ensure accounting data from WBSCM is properly reported for inclusion in USDA's DATA Act submission.

Agency Response

The Farm Production and Conservation Business Center, in conjunction with CCC will work with AMS, United States Agency for International Development, and Foreign Agricultural Service to improve WBSCM financial procurement awards DATA Act reporting. The Business Center and CCC will work to identify data sources, develop written business requirements, and submit a funding request by September 30, 2022.

OIG Position

We are unable to accept management decision for this recommendation. CCC did not describe how it would achieve implementation of WBSCM DATA Act reporting compliance. To reach management decision, CCC needs to provide OIG with a plan of action, including a timeline for implementation that will ensure that WBSCM accounting data is included in USDA's DATA Act submission.

Recommendation 5

FS needs to develop and implement a process to ensure that emergency incident procurement transactions are obligated and recorded in the period in which the binding agreement is reached, including the assignment and recording of PIIDs, to ensure proper DATA Act reporting.

Agency Response

FS generally concurs with this recommendation. FS is in the final stages of implementing an automated tool to populate the obligation and the PIID into the financial accounting system. This procurement reporting bot will populate the USAspending.gov website automatically via existing interface within the IAS procurement system which will ensure accurate and timely reporting in compliance with the DATA Act reporting. Meanwhile, FS has reduced the backlog of pending unreported transactions significantly and is processing more contracts through the USDA IAS, which populates the PIID information.

The estimated completion date provided was October 31, 2022.

OIG Position

We accept FS' management decision on this recommendation.

Finding 2: DATA Act Standards Need to be Consistently Implemented

USDA agencies and offices did not consistently implement and use Governmentwide financial data standards established by OMB and the Treasury. This occurred, in part, because OCFO relied on agency-level assurance statements that were incomplete because component agencies did not properly disclose significant factors on the assurance statements that affect DATA Act reporting. This also occurred because USDA and its component agencies and offices implemented methods to facilitate compliance with DATA Act reporting standards while working within existing system limitations internally at USDA and externally at the Treasury. Without the consistent use of standards, USDA cannot attest the reporting of reliable, transparent, and consistent Federal spending data for public use.

The DATA Act requires that the Secretary of the Treasury and the Director of OMB, in consultation with the heads of Federal agencies, establish Governmentwide financial data standards for any Federal funds made available to, or expended by, Federal agencies and entities receiving Federal funds. One of the core requirements of the DATA Act is the development of Governmentwide data standards to ensure the reporting of reliable, consistent Federal spending data for public use. These standards, referred to as DAIMS, encompass the terms, definitions, formats, and structures for hundreds of distinct data elements. In addition, OMB requires Federal agencies to implement data definition standards and ensure the availability of agency- and award-level financial data sourced from agency financial systems and to implement linkages between agency financial system(s) and management systems using award IDs.³¹ Further, OMB requires that “the financial attributes must be generated by the Federal agencies’ financial system of record.”³² Finally, OMB requires Federal agencies receiving COVID-19 relief funding to use a unique DEFC value to identify COVID-19 relief funding.³³

Reliance on Agency Assurance for Adherence to DATA Act Reporting

USDA and component agency-level SAO assurance statements did not properly disclose known issues. USDA’s DATA Act reporting process relies on component agencies’ assurance that all data were accurately reported and that any data that were not reported were disclosed on the component agencies’ assurance statements. Each agency is required to complete a statement for each quarterly submission, providing reasonable assurance that its internal controls support the reliability and validity of the agency account-level and award-level data reported, per the DATA Act files. Additionally, they must provide reasonable assurance that their internal controls support the reliability and validity of the data and, at a minimum that the data are based on OMB Circular A-123’s appropriate internal controls and risk management strategies.³⁴

³¹ OMB, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*, Memorandum M-15-12 (May 8, 2015).

³² OMB, Appendix A to OMB Circular No. A-123, *Management of Reporting and Data Integrity Risk*, Memorandum M-18-16 (June 6, 2018).

³³ OMB, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*, Memorandum M-20-21 (Apr. 10, 2020).

³⁴ OMB, *Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information*, Memorandum M-16-03 (May 3, 2016).

Our review of USDA's Q4FY20 assurance statement found that USDA did not report known issues, such as the error with DEFC value reporting and ineffective A-123 internal controls over DATA Act reporting. Although 12 USDA component agencies documented ineffective controls over DATA Act reporting, 11 of the component agencies did not include a disclosure in their assurance statements. Rather, the statements included the following: "the agency provides assurance that data integrity processes and controls align with A-123 and are in place for all reported data. This includes agency financial systems, award management systems, and procurement data reported to FPDS-NG." These assurance statements did not disclose the controls identified as ineffective or not working through agency A-123 control testing and, in turn, were not disclosed on USDA's assurance statement.

Agency officials stated that they did not disclose this information because they did not believe that such disclosures were required on the component agency SAO's assurance statement, even though OCFO uses the statements to provide assurance as to the completeness and accuracy of USDA's DATA Act reporting.

System Limitations and Compliance with Data Standards

USDA component agencies and offices did not consistently implement and use Governmentwide financial data standards established by OMB and the Treasury. For example, we found that USDA's financial systems of record did not contain all DATA Act reportable data and did not share those data across systems. To compensate, USDA used both automated and manual processes across 30 separate systems, systems that did not comply with existing data standards.

OMB requires that a Federal agency's financial system of record generate spending data that includes the award identifier.³⁵ The award identifier (PIID or FAIN) is the primary mechanism for associating expenditures with individual awards, as required by FFATA and the DATA Act. Additionally, while the Treasury has Governmentwide data standards, including the DAIMS, to ensure the reporting of reliable, consistent Federal spending data for public use, we found that USDA did not follow the DAIMS definition for the majority of distinct data elements, as required. Specifically, our review of USDA's 30 different procurement, financial, and financial assistance systems used for DATA Act reporting found that 92.6 percent of required data elements we tested from Files A, B, C, D1, and D2 did not match the DAIMS definition. In addition, 48.1 percent of the data elements were not identified in a source system.³⁶ This included the Parent Award ID, which we noted in Finding 1 and caused DATA Act reporting errors for Q4FY20.

³⁵ OMB, Appendix A to OMB Circular A-123, *Management of Reporting and Data Integrity Risk*, Memorandum M-18-16 (June 6, 2018).

³⁶ OIG considered a data element to be unidentified if it was not captured in related system documentation.

While OMB required Federal agencies to use the DEFC to identify funds from the CARES Act for DATA Act reporting, our review of the 250 sampled transactions, as discussed in Finding 1, disclosed an 82.4 percent error rate for accuracy for DEFC value.

These instances occurred because USDA and its component agencies and offices were working within the limitations of existing systems within the Department for DATA Act reporting. For example, as noted in Finding 1, USDA continues to experience incomplete or inaccurate reporting issues due to the additional DATA Act reporting processes required as a result of maintaining three separate financial systems. In addition, while the Repository allows USDA component agencies and offices to use their existing financial, procurement, and financial award systems to report DATA Act data, OCFO does not have access to all the data in all 30 systems. The Repository has also generated errors itself, some of which have been outstanding for multiple years and prohibit USDA from publishing DATA Act reportable data. In addition, while the Repository uses a combination of automated and manual data consolidation, the manual submissions continue to cause data errors.

In addition, the error rate for DEFC value accuracy occurred because the Repository was not properly configured and defaulted the transactions to the non-disaster DEFC value. DATA Act reporting at USDA will continue to be a challenge until USDA and its component agencies are able to rectify their system issues.

Without the consistent use of standards, USDA cannot ensure the reporting of reliable, consistent Federal spending data for public use. Additionally, because the data are not included in a financial or management system, the data are prone to human error and other issues. Further, as a result of inconsistently using DATA Act data standards, USDA continues to be at risk of submitting inaccurate, incomplete, and untimely DATA Act submissions, ultimately affecting the usability of the data.

Recommendation 6

USDA needs to develop and implement a process and work with all applicable component agencies to ensure all applicable DATA Act data elements are present in USDA agencies' procurement, financial, grant, and loan systems.

Agency Response

USDA OCFO will address [recommendations 6, 7, 8, and 9] by asking component agencies and staff offices to develop and implement a documentation and review strategy as follows:

1. Ensure each DATA Act data element is recorded within an Agency/Office system by documenting which system provides the data for each data element.
2. Ensure the system definition applied to each data element comports to DATA Act as defined in DAIMS Reporting Submission Specifications policy.
3. Documentation of all agency/office systems used to leverage DATA Act reporting, including:

- a. Name and purpose of system and the System of Record Notification, if one exists.
- b. List of DATA Act data elements, which are reported from each system.
- c. Plans to add new systems or to update/replace existing systems.
4. Evaluate each existing or planned system for possible consolidation or enhancement, such as interfacing, that would improve complete, timely, and accurate DATA Act reporting.

Each agency/office should have such documentation available to OCFO upon request no later than the end of fiscal year 2022 and establish an annual review and update of this documentation.

The estimated completion date provided was September 30, 2022.

OIG Position

We accept OCFO's management decision on this recommendation.

Recommendation 7

USDA, and its component agencies, need to develop system documentation that identifies the source system and data fields used in DATA Act reporting from which data originates for all procurement, financial, grant, and loan systems.

Agency Response

USDA OCFO will address [recommendations 6, 7, 8, and 9] by asking component agencies and staff offices to develop and implement a documentation and review strategy as follows:

1. Ensure each DATA Act data element is recorded within an Agency/Office system by documenting which system provides the data for each data element.
2. Ensure the system definition applied to each data element comports to DATA Act as defined in DAIMS Reporting Submission Specifications policy.
3. Documentation of all agency/office systems used to leverage DATA Act reporting, including:
 - a. Name and purpose of system and the System of Record Notification, if one exists.
 - b. List of DATA Act data elements, which are reported from each system.
 - c. Plans to add new systems or to update/replace existing systems.
4. Evaluate each existing or planned system for possible consolidation or enhancement, such as interfacing, that would improve complete, timely, and accurate DATA Act reporting.

Each agency/office should have such documentation available to OCFO upon request no later than the end of fiscal year 2022 and establish an annual review and update of this documentation.

The estimated completion date provided was September 30, 2022.

OIG Position

We accept OCFO's management decision on this recommendation.

Recommendation 8

USDA, and its component agencies, need to develop documentation for systems used for DATA Act Reporting across USDA, to ensure that all applicable DATA Act data elements are defined in accordance with DAIMS.

Agency Response

USDA OCFO will address [recommendations 6, 7, 8, and 9] by asking component agencies and staff offices to develop and implement a documentation and review strategy as follows:

1. Ensure each DATA Act data element is recorded within an Agency/Office system by documenting which system provides the data for each data element.
2. Ensure the system definition applied to each data element comports to DATA Act as defined in DAIMS Reporting Submission Specifications policy.
3. Documentation of all agency/office systems used to leverage DATA Act reporting, including:
 - a. Name and purpose of system and the System of Record Notification, if one exists.
 - b. List of DATA Act data elements, which are reported from each system.
 - c. Plans to add new systems or to update/replace existing systems.
4. Evaluate each existing or planned system for possible consolidation or enhancement, such as interfacing, that would improve complete, timely, and accurate DATA Act reporting.

Each agency/office should have such documentation available to OCFO upon request no later than the end of fiscal year 2022 and establish an annual review and update of this documentation.

The estimated completion date provided was September 30, 2022.

OIG Position

We accept OCFO's management decision on this recommendation.

Recommendation 9

USDA, and its component agencies, should evaluate whether any of the individual USDA systems used for DATA Act reporting could be consolidated or interfaced to improve the accuracy, completeness, and timeliness of DATA Act reporting.

Agency Response

USDA OCFO will address [recommendations 6, 7, 8, and 9] by asking component agencies and staff offices to develop and implement a documentation and review strategy as follows:

1. Ensure each DATA Act data element is recorded within an Agency/Office system by documenting which system provides the data for each data element.
2. Ensure the system definition applied to each data element comports to DATA Act as defined in DAIMS Reporting Submission Specifications policy.
3. Documentation of all agency/office systems used to leverage DATA Act reporting, including:
 - a. Name and purpose of system and the System of Record Notification, if one exists.
 - b. List of DATA Act data elements, which are reported from each system.
 - c. Plans to add new systems or to update/replace existing systems.
4. Evaluate each existing or planned system for possible consolidation or enhancement, such as interfacing, that would improve complete, timely, and accurate DATA Act reporting.

Each agency/office should have such documentation available to OCFO upon request no later than the end of fiscal year 2022 and establish an annual review and update of this documentation.

The estimated completion date provided was September 30, 2022.

OIG Position

We accept OCFO's management decision on this recommendation.

Recommendation 10

OCFO should update guidance to the component agencies for the SAO assurance statement to require the inclusion of any control deficiencies identified or any other issues that impact the completeness, accuracy, and timeliness of the DATA Act reportable data.

Agency Response

OCFO will address the recommendation by expanding on existing DATA Act tools. The

SAO Quarterly Assurance Statement will require the inclusion of any internal control deficiencies identified, or issues that impact completeness, accuracy, and timeliness of the DATA Act reportable data. The Assurance Statement will include a new Appendix to address these deficiencies. OCFO will work closely with the Internal Control Division to ensure that the data quality control objectives are covered, and testing results are consistent with the quarterly Assurance Statement. OCFO will update the DQP providing additional guidance and instruction to the agencies detailing the process in which the SAO will provide assurance that data integrity processes and controls are in place and align with A-123. OCFO will conduct meetings with agency SAO's, DATA Act POC's, and Agency Internal Control POC's to inform them of this Audit recommendation and updates.

The estimated completion date provided was March 31, 2022.

OIG Position

We accept OCFO's management decision on this recommendation.

Recommendation 11

OCFO needs to implement a process to ensure the proper DEFC value is reported in Files B and C.

Agency Response

OCFO, in conjunction, with FMS addressed this recommendation through DEFC enhancements and agency notifications, implementing a new process by March 31, 2021.

OIG Position

We accept OCFO's management decision for this recommendation.

Scope and Methodology

The IGs and GAO play a vital role ensuring accountability and transparency in DATA Act activities.³⁷ As part of this ongoing responsibility, we participated in the FAEC DATA Act implementation team meetings. We routinely coordinated our work with GAO, the Working Group, and other OIGs that were conducting DATA Act compliance reviews. The Working Group, in consultation with GAO, agreed that the type of engagement to be performed to satisfy the reporting requirements under the DATA Act should be a performance audit in accordance with the requirements of Generally Accepted Government Auditing Standards (GAGAS). CIGIE also guided each IG to select a quarter for sampling between the third quarter of FY 2020 and the second quarter of FY 2021.

Accordingly, the scope of this audit included a sample of Q4FY20 financial and award data USDA submitted for publication on USAspending.gov, and any applicable procedures, certifications, documentation, and controls related to the DATA Act submission process through FY 2021. We conducted virtual interviews, meetings, and status updates with responsible USDA agency officials throughout our audit.

To accomplish our objectives, the audit team:

- obtained an understanding of regulatory criteria related to USDA's responsibilities to report financial and award data under the DATA Act;
- reviewed the agency's Data Quality Plan;
- conducted interviews with OCFO Headquarters and Financial Management Services officials and applicable component agencies;
- reviewed USDA's Federal Shared Service Provider DATA Act reporting process for customer agencies and their agreements with the customer agencies, and coordinated with customer agency IGs as necessary;
- analyzed pertinent documents, which included DATA Act policies and procedures;
- assessed USDA's current internal and information system controls related to the extraction and reporting of data from its source systems via the Repository to the Broker, in order to assess audit risk and design audit procedures;³⁸
- reviewed and reconciled the Q4FY20 summary-level data submitted by USDA for publication on USAspending.gov;
- reviewed a statistically valid sample of 250 transactions from Q4FY20 financial and award data, submitted by USDA for publication on USAspending.gov;
- reviewed a non-statistical sample of 22 COVID-19 outlays from September 2020;
- obtained and reviewed source documentation from component agencies for all transactions in our statistical and non-statistical samples;

³⁷ Section 6(a) and (b) of the DATA Act require IGs and the Comptroller General to provide DATA Act oversight reports to Congress.

³⁸ OMB, *Management's Responsibility for Enterprise Risk Management and Internal Control*, Circular A-123 (Jul. 15, 2016) and Appendix A to OMB Circular A-123, *Management of Reporting and Data Integrity Risk* (Jun. 6, 2018).

- assessed the completeness, accuracy, timeliness, and quality of the financial and award data sampled; and
- assessed USDA's implementation and use of the 59 data elements established by OMB and the Treasury for DATA Act reporting.

We did not rely on information technology systems as authoritative sources for information reported in accordance with the DATA Act. For the review of the 250 transactions selected in our sample, we verified transaction elements to source documentation. Therefore, we did not perform any additional testing to evaluate the agency's information technology system used and make no representation as to the adequacy of the agency's information technology systems or reports.

We utilized the IG Guide to assist in the development of our audit procedures. The IG Guide procedures were designed to foster a consistent methodology and reporting approach across the IG community, not to restrict an auditor from pursuing issues or concerns related to the implementation of the DATA Act. We followed testing requirements according to the IG Guide; however, we did not follow all reporting suggestions in sections 920 and 960 of the Guide. We did not include all recommended or suggested reporting items because these items did not impact the findings presented in the report; this did not impact the overall quality score. Additionally, if an auditor identified additional areas of concern, the auditor proceeded according to his or her professional judgment. Our audit team adequately planned and documented the work necessary to address the audit objectives, in accordance with GAGAS. For example, auditors assessed audit risk and significance within the context of the audit objectives by gaining an understanding of provisions of laws and regulations, such as the DATA Act, contracts and grant agreements, and potential fraud and abuse that were significant within the context of our audit objectives.³⁹ Based on the risk assessment, the auditors designed and performed procedures to obtain reasonable assurance of detecting instances of noncompliance with provisions of laws, regulations, contracts, or grant agreements that are significant within the context of the audit objectives.⁴⁰

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

³⁹ *Government Auditing Standards*, GAO-21-368G Chapter 8, par. 8.05, 8.38(a) and 8.68 (Apr. 2021).

⁴⁰ *Government Auditing Standards*, GAO-21-368G Chapter 8, par. 8.68 (Apr. 2021).

Abbreviations

AMS	Agricultural Marketing Service
Broker	DATA Act Broker
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CCC	Commodity Credit Corporation
CIGIE	Council of the Inspectors General on Integrity and Efficiency
COVID-19	Coronavirus Disease 2019
DAIMS	DATA Act Information Model Schema
DATA Act	Digital Accountability and Transparency Act of 2014
DEFC	Disaster Emergency Fund Code
FABS	Financial Assistance Broker Submission
FAEC	Federal Audit Executive Council
FAIN	Federal Award Identification Number
FFATA	Federal Funding Accountability and Transparency Act of 2006
FMML	Financial Management Modernization Initiative
FNS	Food and Nutrition Service
FPDS-NG	Federal Procurement Data System-Next Generation
FS	Forest Service
FSA	Farm Service Agency
FSRS	FFATA Sub-award Reporting System
FY	fiscal year
GAGAS	Generally Accepted Government Auditing Standards
GAO	Government Accountability Office
ID	identifier
IG	Inspector General
IG Guide	<i>The Inspectors General Guide to Compliance under the DATA Act</i>
NRCS	Natural Resources Conservation Service
OAI	Office of Analytics and Innovation
OCFO	Office of the Chief Financial Officer
OCP	Office of Contracting and Procurement
OIG	Office of Inspector General
OMB	Office of Management and Budget
PII	personally identifiable information
PIID	procurement instrument identifier
Q4FY20	fourth quarter, fiscal year 2020
Repository	USDA DATA Act Repository
RMA	Risk Management Agency
SAM	System for Award Management
SAO	Senior Accountable Official
Treasury	United States Department of the Treasury
USDA	United States Department of Agriculture
WBSCM	Web-Based Supply Chain Management
Working Group	FAEC DATA Act Working Group

Exhibit A: CIGIE's DATA Act Anomaly Letter Submitted to the Senate Committee on Homeland Security and Government Affairs and the House Committee on Oversight and Government Reform



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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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

Exhibit B: Sampling Methodology for USDA’s Fiscal Year 2021 DATA Act Compliance Efforts Audit Q4FY20 (July 1, 2020–September 30, 2020)

Background:

Our overall objective was to review USDA’s implementation of the Digital Accountability and Transparency Act. Specifically, we assessed whether USDA: (1) submitted complete, timely, and accurate financial and award data on USAspending.gov for publication, and (2) implemented and used OMB and Treasury financial data standards.

OIG’s Office of Analytics and Innovation (OAI) lent support to randomly select a statistically valid sample of certified spending data to help quantify the audit’s objective. The reported records included in the universe will be from the agency’s certified data submission for File C. For Q4FY20, File C will only include obligation amounts for each award made and/or modified during that reporting quarter.

Universe Information:

There were initially 9,456,419 records in File C. OAI removed “outlays” per instructions provided by the audit team. OAI also removed OIG records using codes in the “MAINACCOUNTCODE” column the audit team identified. This effort resulted in 938,160 records we considered as the universe for random sample selection. The auditors and OAI selected a random sample of 365 data records using the guidelines established by the CIGIE FAEC FY2020 from this universe.

Sample Design:

We randomly selected, without replacement, 365 of these 938,160 spending records based on the following, per §560 of *CIGIE FAEC Inspectors General Guide to Compliance under the Data Act* (December 2020).

- Universe size = 938,160 spending records
- Sample size (n = 365) based on:
 - wanting to report 95 percent, two-tailed confidence intervals,
 - wanting to report confidence intervals no wider than 10 percent (e.g., precision = ± 05 percent if symmetrical around the point estimate) and
 - assuming a 61.2 percent exception (error) rates on binary attributes, since this follows the CIGIE FAEC FY2020 guidelines (section 560, page 16). Based on first quarter, FY 2019 agency estimates of 61.2 percent for Completeness, 82.1 percent for Timeliness and 65.1 percent for Accuracy. The rate closest to 50 percent, while still being between 20 percent and 80 percent, should be used per the guidelines.

The sample size was calculated using the normal approximation, without using a finite population correction since the population size is very large compared to the sample size.

Sample Selection Methodology:

- 1) The universe of spending records for Q4FY20 was provided by audit and contained 938,160 records. The table was read into ACL.
- 2) OAI added record numbers to all records in the dataset, 1 through 938,160. We used the ACL RECNO() function to assign this and extracted the data to a temporary table before selection to make this column static.
- 3) To select a sample, OAI first generated a seed using the random number generator in ACL to get a number between 1:1000000. The resulting seed was 322311.
- 4) Using the ACL sampling function, we selected a random sample of 500 records.
- 5) OAI then assigned a random order to the sampled records using the RAND() function in ACL with the record number as the input.
- 6) Sampling stopped after 250 samples, as audit precision goals consistent with CIGIE guidelines were achieved.

Results:

N = 938,160 number of records in the universe n = 250 number of records in the sample						
Statistical Projections						
Criteria	95% Confidence Level Lower Bound	Estimate	95% Confidence Level Upper Bound	Standard Error	Coefficient of Variation	Precision
Completeness	70.9%	74.6%	78.3%	1.9%	2.51%	3.7%
Accuracy	74.2%	77.6%	81.0%	1.8%	2.27%	3.4%
Timeliness	79.8%	83.4%	87.0%	1.8%	2.22%	3.6%

Definitions of Criteria

See §580 of *CIGIE FAEC Inspectors General Guide to Compliance under the Data Act* (December 2020).

Record-Level Data and Linkages for File C

We selected a sample of 250 records and tested 59 data elements (where applicable) for completeness, accuracy, and timeliness.

Completeness of the Data Elements

The projected error rate for the completeness of the data elements is 74.6 percent. A data element was considered complete if the required data element that should have been reported was reported.

Based on a 95 percent confidence level, the projected error rate for the completeness of the data elements is between 70.9 and 78.3 percent.⁴¹

Accuracy of the Data Elements

The projected error rate for the accuracy of the data elements is 77.6 percent. A data element was considered accurate when amounts and other data relating to recorded transactions were recorded in accordance with the DAIMS Reporting Submission Specification, Interface Definition Document, and the online data dictionary, and agree with the authoritative source records.

Based on a 95 percent confidence level, the projected error rate for the accuracy of the data elements is between 74.2 and 81.0 percent.

Timeliness of the Data Elements

The projected error rate for the timeliness of the data elements is 83.4 percent. The timeliness of data elements was based on the reporting schedules defined by the procurement and financial assistance requirements (FFATA, Federal Acquisition Regulations, FPDS-NG, FABS, and DAIMS).

Based on a 95 percent confidence level, the projected error rate for the timeliness of the data elements is between 79.8 and 87.0 percent.

⁴¹ All mean estimates, confidence intervals and standard errors used in the statistical projections were obtained using the Smean function in the “samplingbook” R statistical package. The “coefficient of variation” calculations were also obtained using appropriate formulas cited by the United States Census Bureau (i.e. $cv = \text{standard error}/\text{mean}$) and the R software product.

Exhibit C: Prior Audit Recommendations (11601-0001-12)

Rec #	11601-0001-12 Recommendations	Overall Status as of August 10, 2021	Final Action Date	Related Finding in Current Audit
1	OCFO needs to develop and implement a process in coordination with the agencies to review and address the DATA Act warnings received from the Broker for the quarterly DATA Act submissions.	Closed	November 2, 2020	
2	AMS, in coordination with OCFO, needs to ensure accounting data from WBSCM is properly reported for inclusion in USDA's DATA Act submission.	Closed	August 20, 2020	Finding 1
3	NRCS, in coordination with OCFO, needs to develop a process to ensure it properly reports its D2 data.	Unresolved - Open	N/A	Finding 1
4	Office of the Chief Economist, in coordination with the OCFO, needs to develop a process to ensure it properly reports its D2 data.	Closed	February 22, 2021	
5	OCFO needs to develop and implement a process to ensure USDA agency and office transactions labeled as "NONDATAACT" are done so properly.	Closed	December 10, 2020	
6	OCP needs to establish and implement a policy for reconciling SmartPay purchase card transactions to ensure USDA agencies and offices are properly assigning PIIDs and FAINs where applicable.	Unresolved - Open	N/A	Finding 1

Rec #	11601-0001-12 Recommendations	Overall Status as of August 10, 2021	Final Action Date	Related Finding in Current Audit
7	FSA needs to develop and implement a process to ensure financial assistance transaction record types are properly labeled and recorded, to ensure complete and accurate DATA Act reporting.	Closed	June 29, 2021	
8	Agricultural Research Service needs to develop and implement a process to ensure transactions are properly assigned to applicable Agricultural Research Service program activities, according to OMB A-11.	Closed	May 26, 2020	
9	FS needs to develop and implement a process to ensure transactions are obligated and recorded in the quarter in which the agreement is reached, including the assignment and recording of PIIDs and FAINs, to ensure proper DATA Act reporting.	Closed	June 22, 2020	Finding 1
10	USDA agencies and offices, in coordination with OCFO, need to establish procedures to clearly identify their DATA Act reportable data related to files C, D1, and D2 for all non-FMMI source systems.	Closed	November 2, 2020	
11	OCFO should develop a process to periodically verify USDA agencies' and offices' DATA Act submissions against non-FMMI source systems for data related to files C, D1, and D2.	Closed	June 1, 2021	

Rec #	11601-0001-12 Recommendations	Overall Status as of August 10, 2021	Final Action Date	Related Finding in Current Audit
12	FNS, in coordination with OCFO, should develop and implement a process to ensure that its DATA Act submissions use a FAIN rather than a Unique Record Identifier, in both file C and file D2 when transactions are reported that do not contain PII.	Closed	November 11, 2020	

Exhibit D: USDA's Results by Data Element

In accordance with the IG Guide, the table below summarizes the accuracy error rate by data element from the FY 2019 and FY 2021 audits. Specifically, it provides the comparative results from Q1FY19 and Q4FY20. The information is being provided for illustrative purposes only and may not necessarily be indicative of actual percent change based on differences in testing procedures such as population size, sample methodology, quarter tested, file tested, and changes to data definition standards.

USDA's Comparative Results for Data Elements <i>Based on Accuracy Error Rate in Descending Order</i>		Error Rate		
DAIMS Element #	Data Element Name	2021	2019	% Change
24	Parent Award ID Number (PIID/FAIN) - File C	100%	100%	0%
25	Action Date	93%	80%	-13%
26	Period of Performance Start Date	93%	87%	-6%
27	Period of Performance Current End Date	92%	81%	-11%
37	Business Types	91%	81%	-10%
2	Awardee/Recipient Unique Identifier	90%	78%	-12%
5	Legal Entity Address	90%	82%	-8%
30	Primary Place of Performance Address	90%	80%	-10%
31	Primary Place of Performance Congressional District	90%	70%	-20%
35	Record Type	90%	81%	-9%
1	Awardee/Recipient Legal Entity Name	88%	77%	-11%
3	Ultimate Parent Unique Identifier	88%	77%	-11%
6	Legal Entity Congressional District	88%	69%	-19%
11	Amount of Award	88%	63%	-25%
12	Non-Federal Funding Amount	88%	0%	-88%
19	Catalog of Federal Domestic Assistance (CFDA) Number	88%	71%	-17%
20	Catalog of Federal Domestic Assistance (CFDA) Title	88%	71%	-17%
23	Award Modification / Amendment Number	88%	75%	-13%
36	Action Type	88%	68%	-20%
4	Ultimate Parent Legal Entity Name	87%	76%	-11%
42	Funding Office Name	87%	70%	-17%
7	Legal Entity Country Code	86%	69%	-17%
8	Legal Entity Country Name	86%	69%	-17%
13	Federal Action Obligation	86%	69%	-17%
16	Award Type	86%	69%	-17%

USDA's Comparative Results for Data Elements <i>Based on Accuracy Error Rate in Descending Order</i>		Error Rate		
DAIMS Element #	Data Element Name	2021	2019	% Change
22	Award Description	86%	70%	-16%
32	Primary Place of Performance Country Code	86%	69%	-17%
33	Primary Place of Performance Country Name	86%	69%	-17%
34	Award ID Number (PIID/FAIN) - File D1/D2	86%	70%	-16%
38	Funding Agency Name	86%	69%	-17%
39	Funding Agency Code	86%	69%	-17%
40	Funding Sub Tier Agency Name	86%	69%	-17%
41	Funding Sub Tier Agency Code	86%	69%	-17%
43	Funding Office Code	86%	71%	-15%
44	Awarding Agency Name	86%	69%	-17%
45	Awarding Agency Code	86%	69%	-17%
46	Awarding Sub Tier Agency Name	86%	69%	-17%
47	Awarding Sub Tier Agency Code	86%	69%	-17%
48	Awarding Office Name	86%	71%	-15%
49	Awarding Office Code	86%	71%	-15%
430	Disaster Emergency Fund Code**	82%	n/a	n/a
24	Parent Award ID Number (PIID/FAIN) - File D1	60%	68%	8%
17	NAICS Code	55%	90%	35%
18	NAICS Description	55%	90%	35%
14	Current Total Value of Award	45%	48%	3%
15	Potential Total Value of Award	45%	63%	18%
28	Period of Performance Potential End Date	45%	61%	16%
163	National Interest Action**	45%	n/a	n/a
50	Object Class	2%	17%	15%
53	Obligation	2%	13%	11%
34	Award ID Number (PIID/FAIN) - File C	0%	8%	8%
51	Appropriations Account	0%	1%	1%
56	Program Activity	0%	1%	1%
29	Ordering Period End Date*	n/a	100%	n/a

* This data element was not applicable for any of the Q4FY20 sampled transactions; therefore, we are unable to compare the error rates between the two audits.

** This data element was not included in 2019 reporting and was introduced as an additional data element due to COVID-19 reporting requirements.

**OCFO's
Response to Audit Report**



**United States
Department of
Agriculture**

Office of the Chief
Financial Officer

1400 Independence
Avenue, SW

Washington, DC
20250

DATE: October 25, 2021

AUDIT
NUMBER: 11601-0002-12

TO: Gil H. Harden
Assistant Inspector General for Audit
Office of the Inspector General

FROM: Lynn Moaney /s/
Deputy Chief Financial Officer
Office of the Chief Financial Officer

SUBJECT: USDA's Digital Accountability and Transparency Act Compliance Efforts for
Fiscal Years 2020 and 2021

This letter responds to the Office of Inspector General's (OIG) Audit number 11601-0002-12. The Office of the Chief Financial officer (OCFO) is directly responsible for recommendations 3 and 6-11. The Financial Management Services division of OCFO will address recommendations 3 and 11. The Risk Management Agency is responsible for recommendation 1, the Office of Contracting and Policy (OCP) for number 2, the Commodity Credit Corporation for number 4 and the Forest Service for number 5. Their responses are included in the OCFO response and submitted directly to OIG.

On October 15, OIG provided the official draft of the audit and required a response by October 25, 2021, in ten days instead of the usual 30 days auditees are afforded to respond. updated recommendations. OIG, with audit 11601-001-12, directed recommendations to USDA Agencies and Staff Offices and had them respond to OIG. With the current audit, OIG directed OCFO to this work on OIG's behalf. Below are each of the audit recommendations and the responses from the responsible Agency or Staff Office.

Recommendation 1

RMA needs to report indemnities, underwriting gains, and premium subsidies for the DATA Act or obtain a legal opinion from the Office of the General Counsel that supports continuing not to report the transactions.

Agency Response

Excerpted from Memorandum to OIG from Mr. Richard Flournoy, Acting Administrator for the Risk Management Agency: "Management Response: Previous to the implementation of the DATA Act, the Risk Management Agency (RMA) sought and received a legal opinion on the Federal Funding Accountability and Transparency Act (FFATA) standards (pre-DATA Act transparency award reporting). This legal opinion

from 2007 stated RMA should report Delivery Expenses to the approved insurance providers only and exempted indemnities, underwriting gains, and premium subsidies from FFATA reporting.

The Farm Production and Conservation Business Center in conjunction with RMA will contact the Office of the General Counsel (OGC) to obtain an opinion on the matter. If OGC believes indemnities, underwriting gains and/or premium subsidy should be reported, RMA will do so accordingly. We expect to receive an opinion from OGC by March 31, 2022. If any DATA Act reporting awards are expanded to include indemnities, underwriting gains and/or premium subsidy, we expect to be in full compliance by September 30, 2022. RMA needs to report indemnities, underwriting gains, and premium subsidies for the DATA Act or obtain a legal opinion from the Office of the General Counsel that supports continuing not to report the transactions.”

Estimated Completion Date: March 31, 2022.

Recommendation 2

OCP needs to develop a process for conducting oversight to ensure that PIIDs are being properly entered in all USDA procurement systems to facilitate proper DATA Act Files C and D1.

Agency Response

Recommendation #2 calls for OCP to develop a process for conducting oversight to ensure that PIIDs are being properly entered in all USDA procurement systems. USDA OCP policy requires the creation of a PIID for every contract action. USDA procurement systems are the USDA Integrated Acquisition System (IAS), Forest Service (FS) Virtual Incident Procurement (VIPR) system and the Agricultural Marketing Service (AMS) Web Based Supply Chain Management (WBSCM). While SmartPay3 (Purchase Card and Fleet Card Activities) is not procurement system per se, the findings include discrepancies for it and OCP’s response will include SmartPay3.

OCP’s process for conducting oversight of IAS, VIPR, WBSCM and SmartPay3 compliance with the creation of a PIID includes the following:

- **SYSTEM OWNERS will:**
 - Extract information identifying instances when a PIID is not created on a financial transaction that requires a PIID;
 - Conduct a monthly review and resolve missing PIIDs; and
 - Provide a report to OCP NLT three business days after the end of each quarter that certifies that on the dated signed there are 1) no missing PIIDs or 2) there are transactions that do not have the required PIID and identify them until resolved.
- **OCP will:**
 - Monitor reports submitted by system owners and will
 - Ensure reports are submitted

- Follow-up with system owners on resolution of financial transactions with unresolved issues.
- Establish a standing working group of consisting of OCP, IAS, WBSCM, VIPR, and SmartPay3 system owners to achieve improvements in DATA ACT reporting and other initiatives.

Estimated Completion Date

- OCP will implement oversight activities described in the steps above with the end of the 1st Quarter of FY22 (December 31, 2021).
- OCP has already established a working group comprised of the system owners that will meet with one of the primary areas of focus being improving data reporting and possibly automating quality controls.

Recommendation 3

OCFO needs to develop and implement the necessary process or system modification to address the duplication of data in File B that prevents the summary level data in File B from matching the data in File A.

Agency Response

OCFO plans to implement a significant system enhancement titled ENHC 10261 to address this issue with implementation in May 2022. The ENHC 10261 schedule is below. Please note the changes are extensive and this timeline may change if there are agency testing delays or if further complexities are discovered at any step in the process.

Date	Phase	Duration
Oct 2021– Nov 2021	Requirements & Analysis	8 weeks
December 2021 – January 2022	Development Analysis	4 weeks
January – Mar 18, 2022	Development	11 weeks
Mar 18 – April 4, 2022	Unit & System Testing	2 weeks
April 5 – May 10, 2022	QA Testing	4 weeks
May 13, 2022	Production Release	

Estimated Completion Date: May 31, 2022

Recommendation 4

CCC needs to develop and implement a process to ensure accounting data from WBSCM is properly reported for inclusion in USDA's DATA Act submission.

Agency Response

The Business Center in conjunction with Commodity Credit Corporation (CCC) will work with Agricultural Marketing Service (AMS), United States Agency for International Development (USAID), and Foreign Agricultural Service (FAS) to improve Web-Based Supply Chain Management (WBSCM) financial procurement awards DATA Act reporting. FPAC Business Center and CCC will work to identify data sources, develop written business requirements, and submit a funding request by 9/30/2022.

Estimated Completion Date: September 30, 2022.

Recommendation 5

FS needs to develop and implement a process to ensure that emergency incident procurement transactions are obligated and recorded in the period in which the binding agreement is reached, including the assignment and recording of PIIDs, to ensure proper DATA Act reporting.

Agency Response

FS generally concurs with this recommendation. FS is in the final stages of implementing an automated tool to populate the obligation and the Procurement Instrument Identifier (PIID) into the financial accounting system. This procurement reporting bot will populate the USASpending.gov website automatically via existing interface within the Departmental Integrated Acquisition System (IAS) procurement system which will ensure accurate and timely reporting in compliance with the Digital Accountability and Transparency Act (DATA Act) reporting. The bot has been developed and is currently being tested.

Meanwhile, FS has reduced the backlog of pending unreported transactions significantly and is processing more contracts through the USDA Integrated Acquisition System which populates the PIID information.

Estimated Completion Date: October 31, 2022.

Recommendations 6-9:

Recommendation 6

USDA needs to develop and implement a process and work with all applicable component agencies to ensure all DATA Act data elements are present in USDA agencies' procurement, financial, grant, and loan systems.

Recommendation 7

USDA, and its component agencies, need to develop system documentation that identifies the source system and data fields used in DATA Act reporting from which data originates for all procurement, financial, grant, and loan systems.

Recommendation 8

USDA, and its component agencies, need to develop documentation for systems used for DATA Act Reporting across USDA, to ensure that all DATA Act data elements are defined in accordance with DAIMS.

Recommendation 9

USDA, and its component agencies, should evaluate whether any of the individual USDA systems used for DATA Act reporting could be consolidated or interfaced to improve the accuracy, completeness, and timeliness of DATA Act reporting.

Agency Response:

USDA OCFO will address the above issues by asking component agencies and staff offices to develop and implement a documentation and review strategy as follows:

1. Ensure each DATA Act data element is recorded within an Agency/Office system by documenting which system provides the data for each data element.
2. Ensure the system definition applied to each data element comports to DATA Act as defined in DATA Act Information Model Schema (DAIMS) Reporting Submission Specifications (RSS) policy.
3. Documentation of all agency/office systems used to leverage DATA Act reporting, including:
 - a. Name and purpose of system and the System of Record Notification, if one exists.
 - b. List of DATA Act data elements which are reported from each system.
 - c. Plans to add new systems or to update/replace existing systems.
4. Evaluate each existing or planned system for possible consolidation or enhancement, such as interfacing, that would improve complete, timely, and accurate DATA Act reporting.

Each agency/office should have such documentation available to OCFO upon request no later than the end of fiscal year 2022 and establish an annual review and update of this documentation.

Estimated Completion Date: September 30, 2022.

Recommendation 10

OCFO should update guidance to the component agencies for the SAO assurance statement to require the inclusion of any control deficiencies identified or any other issues that impact the completeness, accuracy, and timeliness of the DATA Act reportable data.

Agency Response

OCFO will address the recommendation by expanding on existing DATA Act tools. The Senior Accountable Officials (SAO) Quarterly Assurance Statement will require the inclusion of any internal control deficiencies identified, or issues that impact completeness, accuracy, and timeliness of the DATA Act reportable data. The Assurance Statement will include a new Appendix to address these deficiencies. OCFO will work closely with the Internal Control Division (ICD) to ensure that the data quality control objectives are covered, and testing results are consistent with the quarterly Assurance Statement. OCFO will update the Data Quality Plan (DQP) providing additional guidance and instruction to the agencies detailing the process in which the SAO will provide assurance that data integrity processes and controls are in place and align with A-123. OCFO will conduct meetings with agency SAO's, DATA Act POC's, and Agency Internal Control POC's to inform them of this Audit recommendation and updates.

Estimated Completion date: March 31, 2022.

Recommendation 11

OCFO needs to implement a process to ensure the proper DEFC value is reported in Files B and C.

Agency Response

OCFO, in conjunction, with FMS addressed this recommendation with the implementation of the DATA Act Report Disaster and Emergency Fund Code (DEFC) Codes per the Office of Management and Budget (OMB) Memo, M-20-21, under ENCH0010373. The OMB and Treasury mandate the inclusion of the DEFC codes for Data Act reporting in File B and C. This was addressed under FMS enhancement ENCH0010373 during FY20 Quarter 4 (Q4). The required system functionality modifications to include the DEFC Code in DATA Act files B and C were configured in Financial Management Modernization Initiative (FMMI) by the Financial Management Services Business Intelligence (FMS BI) Division.

USDA Agencies were informed of the DEFC Codes requirements from FY20 Q4 and frequently thereafter with guidance, templates, and instructions. The following summarizes the activities that have occurred:

1. FMS BI provided notices to Agencies in June 2020.
2. TARD provided notices to Agencies during DATA Act POC Meeting on July 15, 2020.
3. TARD provided reminder to Agency POC to update their DEFC code as needed for DATA Act Reporting on October 20, 2020.
4. TARD provided reminder to Agencies to update their respective DEFC tables as needed on January 19, 2021.
5. FMS BI provided notices to the Agencies during the OCFO Coordination Committee on February 18, 2021. DEFC FMS Template and Instructions were provided.
6. FMS BI provided additional guidance to Agencies during the CFO Coordination Committee meeting on March 17, 2021.
7. FMS BI communicated additional guidance to the Agencies during FMS Operations and Maintenance (O&M) meeting, April 1, 2021. DEFC FMS Template and instructions were provided.
8. TARD provided a reminder to Agencies regarding DEFC updates during the DATA Act POC meet on July 21, 2021.
9. OCFO implemented a new process in March 2021. The process is documented on the excel file titled "DEFC Code Templates and Instructions 2.0."

Please see the attached Winzip file containing the nine emails and spreadsheet referenced above.

Estimated Completion Date: Completed during Fiscal Year 2021 via various updates and reminders.

This Audit recommendation has been met. OCFO requests that the recommendation be closed.



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