Audit of the Department of State's Implementation of the Digital Accountability and Transparency Act of 2014

FINANCIAL MANAGEMENT DIVISION

OIG HIGHLIGHTS

AUD-FM-18-03

Audit of the Department of State's Implementation of the Digital Accountability and Transparency Act of 2014

What Was Audited

Under the Digital Accountability and Transparency Act (DATA Act), the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury) established standards for spending data to be displayed on USASpending.gov. Treasury developed an IT system—the DATA Act Broker—to facilitate the submission of agency data. Agency Senior Accountable Officials (SAO) certify seven data files (DATA Act Files A, B, C, D1, D2, E, and F) as part of quarterly submissions to Treasury's DATA Act Broker.

Acting on behalf of the Office of Inspector General (OIG), Kearney & Company, P.C. (Kearney), an external audit firm, conducted this audit to assess (1) the accuracy, completeness, timeliness, and quality of second quarter FY 2017 data submitted by the Department of State (Department) for publication on USASpending.gov and (2) the Department's implementation and use of the Government-wide financial data standards established by OMB and Treasury.

What OIG Recommends

OIG made four recommendations to the Bureau of the Comptroller and Global Financial Services (CGFS) to improve the quality of the data submitted for publication on the USASpending.gov website. In its response to a draft of this report, CGFS concurred with each recommendation. On the basis of CGFS's response, OIG considers all four recommendations resolved pending further action. A synopsis of CGFS's responses and OIG's reply follow each recommendation in the Audit Results section of this report. CGFS's response to a draft of this report is reprinted in its entirety in Appendix D.

What Was Found

Kearney was unable to assess data related to overseas transactions submitted by the Department because the Department's SAO did not certify transactions originating at overseas posts. Of the domestic data that the SAO certified and Kearney was able to assess, Kearney found the data in DATA Act Files A and B to be accurate, complete, timely, and of an acceptable quality. During the testing of certified transactions selected using a statistically valid sample, however, Kearney identified exceptions related to accuracy, completeness, timeliness, and quality for domestic data included in DATA Act Files C, D1, and D2. Kearney concluded that 64.4 percent of the domestic transactions that were tested did not meet the quality requirements outlined by OMB. These errors were within the control of the Department.

During the audit, Treasury became aware of flaws in its Broker system that led to additional errors in the quality of the Department's data in DATA Act Files D1 and D2. If the errors attributable exclusively to the Treasury Broker system are added to the errors within the control of the Department, the overall quality error rate would increase to 83.6 percent.

Kearney found that most of the Department's identified data errors were contained in DATA Act Files D1 and D2. The errors can be attributed in part to delays by the Department in adding information to the Government-wide systems that are the sources of the data in those DATA Act Files. In addition, the Department did not perform sufficient quality assurance of the data submitted. The quality of the Department's DATA Act information must be improved to fulfill the intent of the DATA Act.

Despite the fact that the Department's SAO could not certify the overseas data and Kearney found errors in the data that was submitted, Kearney concluded, that CGFS took steps to implement and use the data element standards established by OMB and Treasury.

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Audit of the Department of State's Implementation of the Digital Accountability and Transparency Act of 2014

Office of Inspector General
U.S. Department of State
Washington, D.C.

Kearney & Company, P.C. (Kearney), has performed an audit of the Department's Implementation of the Digital Accountability and Transparency Act. This performance audit, performed under Contract No. SAQMMA14A0050, was designed to meet the objective identified in the report section titled "Objectives" and further defined in Appendix A, "Purpose, Scope and Methodology," of the report.

Kearney conducted this performance audit in accordance with *Government Auditing Standards*, 2011 Revision, issued by the Comptroller General of the United States. Those standards require that Kearney plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. Kearney believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

Kearney appreciates the cooperation provided by personnel in Department of State during the audit.

Kearney & Company

Kearney & Company, P.C.
Alexandria, Virginia
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OBJECTIVE

The objectives of this audit were to assess (1) the accuracy, completeness, timeliness, and quality of second quarter FY 2017 data submitted by the Department of State (Department) for publication on USASpending.gov and (2) the Department's implementation and use of the Government-wide financial data standards established by the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury).[1]

BACKGROUND

In FY 2016, the Federal Government made more than $3 trillion in payments in the form of contracts, grants, loans, and other financial awards.[2] To improve the disclosure of entities and organizations receiving Federal funds, Congress passed the Federal Funding Accountability and Transparency Act (FFATA) in September 2006.[3] FFATA, as amended by the Government Funding Transparency Act of 2008,[4] requires OMB to ensure the existence and operation of a free, publicly accessible website containing data on Federal awards, such as contracts, loans, and grants. To comply with FFATA requirements, OMB launched the website USASpending.gov.

In May 2014, the Digital Accountability and Transparency Act of 2014[5] (DATA Act) was signed into law. The DATA Act amends and augments FFATA to increase accountability, transparency, accessibility, quality, and standardization in Federal spending data. The DATA Act requires agency financial and payment information to be reported to the public using USASpending.gov in accordance with Government-wide financial data standards developed and issued by OMB and Treasury.

The DATA Act also requires each Federal agency Office of Inspector General (OIG) to assess a statistically valid sample of the spending data submitted by its agency. During each mandated audit, the auditor is required to assess the completeness, timeliness, quality, and accuracy of the data sampled; it must also assess the agency's implementation and use of Government-wide financial data standards. OIGs are required to submit to Congress and make publicly available a

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[1] On the basis of the DATA Act, these are the objectives that were defined by the Council of the Inspectors General on Integrity and Efficiency (CIGIE), Federal Audit Executive Council, DATA Act Working Group, in the "Inspectors General Guide to Compliance Under the Data Act" (OIG-CA-17-012, February 27, 2017), published by Treasury OIG.

[2] According to Treasury, this amount includes total spending awarded to individuals, private contractors, and local governments and excludes the cost of running the Federal Government and direct services (that is, non-award spending or money that was not given out through contracts, grants, direct payments, loans, or insurance), https://www.usaspending.gov.

[3] Pub. L. No. 109-282.

[4] Pub. L. No. 110-252.

[5] Pub. L. No. 113-101.

report of the results of each assessment.[6] These reports are due in November 2017, November 2019, and November 2021.[7]

In February 2017, the Council of the Inspectors General on Integrity and Efficiency (CIGIE), Federal Audit Executive Council, DATA Act Working Group, in consultation with the Government Accountability Office, developed the "Inspectors General Guide to Compliance Under the DATA Act"[8] that provides OIGs with a baseline framework for the work required by the DATA Act.[9] This report is the first required OIG report under the DATA Act.

Office of Management and Budget and Treasury Guidance

To facilitate consistency and compliance across Federal agencies, OMB published several implementation criteria relating to FFATA and the DATA Act. Treasury also published related technical guidance to assist agencies with understanding the various files and data elements of the DATA Act submissions.

- OMB Memorandum M-10-06, "Open Government Directive" (December 8, 2009), provides guidance for Federal agencies on implementing the principles of transparency and open Government outlined in FFATA, publishing Government information online, and improving the quality of Government information published. To assist agencies with implementing M-10-06, OMB issued two additional memoranda that provided guidance for reporting spending data and establishing a data quality framework.[10]

- OMB Memorandum M-15-12, "Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable" (May 8, 2015), "provides guidance for agencies to carry out current transparency reporting requirements pursuant to [FFATA] and new reporting requirements pursuant to the [DATA Act]. The guidance sets forth requirements for continued award-level reporting, new requirements for both agency-level and award-level reporting, and implementation of data standards for data published on USASpending.gov." OMB M-15-12 specifies that each agency should develop an implementation plan that (1) identifies a Senior Accountable Official (SAO), (2) estimates resource requirements, (3) proposes an implementation timeline, and (4) identifies foreseeable challenges and resolutions. Additionally, agencies are required to

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[6] See "Appendix A: Purpose, Scope, and Methodology" for details regarding the audit scope and methodology, including the use of the "Inspectors General Guide to Compliance Under the DATA Act" (Treasury OIG, OIG-CA-17-012).

[7] CIGIE identified and notified Congress of a date anomaly in the oversight requirements contained in the DATA Act. See "Appendix A: Purpose, Scope, and Methodology" for additional details.

[8] Guide OIG-CA-17-012.

[9] See "Appendix A: Purpose, Scope, and Methodology" for additional details of the audit's implementation of the CIGIE Guide.

[10] OMB, "Open Government Directive – Federal Spending Transparency," April 6, 2010; "Open Government Directive – Framework for the Quality of Federal Spending Information," February 8, 2010.

use a unique award identifier to link spending data from agency financial systems to management systems.

- OMB Management Procedures Memorandum No. 2016-03, "Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information" (May 3, 2016), provides additional guidance to Federal agencies on reporting Federal appropriations account summary-level and Federal award-level data to USASpending.gov. The guidance specifies that the SAO must provide reasonable assurance that the agency's internal controls support the validity and reliability of the data it submits to Treasury for publication on USASpending.gov, beginning with the second quarter FY 2017 data and quarterly thereafter. This memorandum also provides guidance to Federal agencies to confirm the linkage between account summary-level and Federal award-level data reported.

- OMB Memorandum M-17-04, "Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability" (November 4, 2016), provides additional guidance to Federal agencies on reporting to USASpending.gov. This guidance presents specific technical instructions on certain matters, such as awards involving fund transfers between Federal agencies and quarterly SAO assurances over DATA Act information.

- Treasury's "DATA Act Information Model Schema V.1.1" (June 30, 2017) is the authoritative source for the terms, definitions, formats, and structures of the data elements that Federal agencies are required to report for publication on USASpending.gov. The Treasury guidance provides requirements for Federal agencies on reporting to the DATA Act Broker, an IT system developed by Treasury.

- OMB and Treasury's "Federal Spending Transparency Data Standards" (August 31, 2015) provides the set of 57 Government-wide data standards[11] (referred to as "data elements") established by OMB and Treasury in accordance with the DATA Act for Federal funds made available to or expended by Federal agencies.

Digital Accountability and Transparency Act Broker Submission and Certification

Federal agencies were required to submit second quarter FY 2017 DATA Act information to Treasury by April 30, 2017.[12] Treasury developed an IT system, the DATA Act Broker, to facilitate

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[11] The 57 standard data elements, including their definitions, are set forth in Appendix C of this report.

[12] The DATA Act requires agencies to submit data no later than 2 years after the final data standards are established, which was on May 8, 2015. However, to facilitate public reporting, Treasury required the information to be reported by April 30, 2017.

this process.[13] Agencies are required to use the DATA Act Broker to upload three files containing data from the agencies' internal systems and records.[14] In addition, agencies use the DATA Act Broker to extract award[15] and subaward[16] information from existing Government-wide reporting systems[17] to generate four additional files. The SAO is then required to submit and certify all seven files in the DATA Act Broker. Table 1 describes the DATA Act Files.

Table 1: DATA Act File Descriptions

File	Description	Source	Data Elements[a]
A	Appropriations Account Detail: provides data related to budgetary resources that are made available and the status of those resources at the end of the reporting period. Data is reported by each Treasury Account Symbol[b] at a summary level, rather than the individual transaction level.	Agency	6
B	Object Class and Program Activity Detail: provides the same data as DATA Act File A with the addition of object class[c] and program activity.[d] Data is reported at a summary level.	Agency	8
C	Award Financial Data: includes transaction level data for all awards, procurement, and financial assistance (for example, grants and cooperative agreements) processed during the reporting period. Payroll actions, classified transactions, and interagency awards are excluded from DATA Act File C. All the transactions in DATA Act File C should have records in either DATA Act File D1 or D2.	Agency	4
D1	Award and Awardee Attributes (Procurement): includes transaction level data for all procurement awards processed during the reporting period.	Federal Procurement Data System – Next Generation[e] (FPDS–NG)	41
D2	Award and Awardee Attributes (Financial Assistance): includes transaction level data for all financial assistance awards processed during the reporting period.	Award Submission Portal[f] (ASP)	38
E	Additional Awardee Attributes: includes information, such as the names and total compensation of the five most highly paid officers, for organizations that received procurement or financial assistance awards in the reporting period.	System of Award Management[g]	5

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[13] The DATA Act Broker standardizes and formats agency submitted data. The DATA Act Broker also assists reporting agencies in validating their data before submitting them to Treasury.

[14] OMB-M-15-12, "Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable" (May 8, 2015).

[15] An "award" is a Federal contract, purchase order, grant, loan, or other financial assistance.

[16] A "subaward" is an award made by a prime recipient to a non-Federal entity to support a project or program for which the prime recipient received Federal funds.

[17] The existing Government-wide systems include the Federal Procurement Data System – Next Generation, the Award Submission Portal, the System for Award Management, and the FFATA Subaward Reporting System.

File	Description	Source	Data Elements[a]
F	FFATA Subaward Attributes: includes information, such as the address of the subawardee and the amount subawarded, on certain organizations that received procurement or financial assistance subawards. DATA Act File F does not include any required data elements.	FFATA Subaward Reporting System[h]	0[i]

[a] The required data elements may be included in multiple files. See Appendix C for a full description of the elements.

[b] A Treasury Account Symbol represents individual appropriation, receipt, and other funds made available to Federal agencies. The Treasury Account Symbol is used to segregate funds to ensure that they are spent in accordance with law.

[c] Object classifications identify the kinds of services, materials, and other resources for which payments are made. The basic object classes are prescribed by OMB Circular A-11, "Preparation, Submission, and Execution of the Budget" (August 1, 2017).

[d] A program activity is a specific activity or project as listed in the program and financing schedules of the annual budget of the U.S. Government.

[e] FPDS-NG is operated by the General Services Administration. Agencies are required to report all contracts with an estimated value greater than $3,000—and modifications to those contracts—into FPDS-NG.

[f] ASP is operated by Treasury. Agencies report financial assistance awards of $25,000 or greater to ASP monthly.

[g] The System for Award Management is operated by the General Services Administration. All organizations that do business or want to do business with the Federal Government must have an active registration in the System for Award Management.

[h] The FFATA Subaward Reporting System is operated by the General Services Administration. If a prime contractor issues a subaward for more than $30,000 or if a prime grantee issues a subaward for more than $25,000, the prime contractor or grantee must report the subaward in the FFATA Subaward Reporting System.

[i] DATA Act File F includes only optional data elements.

Source: Prepared by Kearney & Company, P.C. (Kearney), on the basis of OMB and Treasury guidance and a review of the Department's certified second quarter FY 2017 submission to Treasury.

Senior Accountable Official Certification

The responsibility for ensuring the accuracy of all files in the DATA Act Broker resides with the agency's SAO. Agencies are required to designate as SAO a senior official who participates in the agency's Senior Management Council.[18,19] Although OMB guidance does not require that the SAO hold a specific position within the agency, it does state that the SAO should be accountable for the quality and objectivity of internal controls over spending information. OMB guidance also states that when certifying the DATA Act submission, SAOs "must provide reasonable assurance that their internal controls support the reliability and validity of the agency account-level and award-level data."[20]

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[18] OMB M-10-06, "Open Government Directive," (December 8, 2009).

[19] Agencies use a Senior Management Council to assess and monitor deficiencies in internal controls. The council is usually made up of high-ranking officials in the agency.

[20] OMB Management Procedures Memorandum No. 2016-03, "Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information" (May 3, 2016).

The Department's Digital Accountability and Transparency Act Data Submission Process

The Bureau of the Comptroller and Global Financial Services (CGFS) is responsible for the Department's implementation of DATA Act requirements. The Department's SAO is the Comptroller, who is also the Assistant Secretary for CGFS and leads the Department's Management Control Steering Committee.[21] On April 30, 2017, the Department uploaded and the SAO certified[22] the required data files for the second quarter of FY 2017 to the DATA Act Broker. The data needed to create DATA Act Files A, B, and C resides in numerous Department information systems and reports and required manual adjustments to meet submission requirements. The Department developed a new system—Global Business Intelligence (Global BI)—to pull the necessary data from multiple systems for the purposes of preparing the DATA Act files. The Department also used Global BI to perform quality control procedures and make manual adjustments to the files prior to submission. Table 2 describes the process the Department took to prepare the required DATA Act Broker files.

Table 2: Department DATA Act File Submission for Second Quarter FY 2017

File	Department Source	Preparation Description
A	Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS)[a]	The Department used the Adjusted Trial Balance submitted to GTAS for March 2017 to create DATA Act File A. Using Global BI, the Department converted the GTAS Adjusted Trial Balance data into the Standard Form (SF) 133, Report on Budget Execution and Budgetary Resources, format for each Treasury Account Symbol. As of March 30, 2017, the Department had 303 separate Treasury Account Symbols.
B	Global Financial Management System (GFMS)[b]	The Department used GFMS and Global BI to generate DATA Act File B. Because DATA Act File B aligns to DATA Act File A with the addition of object class and program activity, the Department made the same manual adjustments when preparing DATA Act File B as it did when preparing the March 2017 GTAS Adjusted Trial Balance.
C	GFMS, Regional Financial Management System,[c] Integrated Logistics Management System,[d] Grants Database Management System[e]	The Department used Global BI to pull the required data from the source systems to generate DATA Act File C. The Department then used Global BI to conduct quality control procedures over DATA Act File C by comparing it to DATA Act Files D1 and D2, which resulted in manual adjustments to DATA Act File C.

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[21] The Management Control Steering Committee oversees the Department's management control program and is the equivalent of the Senior Management Council, as discussed in OMB M-10-06.

[22] The SAO certification statement included certain qualifications as discussed in Finding A of this report.

File	Department Source	Preparation Description
D1, D2, E, F	DATA Act Broker	The Department used the DATA Act Broker to generate DATA Act Files D1, D2, E, and F.

[a] GTAS is a system used by agencies to provide budget execution information and proprietary financial reporting information to Treasury. In FY 2017, agencies were required to submit their financial information to Treasury using GTAS on a monthly basis, with the exception of October 2016. The Department creates the GTAS Adjusted Trial Balance by extracting information from the Department's core financial management system, GFMS, and making manual adjustments to the data.

[b] GFMS is the Department's core financial management system. It is used to process and track domestic procurements.

[c] The Regional Financial Management System is the Department's overseas accounting and disbursing system. It is used to process and track some overseas procurements and all overseas financial assistance awards.

[d] The Integrated Logistics Management System is a supply chain management system. It is used to process and track some overseas procurements.

[e] The Grants Database Management System is used to track domestic and overseas financial assistance awards. The Department uses GrantsSolutions, a system operated by the Department of Health and Human Services, or the State Assistance Management System to process domestic financial assistance awards. These awards are automatically interfaced with the Grants Database Management System. The Regional Financial Management System (used to process overseas financial assistance) does not interface with the Grants Database Management System. Grants Officers are required to create overseas financial assistance awards manually in the Grants Database Management System.

Source: Prepared by Kearney from information provided by the Department during the audit.

AUDIT RESULTS

Finding A: Domestic Data Submitted to Treasury Was Not Always Accurate, Complete, Timely, or of Acceptable Quality

Kearney & Company, P.C. (Kearney), was unable to assess the accuracy, completeness, timeliness, and quality of the data related to overseas transactions submitted by the Department as of the second quarter of FY 2017. The CIGIE Guide, "Inspectors General Guide to Compliance Under the DATA Act,"[23] instructs auditors to test transactions that have been certified by the SAO. In fact, the Department's SAO included a qualification when certifying the second quarter FY 2017 DATA Act submission that stated[24] he could not certify that the data submitted in Data Act Files C, D1, and D2 for 15,898 transactions that originated at overseas posts was "valid and reliable." In the certification for one File, the SAO stated this was because "deficiencies exist in the timely reporting of overseas procurement actions to Federal Procurement Data System–Next Generation (FPDS–NG), and in linking all overseas financial transactions and procurement awards and related data using a unique Procurement Instrument Identifier,[25] and therefore some amounts recorded in the financial system do not contain the unique identifier." Therefore, Kearney was unable to test these overseas transactions in accordance with the CIGIE Guide.

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[23] Guide OIG-CA-17-012.

[24] Treasury allowed SAOs to include statements that explain to the public known issues that affect accuracy, completeness, and timeliness.

[25] The Procurement Instrument Identifier is used to identify all solicitation and contract actions.

Of the data that the SAO certified and Kearney was able to assess, Kearney found the data included in DATA Act Files A and B to be accurate, complete, timely, and of an acceptable quality. During the testing of certified transactions selected using a statistically valid sample, however, Kearney identified exceptions with the data included in DATA Act Files C, D1, and D2. Specifically, from a sample of 385 transactions, Kearney found that 211 transactions (54.8 percent) included one or more data elements that were inaccurate, 59 transactions (15.3 percent) included one or more data elements that were incomplete, and 23 transactions (6.0 percent) included one or more data elements that were untimely. Kearney concludes that 64.4 percent of the sampled transactions did not meet the quality requirements outlined by OMB.[26] These errors were within the control of the Department. Table 3 shows the results of Kearney's testing for each attribute.

Table 3: Results of Sample Testing (Errors That Were Within the Control of the Department)

Range of Errors	Accuracy Number (%)	Completeness Number (%)	Timeliness Number (%)	Quality Number (%)
No Errors	174 (45.2)	326 (84.7)	362 (94.0)	137 (35.6)
One or More Errors*	211 (54.8)	59 (15.3)	23 (6.0)	248 (64.4)
Total	385 (100.0)	385 (100.0)	385 (100.0)	385 (100.0)

* Multiple data elements were tested in each sampled transaction.

Source: Prepared by Kearney from the results of testing.

In addition, during audit fieldwork, the CIGIE Federal Audit Executive Council DATA Act Working Group became aware of flaws in Treasury's DATA Act Broker system. Specifically, during audits performed by various OIGs related to DATA Act implementation, those OIGs noted errors that were attributed to issues with Treasury's Broker system. Agencies did not have control over these errors. Specifically, two data elements in DATA Act File D1 are extracted by the Broker from Federal Procurement Data System–Next Generation (FPDS–NG),[27] but the data extraction was not operating correctly, causing inconsistency between the DATA Act File and agency records. Furthermore, two data elements in D2 are not properly extracted during the Broker extraction from Award Submission Portal (ASP). If the errors that related exclusively to the Broker were added to the errors that the Department could control, the total number of erroneous transactions would be 322 out of the 385 sample, for an error rate of 83.6 percent. Kearney has reported the errors associated with Treasury's Broker separately, as recommended by CIGIE. In addition, CIGIE provided standard language to describe the nature of these errors, which is addressed in Appendix B of this report.

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[26] OMB, "Open Government Directive – Federal Spending Transparency," states that quality will be determined on three key metrics: timeliness, completeness, and accuracy.

[27] FPDS-NG is a Government-wide computer-based system used to collect, develop, and disseminate procurement data. The Government uses the data to measure and assess the impact of Federal procurement.

Kearney found that most of the data errors identified were contained in DATA Act Files D1 and D2. The sources for DATA Act Files D1 and D2 are FPDS–NG and ASP, respectively. Delays in adding information to FPDS–NG and ASP contributed to the errors because these delays impacted the accuracy, completeness, and timeliness of the DATA Act information. In addition, the DATA Act Files may not have been accurate, complete, and timely because the Department did not perform sufficient quality assurance of the data that it submitted. The quality of the data should be improved to fulfill the intent of the DATA Act, which is to increase accountability, transparency, accessibility, quality, and standardization in Federal spending data.

Accuracy, Completeness, Timeliness, and Quality of Overseas Data

Kearney was unable to assess the accuracy, completeness, timeliness, and quality of the data related to overseas transactions submitted by the Department as of the second quarter of FY 2017. The CIGIE Guide, "Inspectors General Guide to Compliance Under the DATA Act," instructs auditors only to test transactions that have been certified by the SAO. The Department's SAO did not certify the 15,898 transactions that originated at overseas posts. Although overseas transactions represented 75.7 percent (15,898 of 21,003) of the number of transactions submitted by the Department, they only represented 5.3 percent ($199,585,866 of $3,795,080,356) of the dollar value of the transactions. In fact, the Department's SAO included a qualification when certifying the second quarter FY 2017 DATA Act submission[28] that stated he could not certify that the data submitted in Data Act Files C, D1, and D2 for overseas transactions was "valid and reliable." Specifically, in the certification for one File, the SAO stated this was because "deficiencies exist in the timely reporting of overseas procurement actions to FPDS–NG, and in linking all overseas financial transactions and procurement awards and related data using a unique Procurement Instrument Identifier, and therefore some amounts recorded in the financial system do not contain the unique identifier." Consequently, Kearney was unable to test these overseas transactions in accordance with the CIGIE Guide.

During FY 2017, CGFS performed steps to reconcile the overseas information with files from existing Government-wide reporting systems. CGFS identified variances in that process. Because of the issues related to the Procurement Instrument Identifier, however, CGFS was unable to determine whether the variations identified with the overseas transactions were related to systemic issues with the Department's information systems or with other Government-wide systems.

In July 2016, CGFS began implementing system interfaces and new procedures for Department personnel overseas to improve financial data collection. However, as of January 1, 2017, the beginning of the second quarter of FY 2017, CGFS had not completed the system interfaces rollout for all overseas posts. This may have contributed to the variations CGFS identified during its quality control procedures. Because of these limitations, the Department is unable to ensure that the information on overseas transactions submitted for inclusion on USASpending.gov is accurate or complete.

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[28] Treasury allowed SAOs to include statements that explain to the public known issues that affect accuracy, completeness, and timeliness.

Recommendation 1: OIG recommends that the Bureau of the Comptroller and Global Financial Services complete the implementation of system interfaces and new procedures that are designed to improve financial data collection overseas.

Management Response: CGFS concurred with the recommendation, stating that it has worked with the Bureau of Administration to complete "the worldwide deployment of real-time integration" between the Department's Integrated Logistics Management System and Regional Financial Management System for overseas procurement activities. CGFS also stated that "as of August 2017, 194 overseas locations are online" for grant activities. Furthermore, CGFS stated that it will, in coordination with the Bureau of Administration "focus on improving the accuracy, completeness and timeliness of overseas information to enable certification on this data."

OIG Reply: On the basis of CGFS's concurrence with the recommendation and planned action, OIG considers this recommendation resolved pending further action. This recommendation will be closed when OIG receives and accepts documentation demonstrating that CGFS has completed the implementation of system interfaces and new procedures that are designed to improve financial data collection overseas.

Accuracy of Domestic Data

The CIGIE Guide requires auditors to assess the accuracy of DATA Act File A by comparing the Federal appropriation account summary-level data, including obligations and outlays, to the information included in OMB's Standard Form (SF) 133, Report on Budget Execution and Budgetary Resources.[29] Furthermore, the CIGIE Guide requires auditors to determine whether DATA Act File A includes all Treasury Account Symbols by selecting all summary-level transactions from DATA Act File A and matching certain elements to the OMB SF 133s.

In addition, the CIGIE Guide requires auditors to assess the accuracy of DATA Act File B data by comparing the data submitted to the appropriation accounts listed in DATA Act File A to determine whether all appropriations found in the SF 133s are included. The CIGIE Guide also requires auditors to confirm that DATA Act File B includes all Treasury Account Symbols and to verify that the total amounts in DATA Act Files A and B are the same. Moreover, the CIGIE Guide requires auditors to verify that all program activity names, codes, and object classes from DATA Act File B match the codes defined in OMB Circular A-11[30] as well as the Program and Financing Schedule in the President's Budget. The CIGIE Guide also requires auditors to reconcile the account summary-level report on the basis of Object Class Codes to DATA Act File B.

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[29] The SF 133 is a quarterly report that contains information on the sources of budget authority and the status of budgetary resources by individual fund or appropriation.

[30] OMB Circular A-11, "Preparation, Submission, and Execution of the Budget" (July 1, 2016).

Using reconciliations, Kearney validated the accuracy of the six required data elements that are presented only in DATA Act Files A and B and the two additional data elements that are included in DATA Act Files A, B, and C.[31] For example, as required by the CIGIE Guide, Kearney matched the data elements included in DATA Act File A to the OMB SF 133s and did not note any exceptions. One required step that Kearney performed to determine if DATA Act File B was accurate was to match the information in DATA Act File A to DATA Act File B. Kearney did not note any exceptions as a result of this procedure. As required, Kearney also matched the Program Activity Codes and Object Class data elements included in DATA Act File B to OMB Circular A-11 and did not note any exceptions.

To test the accuracy of domestic award-level transaction data in DATA Act Files C, D1, D2, and E,[32] as required by the CIGIE Guide, Kearney selected a statistically valid sample[33] of data that the Department's SAO certified[34] in the Department's DATA Act File C submission to the DATA Act Broker for the second quarter of FY 2017.[35] Specifically, Kearney selected a sample of 385 transactions from the Department's 5,105 certified transactions for testing.[36] According to the CIGIE Guide, "accuracy is the percentage of transaction that are complete and consistent with the system(s) of record or other authoritative sources."[37] Among other audit tests, Kearney

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[31] Data elements total 57, 6 of which are only presented in Files A and B. The CIGIE Guide requires auditors to test these six data elements using file reconciliations rather than selecting a sample. Specifically, these six data elements are: Appropriation Account, Budget Authority Appropriated, Other Budgetary Resources, Outlays, Program Activity, and Unobligated Balance. Two additional data elements—Object Class and Obligation Amount—are included in Files A, B, and C. Therefore, in accordance with the CIGIE Guide, Kearney tested these two data elements at the summary level through reconciliations and at the transaction level through a sample selection.

[32] Although File F did not contain any required data elements, Kearney reviewed the information provided and compared it to the FFATA Subaward Reporting System for accuracy. Kearney did not identify any exceptions with File F data.

[33] Statistical samples are designed to be representative, with the stated confidence that the true population misstatement is measured by the confidence level.

[34] As reported, the Department's SAO included a qualification for overseas transactions when certifying the second quarter FY 2017 DATA Act submission. Therefore, Kearney excluded all overseas transactions when selecting the sample for testing.

[35] See "Appendix A: Purpose, Scope, and Methodology" for details on the sample selection.

[36] Kearney compared all transactions in the sample between the different Files (Files C, D1, D2, E, and F) to verify that the financial and non-financial data were the same throughout all files. Kearney noted all sampled transactions were included in each file, except for certain File D1 and File D2 transactions noted as missing during the completeness testing. See the "Completeness of Domestic Data" section of Finding A for details.

[37] Although the CIGIE Guide defines accuracy as transactions that are "complete and consistent," the detailed testing procedures outlined in the Guide require transaction data to be present to test the accuracy of the data elements. If the data was not available, Kearney could not assess the accuracy of the missing elements. Therefore, Kearney did not count completeness errors (that is, data elements for which no data was included) as accuracy errors. The completeness of the sample transactions is addressed in the "Completeness of Domestic Data" section of Finding A. Furthermore, Kearney included completeness exceptions when assessing the overall quality of the data, as discussed in the "Quality of Domestic Data" section of Finding A.

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evaluated whether the 51 standard data elements[38] included in DATA Act Files C, D1, D2, and E for the sampled transactions matched original source documentation for the transaction, such as contract documents.[39]

Of the 385 transactions sampled, Kearney found that 211 (54.8 percent) had errors with the accuracy of one or more data elements in one or more DATA Act Broker files that were within the control of the Department.[40] Kearney determined that the errors were related to 29 data elements. The remaining 22 data elements were accurate in the Department's DATA Act Broker files for the transactions tested, including the obligation amount and the award identification number. Table 4 shows the exceptions identified during testing by data element and the associated DATA Act Broker Files that contained the errors.

Table 4: Accuracy Exceptions That Were Within the Control of the Department by Data Element

Data Element	Number of Transactions With Errors (%)*	DATA Act File(s)
Treasury Account Symbol	1 (0.3)	DATA Act File C
Action Date	18 (4.7)	DATA Act Files D1 and D2
Action Type	2 (0.5)	DATA Act Files D1 and D2
Award Description	70 (18.2)	DATA Act Files D1 and D2
Award Modification/Amendment Number	1 (0.3)	DATA Act Files D1 and D2
Award Type	24 (6.2)	DATA Act Files D1 and D2
Catalog of Federal Domestic Assistance Number	2 (0.5)	DATA Act File D2
Catalog of Federal Domestic Assistance Title	2 (0.5)	DATA Act File D2
North American Industrial Classification System Code	29 (7.5)	DATA Act File D1
North American Industrial Classification System Description	29 (7.5)	DATA Act File D1
Period of Performance Current End Date	21 (5.5)	DATA Act Files D1 and D2
Period of Performance Potential End Date	19 (4.9)	DATA Act File D1
Period of Performance Start Date	18 (4.7)	DATA Act Files D1 and D2
Primary Place of Performance Address	48 (12.5)	DATA Act Files D1 and D2
Primary Place of Performance Congressional District	49 (12.7)	DATA Act Files D1 and D2

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[38] According to Treasury, certain data elements were required to be reported in specific Files and were optional in other files. For example, Outlay is an element required in Files A and B but is optional in File C. Therefore, the Department did not report this data in File C. Kearney only tested optional data elements to the extent the Department populated those fields.

[39] The CIGIE Guide gives auditors an option for testing the selected transactions. The Guide states that the auditor may use the agency's source systems as an authoritative source for testing transaction-level data if the auditor is sufficiently satisfied with the source system's internal controls. Alternatively, auditors can confirm the transaction data by obtaining source documentation. Using auditor judgment, Kearney determined that testing source system internal controls would be inefficient compared to substantively testing source documentation for the sampled transactions. In addition, Kearney noted certain data elements, such as a vendor's place of performance, in which data entry errors were unlikely to be prevented or identified by source system internal controls.

[40] See the "Accuracy Errors Related to Treasury's Broker" section of Finding A for additional details related to errors that were outside of the control of the Department.

Data Element	Number of Transactions With Errors (%)*	DATA Act File(s)
Primary Place of Performance Country Code	1 (0.3)	DATA Act File D1
Record Type	1 (0.3)	DATA Act Files D1 and D2
Amount of Award	5 (1.3)	DATA Act Files D1 and D2
Current Total Value of Award	2 (0.5)	DATA Act Files D1 and D2
Federal Action Obligation	5 (1.3)	DATA Act Files D1 and D2
Awardee/Recipient Legal Entity Name	8 (2.1)	DATA Act Files D1 and D2
Awardee/Recipient Unique Identifier	8 (2.1)	DATA Act Files D1 and D2
Legal Entity Address	75 (19.5)	DATA Act Files D1 and D2
Legal Entity Congressional District	60 (15.6)	DATA Act Files D1 and D2
Ultimate Parent Legal Entity Name	3 (0.8)	DATA Act File D1
Ultimate Parent Unique Identifier	7 (1.8)	DATA Act File D1
Funding Agency Code	3 (0.8)	DATA Act File D1
Funding Agency Name	3 (0.8)	DATA Act File D1

* Kearney identified 211 unique transactions with accuracy errors in one or more data elements. A single transaction, however, could have errors in more than one data element.
Source: Prepared by Kearney on the basis of results of testing.

Accuracy Errors Related to Treasury's Broker

In addition to the exceptions shown in Table 4, Kearney identified 224 accuracy errors that were attributed to flaws in Treasury's DATA Act Broker.[41] Specifically, Kearney noted exceptions with the Potential Total Value of Award[42] data element and Indefinite Delivery Vehicle information,[43] which were also identified by other OIGs as errors within Treasury's Broker. If the Broker errors were added to the errors that were within the control of the Department, the number of domestic transactions with accuracy errors would be 290 of the 385 certified sampled

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[41] During audits performed by various OIGs related to DATA Act implementation, the CIGIE Federal Audit Executive Council, DATA Act Working Group, became aware that Treasury's Broker system was not correctly collecting data for certain data elements in DATA Act Files D1 and D2. CIGIE recommended that, when possible, OIGs report those errors separately from the errors that were within the agency's control. See Appendix B for additional details.

[42] Kearney found that the Potential Total Value of Award data element did not always match agency source documents. The exceptions identified seemed to relate to transactions that included contract modifications that were not included correctly in the Potential Total Value of Award data element. See Appendix B of this report for more details.

[43] As noted in Appendix B of this report, OIGs identified an issue with how the Treasury Broker system pulled data related to Indefinite Delivery Vehicle Information and CIGIE requested that OIGs include standard language related to this issue in their reports. Kearney noted that the Indefinite Delivery Vehicle information is not a data element but is one component of the Award Type data element. The Award Type data element comprises two components in File D1, Indefinite Delivery Vehicle and Award Type, which provide different data. Kearney noted the Indefinite Delivery Vehicle information was input to the same field as Award Type; therefore, when assessing the accuracy of the data element, Kearney only relied on the Award Type data component, which Kearney was able to match with agency source documents. As a result, Kearney did not calculate accuracy errors attributable to the Broker for the Indefinite Delivery Vehicle information because the Award Type data under the Award Type data element was supportable.

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transactions, for an accuracy error rate of 75.3 percent.[44] As recommended by CIGIE, Kearney is reporting this error rate separately.

Completeness of Domestic Data

To verify the completeness of DATA Act Files A and B, the CIGIE Guide requires auditors to determine whether all required summary-level financial data was reported for the proper reporting period and transactions contained all applicable data elements required by the DATA Act. Kearney performed the steps required by the CIGIE Guide and found that, within DATA Act Files A and B, all required data elements were included and reported in the proper period.

To test the completeness of domestic award-level transaction data in DATA Act Files C, D1, D2, and E, as required by the CIGIE Guide, Kearney determined whether all transactions that should have been recorded were recorded in the proper reporting period. Furthermore, as required by the CIGIE Guide, Kearney assessed the statistically valid sample of 385 transactions to determine whether the transactions contained all applicable data elements required by the DATA Act.[45]

Of the 385 domestic transactions tested, Kearney found that 59 (15.3 percent) were incomplete. Specifically, 23 of 59 transactions (39.0 percent) were considered incomplete because the transactions were included in DATA Act File C but were not included in DATA Act Files D1 or D2, as required.[46] The remaining 36 transactions (61.0 percent) were missing data in 1 or more of 13 data elements required by the DATA Act. Table 5 shows the specific completeness errors by data element and the associated DATA Act Files that contained the errors for the 36 transactions with at least partial data present. These errors were within the control of the Department.[47]

Table 5: Completeness Errors That Were Within the Control of the Department by Data Element

Data Element	Number of Transactions With Errors (%)*	DATA Act File(s)
Action Type	1 (0.3)	DATA Act File D1
Business Type	6 (1.6)	DATA Act File D2
North American Industrial Classification System Code	1 (0.3)	DATA Act File D1
North American Industrial Classification System Description	1 (0.3)	DATA Act File D1
Period of Performance Start Date	10 (2.6)	DATA Act Files D1 and D2
Primary Place of Performance Address	17 (4.4)	DATA Act Files D1 and D2

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[44] See Appendix B of this report for additional information on the limitations caused in the reporting because of issues with Treasury's Broker system.

[45] Kearney did not count completeness errors as accuracy errors, which would have been double counting errors. Moreover, if the data was not available, Kearney could not assess the accuracy of the missing elements.

[46] Kearney determined that these 33 transactions were not in Files D1 or D2 because of timeliness issues, which is addressed in the "Timeliness of Domestic Data" section of Finding A.

[47] See the "Completeness Errors Related to Treasury's Broker" section of Finding A for additional detail related to errors that were outside the control of the Department.

Data Element	Number of Transactions With Errors (%)*	DATA Act File(s)
Primary Place of Performance Congressional District	14 (3.6)	DATA Act Files D1 and D2
Primary Place of Performance Country Code	5 (1.3)	DATA Act Files D1 and D2
Legal Entity Address	1 (0.3)	DATA Act Files D1 and D2
Legal Entity Congressional District	6 (1.6)	DATA Act Files D1 and D2
Legal Entity Country Code	4 (1.0)	DATA Act File D1
Legal Entity Country Name	2 (0.5)	DATA Act File D1
Ultimate Parent Legal Entity Name	9 (2.3)	DATA Act File D1

* Kearney identified 36 unique transactions with completeness errors in 1 or more data elements. A single transaction, however, could have errors in more than one data element.
Source: Prepared by Kearney on the basis of results of testing.

Completeness Errors Related to Treasury's Broker

In addition to the exceptions shown in Table 5, Kearney also identified 21 completeness errors that were attributed to flaws in Treasury's DATA Act Broker. Specifically, Kearney noted errors with the Primary Place of Performance County Name information.[48] Kearney found that this information was consistently missing from the certified DATA Act File D2 submission, which increased the errors in the Primary Place of Performance Address data element.[49] If the Broker errors were added to the errors that were under the control of the Department, the number of transactions with completeness errors would, however, remain 59 of the sampled 385 certified domestic transactions, and the completeness error rate for the sample would also remain 15.3 percent. The completeness errors remain the same because, in this instance, the transactions that included Treasury Broker errors also each included errors that were under the control of the Department. That is, those transactions were already counted in Kearney's calculation of completeness errors that were under the control of the Department. Even though the error rate did not change, Kearney is reporting errors and the associated error rate separately, as recommended by CIGIE.

Timeliness of Domestic Data

To verify the timeliness of DATA Act Files A and B, the CIGIE Guide requires auditors to determine whether transactions and summary-level data were reported within 30 days of the quarter's end. Kearney performed the steps required by the CIGIE Guide and found that all summary-level data included in DATA Act Files A and B was reported within 30 days of quarter end.

To test the timeliness of domestic award-level transaction data in DATA Act Files C, D1, D2, and E, as required by the CIGIE Guide, Kearney determined whether the 385 transactions sampled

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[48] Kearney noted that the Primary Place of Performance County Name information is not a data element, but is one of multiple components of the Primary Place of Performance Address data element.

[49] See Appendix B of this report for additional information on the limitations caused in the reporting because of issues with Treasury's Broker system.

were reported within 30 days after the quarter in which they occurred. Kearney found that 23 of 385 domestic transactions (6.0 percent) were not recorded in all DATA Act Files within 30 days after the end of the quarter, as required. Specifically, 22 transactions were included in DATA Act File C in a timely manner but were not included in either DATA Act File D1 or D2 within 30 days of the end of the quarter; therefore, these transactions were not timely. One additional transaction was completed in the first quarter of FY 2017 and should not have been reported in DATA Act File C because the Department was only reporting second quarter data. These errors were within the control of the Department.

Quality of Domestic Data

To assess the quality of the summary-level financial data in DATA Act Files A and B, the CIGIE Guide suggests that auditors consider the results of the assessment of completeness, timeliness, and accuracy. On the basis of this guidance, Kearney concludes that the Department included quality data in DATA Act Files A and B. Kearney did not find any errors with its assessment of completeness, timeliness, and accuracy of DATA Act Files A and B.

To assess the quality of the sample of award-level domestic transaction data in DATA Act Files C, D1, D2, and E, the CIGIE Guide also suggests that auditors consider the results of the assessment of accuracy, completeness, and timeliness. Kearney found that 248[50] of 385 domestic transactions had errors that were within the control of the Department in the accuracy, completeness, or timeliness of one or more data elements related to Department actions. The combined results of accuracy, completeness, and timeliness testing show an error rate related to Department actions of 64.4 percent.[51] On the basis of results of its testing, Kearney concluded that the data of the sampled transactions was not of adequate quality.

Quality Error Rate Including Treasury's Broker Errors

In addition to the reported issues with the quality of the data related to errors within the Department's control, Kearney also identified errors that affect the quality of the data that were attributable to issues related exclusively to Treasury's DATA Act Broker. If those errors were added to the errors that the Department could control, the total number of erroneous transactions would be 322 out of the 385 sample, for an error rate of 83.6 percent. CIGIE has stated that, until the weaknesses identified with the Treasury Broker system are addressed, the data submitted for publication will be of limited quality. Treasury is aware of these limitations and plans to address the deficiencies.[52]

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[50] Kearney counted transactions with errors only one time. That is, one transaction could have had errors in both accuracy and completeness but, in determining the quality error rate, Kearney counted that transaction once.

[51] See the "Quality Error Rate Including Treasury's Broker Errors" section of Finding A for the quality error rate Kearney calculated on the basis of errors that were both within the Department's control and outside of its control.

[52] See Appendix B of this report for additional information from CIGIE related to the Treasury DATA Act Broker.

Additional Guidance and Oversight Is Needed for the Data Submitted

As reported, Kearney found that most of the data errors identified were contained in DATA Act Files D1 and D2. For example, Kearney found that the data element "Primary Place of Performance Address" was inaccurate for 48 transactions (12.5 percent) tested and was also the most often incomplete data element, with data missing for 22 transactions (5.7 percent). The sources for DATA Act Files D1 and D2 are FPDS–NG and ASP, respectively. Although some of the information reported in FPDS–NG is provided automatically through interfaces with Department systems, such as the Global Financial Management System, the majority of the information, including the place of performance, must be collected and manually entered directly into FPDS–NG by Department officials. Additionally, although the information in ASP is provided automatically through interfaces with the Department's Grants Database Management System and some of the information in the Grants Database Management System is automatically populated from the Department's grants processing systems, much of the data in the underlying Grants Database Management System must be collected and manually entered by Grants Officers.

Delays in adding information to FPDS–NG and ASP were one reason for the exceptions because those delays affect the accuracy, completeness, and timeliness of the DATA Act information. The Department generated DATA Act Files D1, D2, E, and F from the DATA Broker for submission and certification on April 30, 2017, which is 30 days after the end of the second quarter. Kearney identified 23 files related to second quarter transactions that were not recorded in FPDS–NG or ASP by April 30, 2017, as required by the DATA Act. DATA Act Files D1 and D2 are generated using information from other Government-wide systems. Accordingly, if those files did not include required transactional details it is because the information was not recorded into the Government-wide systems at the correct time. In fact, the Federal Acquisition Regulation requires that Contracting Officers complete contract information in FPDS–NG within 3 business days after the contract award.[53] Had Contracting Officers complied with this requirement, the data would have been available for the Treasury Broker to download into DATA Act File D1. CGFS should therefore work with the Bureau of Administration, which is responsible for providing guidance to Contracting Officers and Grants Officers in the Department, to develop and improve procedures and guidance for Department personnel responsible for reporting data to Government-wide systems to improve the overall quality of the DATA Act submission.

In addition, the reports may not have been accurate, complete, and timely because the Department did not perform sufficient quality assurance of the data submitted. Agencies are required to perform quality control procedures on data prior to submission, including ensuring that there are appropriate links between DATA Act files and files from existing Government-wide

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[53] Federal Acquisition Regulation, Subpart 4.604, "Responsibilities."

reporting systems.[54,55] Using its quality control procedures, CGFS identified, and was able to address, many issues with the data before it was submitted. However, its quality control procedures did not address all issues; in particular, they did not address the significant number of exceptions related to Department issues (that is, unrelated to flaws with the Treasury Broker system) that Kearney identified during its testing. For example, CGFS performed quality control procedures to ensure Department generated data (that is, DATA Act Files A, B, and C) were complete but did not implement quality control procedures relating to the accuracy of data in DATA Act Files D1 or D2. Although DATA Act Files D1 and D2 are generated from Government-wide systems, which CGFS cannot change, the SAO must still certify the data contained in those DATA Act Files. As such, CGFS should expand its quality control procedures to include reviewing the accuracy of data contained in Government-wide systems to improve the overall quality of its DATA Act submissions. CGFS may need to work with the Bureau of Administration to develop appropriate quality control procedures.

The intent of the DATA Act is to increase accountability, transparency, accessibility, quality, and standardization in Federal spending data. Kearney found that the Department submitted and certified data of adequate quality for DATA Act Files A and B and for some data elements for domestic data in DATA Act Files C, D1, and D2. Because of the lack of certified overseas transactions and the issues identified during the audit with the accuracy, completeness, timeliness, and quality of the data submitted and certified in DATA Act Files C, D1, and D2, however, the Department is not fulfilling the intent of the DATA Act.

> **Recommendation 2:** OIG recommends that the Bureau of the Comptroller and Global Financial Services, in coordination with the Bureau of Administration, update and issue guidance for Contracting Officers and Grants Officers related to entering accurate and complete procurement and financial assistance award transaction data into the Federal Procurement Data System – Next Generation and the Award Submission Portal.
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> **Management Response:** CGFS concurred with the recommendation, stating that it is working with the Bureau of Administration and other Department partners "to fully meet the intent and requirements of the DATA Act." CGFS further stated that "Based on our own DATA Act efforts, and as confirmed in the Report, we know that the Department needs to improve the reporting of data for our overseas operations, as well as our domestic Federal Procurement Data System (File D1) and Federal Assistance (File D2) data. We will continue to make these improvements, while continuing to ensure the rigor and accountability over the expenditure of Department and tax-payer dollars."

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[54] OMB-M-17-04 "Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability" (November 4, 2016), Section 3,"Quarterly SAO Assurance of DATA Act Data."

[55] Agency files submitted for the DATA Act are inter-related and also repeat some information provided by agencies during separate submissions to Treasury and OMB for other purposes. For example, all information in File A is reported in the SF 133, Report on Budget Execution and Budgetary Resources. In addition, transactions in the File C submission, which is prepared by the agency, should match transaction data in either File D1 or D2, which are generated by Government-wide systems. The quality control measures are designed to determine where data quality issues may reside (that is, either with agency systems or with agency reporting to other Government-wide system).

OIG Reply: On the basis of CGFS's concurrence with the recommendation and planned action, OIG considers this recommendation resolved pending further action. This recommendation will be closed when OIG receives and accepts documentation demonstrating that CGFS, in coordination with the Bureau of Administration, has updated and issued guidance for Contracting Officers and Grants Officers related to entering accurate and complete data into the required Government-wide systems.

Recommendation 3: OIG recommends that the Bureau of the Comptroller and Global Financial Services, in coordination with the Bureau of Administration, modify existing quality control procedures to include a requirement to verify the accuracy of data contained in DATA Act Files D1 and D2 generated from the Federal Procurement Data System – Next Generation and the Award Submission Portal.

Management Response: CGFS concurred with the recommendation.

OIG Reply: On the basis of CGFS's concurrence with the recommendation, OIG considers this recommendations resolved pending further action. This recommendation will be closed when OIG receives and accepts documentation demonstrating that CGFS, in coordination with the Bureau of Administration, has modified its quality control procedures to require verifying the accuracy of DATA Act Files D1 and D2.

Recommendation 4: OIG recommends that the Bureau of the Comptroller and Global Financial Services develop and implement procedures to verify that the quarterly DATA Act File C submission includes only transactions that occurred within the applicable quarter.

Management Response: CGFS concurred with the recommendation, stating that it "will work to ensure that the quarterly DATA Act File C submission includes only transactions that occurred within the applicable quarter." CGFS further stated "we would like to highlight that there were only two errors in the sample for File C. One was a single procurement record that was a timing difference and should not have been included in File C. The other was related to one data field on a single grant record. Overall, the Department believes that the error rate for the File C sample was less than one-half of one percent."

OIG Reply: On the basis of CGFS's concurrence with the recommendation and planned action, OIG considers this recommendation resolved pending further action. OIG notes that because the sample that was tested during the audit was statistically valid, the single timing error in DATA Act File C indicates that other timing errors exist within the file. The projection of this error within the universe of 5,105 certified transactions is estimated to be 13 errors with a 95-percent confidence range of 1 to 71 errors. This recommendation will be closed when OIG receives and accepts documentation demonstrating that CGFS

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has developed and implemented procedures to verify that the DATA File C submission includes only transactions that occurred in the applicable quarter.

Finding B: The Department Has Taken Steps to Implement and Use Required Data Elements

CIGIE's "Inspectors General Guide to Compliance Under the DATA Act"[56] requires auditors to determine whether Federal agencies implemented and used the Government-wide financial data standards established by OMB and Treasury. Although the CIGIE Guide does not provide specific steps to assess whether the Department used OMB and Treasury standards, the CIGIE Guide suggests drawing conclusions about an agency's use of the data elements when performing other testing (for example, when testing for completeness, which is described in Finding A of this report). As noted, Kearney found not only that the Department's SAO could not certify the overseas data but that the data submitted contained errors. On the basis of work performed for this audit and presented in Finding A, Kearney concludes, however, that CGFS did take steps to implement and use the data element standards established by OMB and Treasury.

The information needed by the Department to produce DATA Act Files A, B, and C resided in numerous Department information systems and reports and required manual adjustments to meet submission requirements. To assist in its efforts to implement and use the required data elements in the DATA Act Files submitted to Treasury, the Department developed a new system—Global BI—to pull the necessary data from multiple systems. Kearney found that CGFS also used Global BI to perform quality control procedures on the data elements. Despite its efforts to implement and use the data elements required by OMB and Treasury, the quality of the Department's second quarter FY 2017 DATA Act submission had room for improvement.

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[56] Guide OIG-CA-17-012.

RECOMMENDATIONS

Recommendation 1: OIG recommends that the Bureau of the Comptroller and Global Financial Services complete the implementation of system interfaces and new procedures that are designed to improve financial data collection overseas.

Recommendation 2: OIG recommends that the Bureau of the Comptroller and Global Financial Services, in coordination with the Bureau of Administration, update and issue guidance for Contracting Officers and Grants Officers related to entering accurate and complete procurement and financial assistance award transaction data into the Federal Procurement Data System – Next Generation and the Award Submission Portal.

Recommendation 3: OIG recommends that the Bureau of the Comptroller and Global Financial Services, in coordination with the Bureau of Administration, modify existing quality control procedures to include a requirement to verify the accuracy of data contained in DATA Act Files D1 and D2 generated from the Federal Procurement Data System – Next Generation and the Award Submission Portal.

Recommendation 4: OIG recommends that the Bureau of the Comptroller and Global Financial Services develop and implement procedures to verify that the quarterly DATA Act File C submission includes only transactions that occurred within the applicable quarter.

APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY

The Digital Accountability and Transparency Act of 2014[1] (DATA Act) requires each Federal agency's Office of Inspector General (OIG) to review and assess the spending data submitted by their agencies in compliance with the DATA Act. The objectives of this audit are to assess (1) the accuracy, completeness, timeliness, and quality of second quarter FY 2017 data submitted by the Department of State (Department) for publication on USASpending.gov and (2) the Department's implementation and use of the Government-wide financial data standards established by the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury).[2] An external audit firm, Kearney & Company, P.C. (Kearney), acting on OIG's behalf, performed this audit.

The Council of the Inspectors General on Integrity and Efficiency (CIGIE) identified a timing anomaly in the oversight requirements contained in the DATA Act. That is, the first OIG reports were due to Congress in November 2016; however, Federal agencies were not required to report spending data until May 2017. To address this reporting date anomaly, the OIGs plan to provide Congress with their first required reports in November 2017, a 1-year delay from the statutory due date, with two subsequent reports due in November 2019 and November 2021. On December 22, 2015, CIGIE's chair sent a letter documenting the strategy for dealing with the OIG reporting date anomaly to the Senate Committee on Homeland Security and Government Affairs and the House Committee on Oversight and Government Reform.

Kearney conducted fieldwork for this performance audit from April through October 2017 in the Washington, DC, metropolitan area. The audit was conducted in accordance with the Government Accountability Office's *Government Auditing Standards*, 2011 revision. These standards require that Kearney plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objective. Kearney believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit evidence.

In February 2017, the CIGIE, Federal Audit Executive Council DATA Act Working Group, in consultation with Government Accountability Office, developed the "Inspectors General Guide to Compliance Under the DATA Act,"[3] which provides OIGs with a baseline framework for the work required by the DATA Act. The CIGIE Guide also states that audit teams "to the extent possible, should adhere to the overall methodology, objectives, and review procedures outlined in this guide. The [audit] team should not hesitate to modify this guide based on specific systems and controls in place at its agency, but must use professional judgment when designing alternative

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[1] Pub. L. No. 113-101.

[2] On the basis of the DATA Act, these are the objectives that were defined by CIGIE in the "Inspectors General Guide to Compliance Under the DATA Act" (OIG-CA-17-012, February 27, 2017).

[3] Treasury OIG led the Working Group. As a result, the "Inspectors General Guide to Compliance Under the DATA Act" was published with a Treasury OIG document number.

review procedures." Generally, Kearney conducted this audit on the basis of procedures in the CIGIE Guide. Kearney's professional judgment was used to customize certain testing procedures based on the Department's environment, systems, and data. Table A.1 shows the general methodology[4] directed by the CIGIE Guide for audit teams to take to accomplish the objectives of the work required by the DATA Act and the corresponding work, including deviations, Kearney performed during its audit.

Table A.1: Required Audit Steps

Required Audit Procedure to Accomplish Objective	Kearney Audit Procedure (Report Location)
Obtain an understanding of regulatory criteria related to the Department's responsibilities to report financial and award data under the DATA Act.	Kearney researched and reviewed Federal laws and regulations, as well as prior Government Accountability Office audit reports. Kearney also reviewed the U.S. Code, OMB Circulars and Memoranda, guidance published by Treasury, and information available on the Department's intranet. (See the Background section of this report.)
Assess the Department's systems, processes, and internal controls in place over data management under the DATA Act.	Kearney met with Department officials to gain an understanding of the processes used to implement and use the data standards. Specifically, Kearney obtained an understanding of the processes used to create and perform quality assurance on the DATA Act submission. This included understanding the systems used to process procurement and financial assistance awards and the new system the Department developed, Global Business Intelligence (Global BI). (See the "Work Related to Internal Controls" section in Appendix A of this report.)
Assess the general and application controls pertaining to the financial management systems (such as grants, loans, and procurement) from which the data elements were derived and linked.	Kearney met with Department officials to gain an understanding of the processes used to implement and use the data standards. Specifically, Kearney obtained an understanding of the processes used to create and perform quality assurance on the DATA Act submission. This included understanding general and application controls in the systems used to process procurement and financial assistance awards in Global BI. (See the "Work Related to Internal Controls" section in Appendix A of this report.)

[4] In addition to the general methodology discussed in this section, the CIGIE Guide provide detailed steps to perform during audit work. Kearney performed the required steps (or acceptable alternatives to those steps) but is not including details of all of those steps.

Required Audit Procedure to Accomplish Objective	Kearney Audit Procedure (Report Location)
Assess the Department's internal controls in place over the financial and award data reported to USASpending.gov pursuant to OMB Circular A-123, "Management's Responsibility for Enterprise Risk Management and Internal Control," July 15, 2016.	Kearney met with Department officials to gain an understanding of the processes used to implement and use the data standards. Specifically, Kearney obtained an understanding of the processes used to create and perform quality assurance on the DATA Act submission. This included understanding the systems used to process procurement and financial assistance awards in Global BI. Kearney also obtained an understanding of processes to record procurement and financial assistance awards in Department and other Federal systems. (See the "Work Related to Internal Controls" section in Appendix A of this report.)
Review a statistically valid sample from certified second quarter FY 2017 financial and award data submitted by the Department for publication on USASpending.gov.	Kearney selected its statistically valid sample for testing from the Department's certified second quarter FY 2017 submission for publication on USASpending.gov.* (See Finding A and the "Detailed Sampling Methodology" section of Appendix A of this report.)
Assess the completeness, timeliness, quality, and accuracy of the financial and award data sampled.	Kearney completed this testing in accordance with the CIGIE Guide. (See Finding A of this report.)
Assess the Department's implementation and use of the 57 data definition standards established by OMB and Treasury.	Six of these 57 data elements are reported at the summary level in DATA Act Files A or B, rather than the individual transaction level (DATA Act File C). As reported in Finding A of this report, Kearney performed procedures to confirm the validity and accuracy of these six account summary level data elements. Specifically, Kearney confirmed that the data was appropriately linked between DATA Act File A and DATA Act File B and the Standard Form (SF) 133, Report on Budget Execution and Budgetary Resources. For the remaining 51 data elements, Kearney selected a sample of individual transactions included in the Department's DATA Act File C submission. (See Findings A and B of this report.)

* The Department's Senior Accountable Official included a qualification for overseas transactions when certifying the second quarter FY 2017 DATA Act submission. Therefore, Kearney excluded all overseas transactions when selecting the sample for testing.

Source: Prepared by Kearney on the basis of Section 130.03 of the CIGIE Guide and Kearney's audit planning and reporting procedures.

Work Related to Internal Controls

On the basis of information obtained from the Department during preliminary audit procedures, Kearney performed a risk assessment that identified audit risks related to the audit objectives. Kearney conducted meetings to identify controls in place to address those audit risks. Specifically, Kearney obtained an understanding of the processes used to create and perform quality controls assurance on the DATA Act submission. This included understanding the systems, as well as general and application controls in the systems used to process procurement and financial assistance awards in Global BI. Kearney also obtained an understanding of processes to record procurement and financial assistance awards in Department and other Federal systems.

During the audit, Kearney found that the Department performed certain quality control procedures, such as reconciliations, to ensure the accuracy, completeness, timeliness, and quality of data submitted for the DATA Act. As described in the "Use of Computer Processed Data" section of this appendix, Kearney independently performed these reconciliations to assess the Department's quality controls procedures as well as to determine whether the data was sufficient for the purposes of sampling procedures.

Kearney noted additional internal controls, including general and application controls in source systems and controls, to ensure that data was accurate, complete, and timely; however, Kearney chose not to rely on or specifically test those controls. Using its professional judgment, the Kearney audit team determined that testing these internal controls would be inefficient for the purposes of this audit. Accordingly, Kearney designed audit procedures that would enable it to obtain sufficient and appropriate evidence to conclude upon the audit objectives, using authoritative sources (that is, obtaining and reviewing source documentation) such as contacts and grant agreements.

Use of Computer-Processed Data

As discussed in the Background section of this report, the files included in the Department's DATA Act submission were generated from multiple systems, including Department-owned systems and systems used across the Federal Government. To ensure the accuracy, completeness, timeliness, and quality of the DATA Act submission, agencies were required to perform quality control procedures of the data prior to submitting it to Treasury, including ensuring that links between the files submitted were appropriate. For example, agencies were required to confirm that (1) the information reported in DATA Act File A matched the March 31, 2017, SF 133, Report on Budget Execution and Budgetary Resources,[5] (2) DATA Act File A totals matched the totals included in DATA Act File B,[6] (3) the transactions included in DATA Act File C were included in DATA Act Files D1 or D2, and (4) the transactions included in DATA Act Files D1

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[5] Agencies submit the SF 133, Report on Budget Execution and Budgetary Resources, to Treasury multiple times per year to communication budget execution information.

[6] The Department also reconciled the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (the basis for File A) to the Department's Global Financial Management System (the basis for File B).

and D2 were included in DATA Act File C. The Department's reconciliations between DATA Act File A and the SF 133 and between DATA Act Files A and B did not note any differences. Kearney performed the reconciliations again for each DATA Act File, also noting no differences.

The Department's quality control steps identified limited differences between DATA Act File C and DATA Act Files D1 and D2, especially related to overseas transactions. The Department researched the cause of each variance to determine whether the variance indicated a systemic issue. The Department was able to sufficiently explain the variances noted for domestic transactions and made updates to DATA Act File C, when appropriate. Because the reconciliations only identified limited variances that were not indicative of systemic issues or missing data, Kearney found the domestic transactions in DATA Act File C to be sufficiently reliable for sampling.

However, on the basis of reconciliations performed, as well as other factors, the Department's Senior Accountable Official (SAO) included a qualification when certifying the DATA Act submission. Specifically, the SAO indicated that he could not certify the completeness, timeliness, accuracy, and quality of overseas transactions included in the DATA Act submission. Kearney performed the reconciliations on the certified DATA Act Files C, D1, and D2 and noted few variances for domestic transactions; however, similar to the Department's reconciliation, Kearney identified a significant number of variances for overseas transactions. Kearney found the domestic transactions sufficiently reliable for sampling.

Detailed Sampling Methodology

In accordance with the CIGIE Guide, "Inspectors General Guide to Compliance Under the DATA Act," Kearney selected a sample of certified spending data transactions for transaction-level testing from the Department's second quarter FY 2017 DATA Act File C submission.[7] As discussed in the "Audit Results" section of this report, the Department did not certify the overseas transactions data included in the DATA Act submission. The CIGIE Guide states that transactions selected for testing should be certified. Accordingly, Kearney excluded overseas transactions[8] prior to selecting its sample.

The audit population was defined as DATA Act File C, which included 21,003 transactions consisting of 15,898 overseas records and 5,105 domestic records. As noted, Kearney excluded the overseas records. Therefore, the target population was defined as domestic records only. From the target population of 5,105, as prescribed by the CIGIE Guide, Kearney selected a

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[7] Section 430.01 of the CIGIE Guide states, "the engagement team should randomly select a statistically valid sample of certified spending data from the reportable award-level transactions included in the agency's certified data submission for File C, or Files D1 and D2 if File C is unavailable." File C was available and Kearney found it to be reliable for testing.

[8] The Department's File C included a field that indicated whether the transaction was funded domestically or overseas and whether the transaction was processed domestically or overseas. Kearney confirmed with Department officials that the transactions that were not included in the SAO's certification were the transactions processed overseas (the source of the funding did not affect the SAO's certification).

random sample of 385 transactions included in DATA Act File C using IDEA sampling software.[9] Kearney determined this sample size by using a 95-percent confidence level with plus or minus 5-percent sampling precision and an expected error rate of 50 percent.[10] With the selected sample size of 385 from the population size of 5,105, the precision (at a 95-percent confidence level) was less than 5 percent. This reduction in precision allowed for greater accuracy in estimating the error rate to the population. Table A.2 provides details on the sample selected to test for accuracy, completeness, timeliness, and quality.

Table A.2: Description of Sample Selection

Description	Sample Details
Source of Sample	DATA Act File C
Audit Population of Transactions	21,103
Audit Population in Dollars	$3,795,080,336
Target Population of Transactions	5,105
Target Population in Dollars	$3,595,494,470
Type of Statistical Sampling Methodology Used*	Random
Confidence Level (percent)	95
Expected Error Rate (percent)	50
Planned Sampling Precision (margin of error)	+/-5%
Sample Size (percent)	385 (7.5%)
Sample Amount (percent)	$206,858,248 (5.8%)

*Random sampling is used to select a sample from a population in such a way that every sample item that could be selected has the same predetermined probability of being selected.

Source: Prepared by Kearney from the sampling plan.

The CIGIE Guide requires auditors to assess 57 different data elements.[11] Of the 57 elements, 51 were included in award-level data in DATA Act Files C, D1, D2, and E. Therefore, Kearney performed testing on the sample of 385 transactions for 51 data elements to obtain an error rate for accuracy, completeness, timeliness, and quality.[12] Kearney tested the remaining six data elements, including DATA Act Files A and B, through file reconciliations. See the "Audit Results" section of this report for information on the results of the file reconciliations.

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[9] IDEA is a computer program used to analyze data and, on the basis of parameters input by the user, select a sample to aid in evaluating the results of the sample.

[10] A confidence level is the level of certainty to which an estimate can be trusted. The degree of certainty is expressed as the chance, usually in the form of a percentage, that a true value will be included within a specified range, called a confidence interval. The sample precision is the measure of the difference between a sample estimate and the corresponding population characteristics at a specified sampling risk. The expected error is the rate of error in the population that the auditor expects to find on the basis of various considerations researched prior to testing the sample. In this case, the expected error was set by the CIGIE Guide.

[11] See Appendix C for a complete list of the data elements.

[12] OMB, "Open Government Directive – Federal Spending Transparency," (April 6, 2010), states that quality will be determined on the basis of timeliness, completeness, and accuracy.

Kearney noted that the data elements "Appropriations Account" and "Treasury Account Symbol (excluding sub-account)" contain the same data. To avoid double counting the results of testing, Kearney aligned the Appropriations Account data element to DATA Act Files A and B (which was tested at the summary level) and the Treasury Account Symbol (excluding sub-account) to DATA Act File C (which was tested at the transaction level). Kearney also noted that the "Outlay" data element is required to be submitted in DATA Act Files A and B and may also be optionally submitted in DATA Act File C. The Department elected not to report this optional data element in DATA Act File C; accordingly, Kearney tested this data element within the DATA Act Files A and B submissions. Finally, Kearney noted that the "Program Activity" data element is required to be submitted in DATA Act File B and may also be optionally submitted in DATA Act File C. The Department elected not to report this optional data element in DATA Act File C; accordingly, Kearney tested this data element within the DATA Act File B submission.

After testing, Kearney evaluated the sample results using RAT-STATS statistical software.[13] Table A.3 provides details on the results of Kearney's testing of the 385 sampled items.

Table A.3: Results of Sample Tests Performed at the Award-Level

Description of Attribute Testing	Completeness	Timeliness	Accuracy	Quality
Errors Identified in the Sample	59	23	211	248
Projected Error Rate[a] (95-Percent Confidence Range)	15.3	6.0	54.8	64.4
Error Projection to the Population (95-Percent Confidence Range)	782 (613–978)	305 (199–445)	2,798 (2,547–3,045)	3,288 (3,043–3,523)
Standard Error: Count (Percent)[b]	90 (2)	59 (1)	125 (2)	120 (2)

[a] Error rate is displayed as the percentage of transactions tested that were not in accordance with policy.
[b] Standard error is an inferential tool, which measures the precision (accuracy) of the estimated attribute (completeness, accuracy, timeliness, or quality) found in the population. Because the true population value of this attribute is unknown, the standard error is an estimate of the variability of this attribute within the population. Larger sample sizes reduce the standard error and improve the accuracy of estimating the attribute in the population using sample results.

Source: Prepared by Kearney on the basis of results of testing.

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[13] RAT-STATS is a statistical package created by the Department of Health and Human Services OIG, Office of Audit Services. RAT-STATS assists users in performing random samples and evaluating the results.

APPENDIX B: STANDARD LANGUAGE FOR REPORTING PROVIDED BY THE COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY

During audits performed by various Office of Inspectors General (OIG) of the Digital Accountability and Transparency Act of 2014[1] (DATA Act) implementation, the Department of the Treasury (Treasury) became aware that its Broker system was not collecting data for certain data elements included in DATA Act Files correctly. The Council of the Inspectors General on Integrity and Efficiency (CIGIE) Federal Audit Executive Council DATA Act Working Group provided guidance to OIGs on how to handle these circumstances.[2] Kearney & Company, P.C. (Kearney), conducting the audit of the Department of State's (Department) DATA Act implementation on OIG's behalf, applied the guidance provided by CIGIE.[3] For example, according to CIGIE, where possible error rates that are within the agency's control should be reported separately from error rates that include exceptions attributable to Treasury's Broker. In addition, CIGIE provided standard language for OIGs to include in audit reports that describes the nature of the deficiencies with the Treasury Broker system and the effect on DATA Act Files. The language provided by CIGIE is as follows.

Testing Limitations for Data Reported from DATA Act Files E and F

DATA Act File E of the DATA Act Information Model Schema contains additional awardee attribute information extracted from the System for Award Management via the DATA Act Broker. DATA Act File F contains sub-award attribute information extracted from the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System via the Broker. It is the prime awardee's responsibility to report sub-award and executive compensation information in the System for Award Management and the FFATA Subaward Reporting System. Data reported from these two award reporting systems are generated in the Broker for display on USASpending.gov. As outlined in OMB's Management Procedures Memorandum No. 2016-03, "Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information," (May 3, 2016), the authoritative sources for the data reported in DATA Act Files E and F are the System for Award Management and the FFATA Subaward Reporting System, respectively, with no additional action required of Federal agencies. Other than what is described in Finding A of this report, Kearney did not assess the completeness, accuracy, timeliness, and quality of the data extracted from System for Award Management and FFATA Subaward Reporting System via the DATA Act Broker.

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[1] Pub. L. No. 113-101.

[2] CIGIE, Federal Audit Executive Council, DATA Act Working Group, "Recommended DATA Act Considerations and Standard Reporting Language" (October 10, 2017).

[3] See Finding A of this report.

Government-wide Data Reporting Issues

Current Total Value of Award and Potential Total Value of Award Errors for Procurement Award Modifications

Data from the (1) Current Total Value of Award and (2) Potential Total Value of Award elements are extracted from the Federal Procurement Data System–Next Generation (FPDS-NG) via the legacy USASpending.gov website and provided to the DATA Act Broker.[4,5] Specifically, data for these elements are extracted from the following FPDS–NG fields respectively: (1) base and exercised options value and (2) base and all options value. These two fields are categorized in FPDS–NG under two columns for data entry labeled "Current" and "Total." The "Current" column contains amounts entered into the system by the agency. The "Total" column contains cumulative amounts computed by FPDS–NG on the basis of modification amounts entered into the system by the agency. Procurement award modifications, included in the sample, reported values for these elements from FPDS-NG's "Current" column, which displays the modification amount, rather than the "Total" column, which displays the total award value. As a result, data for the Current Total Value of Award and Potential Total Value of Award elements were inconsistent with agency records. A no-cost modification would cause the "Total" column to display an erroneous zero balance. Procurement awards (base awards) that were not modified did not produce these same errors.

Treasury Government-wide DATA Act Program Management Office officials confirmed that they are aware that the Broker currently extracts data for these elements from the "Current" column rather than the "Total" column. A Treasury official stated that the issue will be resolved once the DATA Act Information Model Schema version 1.1 is implemented in the Broker and related historical data from USAspending.gov are transferred to Beta.USASpending.gov during fall 2017. However, because the Department does not have responsibility for how data is extracted by the Broker, Kearney did not evaluate the reasonableness of Treasury's planned corrective action.

Indefinite Delivery Vehicle Type Errors

For procurement awards included in Kearney's sample, data from the Indefinite Delivery Vehicle Type element should be extracted from FPDS–NG and provided to the Broker. The FPDS–NG atom feed[6] delivers the Indefinite Delivery Vehicle Type and Contract Award Type in the same field. The Broker did not break down the data for Indefinite Delivery Vehicle Type, which resulted in inconsistencies with agency records.[7] Treasury's DATA Act Program Management Office

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[4] OMB defines the current total value of award data element as the total amount obligated to date on a contract, including the base and exercised options. Potential total value of award is defined as the total amount that could be obligated on a contract, if the base and all options are exercised.

[5] The legacy USASpending.gov uses FPDS Version 1.4 to extract and map that data from FPDS–NG. This was a one-time extraction for second quarter transactions.

[6] FPDS–NG has data reporting web services that provide access in real-time to a central data repository. FPDS–NG also provides real-time feeds of the same contractual data using atom feeds.

[7] As reported in Finding A of this report, because the Award Type component was also provided with this data element Kearney did not calculate accuracy errors related to the Indefinite Delivery Vehicle Type data element.

officials confirmed that they are aware of this issue and have taken steps to avoid this issue in future reporting periods. However, as the Department does not have responsibility for how data is extracted by the Broker, Kearney did not evaluate the reasonableness of Treasury's planned corrective action.

Legal Entity City Code and Primary Place of Performance County Name Errors

The interface definition document, a DATA Act Information Model Schema artifact, states that data from Legal Entity City Code and Primary Place of Performance County Name (for financial assistance awards in DATA Act File D2) are extracted via Treasury's Award Submission Portal (ASP). During fieldwork, Kearney noted that data for the Primary Place of Performance County Name field was consistently blank. A Treasury official stated that data for Legal Entity City Code had not been used since January 2017 and there were plans to reconsider how this element would be handled. The Treasury official further explained that data derived for Primary Place of Performance County Name would not be implemented until September 2017. Because data for these elements were not derived or implemented, these data fields were consistently blank and, therefore, not reported for display on USASpending.gov. However, because the Department does not have responsibility for how data is extracted by the Broker from ASP, Kearney did not evaluate the reasonableness of Treasury's planned corrective action.

APPENDIX C: STANDARD DATA ELEMENTS

Table C.1 shows the 57 standard data elements and descriptions established by the Office of Management and Budget (OMB) in coordination with the Department of the Treasury (Treasury), as required by the Digital Accountability and Transparency Act of 2014[1] (DATA Act). The table also shows the corresponding DATA Act Broker[2] Files that should include the data element.

Table C.1 Digital Accountability and Transparency Act of 2014 Standard Data Elements

Data Element	Description	DATA Act File(s)
Appropriations Account	The basic unit of an appropriation generally reflecting each unnumbered paragraph in an appropriation act.	DATA Act Files A and B
Budget Authority Appropriated	A provision of law (not necessarily in an appropriations act) authorizing an account to incur obligations and to make outlays for a given purpose.	DATA Act Files A and B
Object Class	Categories in a classification system that presents obligations by the items or services purchased by the Federal Government.	DATA Act Files B and C
Obligation	A legally binding agreement that will result in outlays, immediately or in the future.	DATA Act Files A, B, and C
Other Budgetary Resources	New borrowing authority, contract authority, and spending authority from offsetting collections provided by Congress in an appropriations act or other legislation or unobligated balances of budgetary resources made available in previous legislation, to incur obligations and to make outlays.	DATA Act Files A and B
Outlay	Payments made to liquidate an obligation (other than the repayment of debt principal or other disbursements that are "means of financing" transactions).	DATA Act Files A and B
Program Activity	A specific activity or project as listed in the Program & Financing schedules of the annual budget of the U.S. Government.	DATA Act File B

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[1] Pub. L. No. 113-101.

[2] Treasury developed an IT system, the DATA Act Broker, to facilitate Federal agency submission of data for publication on USAspending.gov.

Data Element	Description	DATA Act File(s)
Treasury Account Symbol (excluding sub-account)	The account identification codes assigned by Treasury to individual appropriation, receipt, or other fund accounts.	DATA Act File C
Unobligated Balance	The cumulative amount of budget authority that remains available for obligation under law in unexpired accounts at a point in time.	DATA Act Files A and B
Action Date	The date the action being reported was issued or signed by the Government or a binding agreement was reached.	DATA Act Files D1 and D2
Action Type	Description (and corresponding code) that provides information on any changes made to the Federal prime award.	DATA Act Files D1 and D2
Award Description	A brief description of the purpose of the award.	DATA Act Files D1 and D2
Award Identification Number	The unique identifier of the specific award being reported (that is, Federal Award Identification Number for financial assistance and Procurement Instrument Identifier for procurement).	DATA Act Files C, D1, and D2
Award Modification/Amendment Number	The identifier of an action being reported that indicates the specific subsequent change to the initial award.	DATA Act Files D1 and D2
Award Type	Description (and corresponding code) that provides information to distinguish type of contract, grant, or loan and provides the user with more granularity into the method of delivery of the outcomes.	DATA Act File D1
Business Types	A collection of indicators of different types of recipients based on socio-economic status and organization or business areas.	DATA Act File D2
Catalog of Federal Domestic Assistance Number	The number assigned to a Federal area of work in the Catalog of Federal Domestic Assistance.	DATA Act File D2
Catalog of Federal Domestic Assistance Title	The title of the area of work under which the Federal award was funded in the Catalog of Federal Domestic Assistance.	DATA Act File D2
North American Industrial Classification System Code	The identifier that represents the North American Industrial Classification System Code assigned to the solicitation and resulting award identifying the industry in which the contract requirements are normally performed.	DATA Act File D1

Data Element	Description	DATA Act File(s)
North American Industrial Classification System Description	The title associated with the North American Industrial Classification System Code.	DATA Act File D1
Ordering Period End Date	The date on which no additional orders referring to it (the award) may be placed.	DATA Act File D1
Parent Award Identification Number	The identifier of the procurement award under which the specific award is issued, such as a Federal Supply Schedule.	DATA Act File D1
Period of Performance Current End Date	The current date on which awardee effort completes or the award is otherwise ended.	DATA Act Files D1 and D2
Period of Performance Potential End Date	The date on which awardee effort is completed or the award is otherwise ended.	DATA Act File D1
Period of Performance Start Date	The date on which awardee effort begins or the award is otherwise effective.	DATA Act Files D1 and D2
Primary Place of Performance Address	The address where the predominant performance of the award will be accomplished. Components include: Address Lines 1 and 2, City, County, State Code, and ZIP+4 or Postal Code.	DATA Act Files D1 and D2
Primary Place of Performance Congressional District	U.S. congressional district where the predominant performance of the award will be accomplished, derived from the Primary Place of Performance Address.	DATA Act Files D1 and D2
Primary Place of Performance Country Code	Country code where the predominant performance of the award will be accomplished.	DATA Act Files D1 and D2
Primary Place of Performance Country Name	Name of the country represented by the country code where the predominant performance of the award will be accomplished.	DATA Act Files D1 and D2
Record Type	Code indicating whether an action is an individual transaction or aggregated.	DATA Act File D2
Amount of Award	The cumulative amount obligated by the Federal Government for an award, calculated by USASpending.gov or a successor site.	DATA Act Files D1 and D2
Current Total Value of Award	For procurement, the total amount obligated to date on a contract, including the base and exercised options.	DATA Act File D1
Federal Action Obligation	Amount of Federal Government's obligation, de-obligation, or liability, in dollars, for an award transaction.	DATA Act Files D1 and D2
Non-Federal Funding Amount	For financial assistance, the amount of the award funded by non-Federal source(s), in dollars.	DATA Act File D2

Data Element	Description	DATA Act File(s)
Potential Total Value of Award	For procurement, the total amount that could be obligated on a contract, if the base and all options are exercised.	DATA Act File D1
Awardee/Recipient Legal Entity Name	The name of the awardee or recipient that relates to the unique identifier.	DATA Act Files D1 and D2
Awardee/Recipient Unique Identifier	The unique identification number for an awardee or recipient; most commonly the 9-digit number assigned by Dun & Bradstreet referred to as the "DUNS®️ number."	DATA Act Files D1, D2, E, and F
Highly Compensated Officer Name	The first name, middle initial, and last name of an individual identified as one of the five most highly compensated "Executives."	DATA Act File E
Highly Compensated Officer Total Compensation	The cash and noncash dollar value earned by one of the five most highly compensated "Executives" during the awardee's preceding fiscal year.	DATA Act File E
Legal Entity Address	The awardee or recipient's legal business address where the office represented by the Unique Entity Identifier (as registered in the System for Award Management) is located.	DATA Act Files D1 and D2
Legal Entity Congressional District	The congressional district in which the awardee or recipient is located. This is not a required data element for addresses outside the United States.	DATA Act Files D1 and D2
Legal Entity Country Code	Code for the country where the awardee or recipient is located, using the ISO 3166-1 Alpha-3 GENC Profile, and not the codes listed for those territories and possessions of the United States already identified as "states."	DATA Act Files D1 and D2
Legal Entity Country Name	The name corresponding to the Country Code.	DATA Act Files D1 and D2
Ultimate Parent Legal Entity Name	The name of the ultimate parent of the awardee or recipient. Currently, the name is from the global parent DUNS®️ number.	DATA Act Files D1, D2, and E
Ultimate Parent Unique Identifier	The unique identification number for the ultimate parent of an awardee or recipient.	DATA Act Files D1, D2, and E
Awarding Agency Code	A department or establishment of the Government as used in the Treasury Account Fund Symbol.	DATA Act Files D1 and D2

Data Element	Description	DATA Act File(s)
Awarding Agency Name	The name associated with a department or establishment of the Government as used in the Treasury Account Fund Symbol.	DATA Act Files D1 and D2
Awarding Office Code	Identifier of the level n organization that awarded, executed, or is otherwise responsible for the transaction.	DATA Act Files D1 and D2
Awarding Office Name	Name of the level n organization that awarded, executed, or is otherwise responsible for the transaction.	DATA Act Files D1 and D2
Awarding Sub Tier Agency Code	Identifier of the level 2 organization that awarded, executed, or is otherwise responsible for the transaction.	DATA Act Files D1 and D2
Awarding Sub Tier Agency Name	Name of the level 2 organization that awarded, executed, or is otherwise responsible for the transaction.	DATA Act Files D1 and D2
Funding Agency Code	The 3-digit Common Government-wide Accounting Classification agency code (Agency identifier published in OMB A-11) of the department or establishment of the Government that provided the preponderance of the funds for an award or individual transactions related to an award.	DATA Act Files D1 and D2
Funding Agency Name	Name of the department or establishment of the Government that provided the preponderance of the funds for an award or individual transactions related to an award.	DATA Act Files D1 and D2
Funding Office Code	Identifier of the level n organization that provided the preponderance of the funds obligated by this transaction.	DATA Act Files D1 and D2
Funding Office Name	Name of the level n organization that provided the preponderance of the funds obligated by this transaction.	DATA Act Files D1 and D2
Funding Sub Tier Agency Code	Identifier of the level 2 organization that provided the preponderance of the funds obligated by this transaction.	DATA Act Files D1 and D2
Funding Sub Tier Agency Name	Name of the level 2 organization that provided the preponderance of the funds obligated by this transaction.	DATA Act Files D1 and D2

Source: Prepared by Kearney & Company, P.C. from OMB and Treasury's "Federal Spending Transparency Data Standards," August 31, 2015, https://fedspendingtransparency.github.io/data-elements/.

APPENDIX D: BUREAU OF THE COMPTROLLER AND GLOBAL FINANCIAL SERVICES RESPONSE

United States Department of State

Comptroller

Washington, DC 20520

October 31, 2017

MEMORANDUM

UNCLASSIFIED

TO: OIG – Steve A. Linick

FROM: CGFS – Christopher Flaggs

SUBJECT: Draft Report on the Audit of the Department of State's Implementation of the Digital Accountability and Transparency Act of 2014 (DATA Act)

Thank you for the opportunity to comment on the Draft Report on the Audit of the Department of State's Implementation of the Digital Accountability and Transparency Act of 2014 (Report). Improving the Department's reporting to the American public on how the Department spends their tax dollars is a priority goal for the Bureau of the Comptroller and Global Financial Services (CGFS). In addition to providing greater transparency and accountability, it is the first step in a larger and longer effort to use data as a resource to transform the way we manage and govern. CGFS would like to extend our thanks to your staff and Kearney & Company for the professional and collaborative manner in which they conducted this first DATA Act audit. Few outside the financial and audit community likely recognize or appreciate the time and effort that have gone into producing the first DATA Act submission and associated audit. We concur with the Report's four recommendations.

With respect to Recommendation 1, in April 2017, the Bureau of Administration (A Bureau) and CGFS completed the worldwide deployment of real-time integration between the Department's Integrated Logistics Management System (ILMS) and Regional Financial Management System (RFMS for overseas procurement activities. The A Bureau continues its ILMS-RFMS real-time integration deployment efforts for overseas grants activities, and as of August 2017, 194 overseas locations are online. CGFS, in coordination with the A Bureau, will continue to focus on improving the accuracy, completeness and timeliness of overseas information to enable a certification on this data.

With respect to Recommendation 4, we will work to ensure that the quarterly DATA Act File C submission includes only transactions that occurred within the applicable quarter. In regards to File C, we would like to highlight that there were only two errors in the sample for File C. One was a single procurement record that was a timing difference and should not have been included in File C. The other was related to one data field on a

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single grant record. Overall, the Department believes that the error rate for the File C sample was less than one-half of one percent.

It is unfortunate, but understandable, that this audit was required to be performed on the very first DATA Act submission. Across the U.S. Government (USG), there were a number of lessons learned as agencies, including the Department, developed and made their first submissions. We greatly appreciate the fact that the Report indicates that our Files A & B were accurate, timely and complete, and that we took steps to implement and use the data element standards established by OMB and Treasury. We also acknowledge that we did not certify any overseas data which therefore was not subject to review.

We recognize and respect that the audit was required to be conducted, and results reported, in accordance with the CIGIE Guide, "Inspectors General Guide to Compliance Under the DATA Act." This serves to help ensure some level of consistency across the entire USG to assess performance and results. However, in our opinion, the CIGIE approach provides an extremely conservative picture of the status of the data. For example, a record with 57 data fields with an error in a single data field is considered 100% in error versus 2% (i.e., one 57th) in error. This produces an exceptionally high error rate if for some reason a single or small number of data fields have errors across all records. It would infer that all of the other data fields, that are accurate, cannot be relied upon. For example, the Department calculated that out of a total number of reported data fields for the D1 file (about 17,000) on the sample count of 361 items, 1,645 were in error, thereby reflecting an error rate of 10% of data versus the rates reported under the CIGIE methodology. We are in no way questioning the accuracy of the Report for its reporting under the CIGIE methodology. We are simply offering another view of the same domestic data population, and with the understanding that the Department did not certify the overseas data.

CGFS, working with the A Bureau and other Department-wide partners, is working hard to fully meet the intent and requirements of the DATA Act. Based on our own DATA Act efforts, and as confirmed in the Report, we know that the Department needs to improve the reporting of data for our overseas operations, as well as our domestic Federal Procurement Data System (File D1) and Federal Assistance (File D2) data. We will continue to make these improvements, while continuing to ensure the rigor and accountability over the expenditure of Department and tax-payer dollars.

Again, CGFS appreciates the opportunity to comment on the report, and the manner in which the audit was conducted. We fully recognize that there is more to be done and that the items identified in the Report will require our continued attention, action, and improvement. We look forward to working with you, Kearney & Company, and other stakeholders on addressing these issues in the coming year.

CC – Mr. Harry Mahar - A

ABBREVIATIONS

ASP	Award Submission Portal
CGFS	Bureau of the Comptroller and Global Financial Services
CIGIE	Council of the Inspectors General on Integrity and Efficiency
DATA Act	Digital Accountability and Transparency Act of 2014
FFATA	Federal Funding Accountability and Transparency Act
FPDS–NG	Federal Procurement Data System – Next Generation
GFMS	Global Financial Management System
GTAS	Governmentwide Treasury Account Symbol Adjusted Trial Balance System
OMB	Office of Management and Budget
SAO	Senior Accountable Official
SF	Standard Form

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