



# USDA's 2017 Compliance with the Digital Accountability and Transparency Act (DATA Act)

## Audit Report 11601-0001-22

OIG reviewed the data USDA submitted for the DATA Act April 2017 reporting deadline for completeness, timeliness, quality, and accuracy.

### OBJECTIVE

Our objectives were to assess (1) the completeness, timeliness, quality, and accuracy of fiscal year 2017, second quarter, financial and award data submitted for publication on USASpending.gov, and (2) USDA's implementation and use of the Government-wide financial data standards.

### WHAT OIG FOUND

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

Our review found that, although USDA submitted a and certified second quarter files to the Department of the Treasury's broker by the April 30, 2017, reporting deadline, these files were incomplete and of insufficient quality. Specifically, USDA submitted data, which only contained 1 of 670 required Treasury account symbols, 6 of 576 program activities, and a third, blank file, even though the third file was supposed to include all financial award data for the quarter. In part, this occurred because USDA's DATA Act repository was not fully functional at the time of the second quarter submission, OCFO did not have formalized policies and procedures in place to govern the DATA Act submission and reconciliation process within USDA, and not all USDA agencies submitted the required financial and award data to OCFO for processing to the Department of the Treasury.

### REVIEWED

We reviewed the fiscal year 2017, second quarter, financial and award data USDA submitted for publication on USASpending.gov and any applicable procedures, certifications, documentation, and controls to achieve this process.

### RECOMMENDS

We recommended that, as the Department moves forward, USDA should take appropriate action to improve the quality of its data by ensuring its future quarterly data submissions are timely, complete, and accurate for display on USASpending.gov.

OCFO generally concurred with our recommendations and OIG was able to accept management decision for four out of the five recommendations. Further action from the agency is needed before management decision can be reached for the remaining recommendation.





United States Department of Agriculture  
Office of Inspector General  
Washington, D.C. 20250



DATE: November 1, 2017

AUDIT  
NUMBER: 11601-0001-22

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

ATTN: Annie Walker  
Director  
Internal Control Division

FROM: Gil H. Harden  
Assistant Inspector General for Audit

SUBJECT: USDA's 2017 Compliance with the Digital Accountability and Transparency Act  
(DATA Act)

This report presents the results of the subject audit. Your written response dated October 23, 2017, to the official draft report is included in its entirety at the end of this report. We have incorporated excerpts from your response and the Office of the Inspector General's (OIG) position into the relevant sections of the report. Based on your written response, we are accepting management decision on Recommendations 2, 3, and 4. Management decision has not been reached on Recommendation 1. The actions need to reach management decision for this recommendation is detailed in the OIG position section of the report.

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

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

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# Background and Objectives

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## Background

### Requirements of Federal Agencies

The Digital Accountability and Transparency Act of 2014<sup>1</sup> (DATA Act) was enacted on May 9, 2014, to expand the reporting requirements pursuant to the Federal Funding Accountability and Transparency Act of 2006 (FFATA).<sup>2</sup> The purpose of the DATA Act is to (1) expand FFATA by disclosing direct Federal agency expenditures and linking Federal contract, loan, and grant spending information to Federal programs so taxpayers and policy makers can more effectively track Federal spending; (2) establish Government-wide data standards for financial data and provide consistent, reliable, and searchable Government-wide spending data that are displayed accurately for taxpayers and policy makers; (3) simplify reporting for entities receiving Federal funds by streamlining reporting requirements and reducing compliance costs while improving transparency; (4) improve the quality of data submitted by holding Federal agencies accountable for the completeness and accuracy of the data submitted; and (5) apply approaches developed by the Recovery Accountability and Transparency Board to spending across the Federal Government.

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

In May 2015, the Office of Management and Budget (OMB) and Department of the Treasury published 57 data definition standards and required Federal agencies to report financial data in accordance with these standards for DATA Act reporting, beginning January 2017.<sup>4</sup> DATA Act Practices and Procedures established by the Department of the Treasury<sup>5</sup> required agencies to submit and certify second quarter files (A, B, C, D1, D2, E, and F) to the broker by April 30, 2017. The file names and the type of data to be contained within each file are as follows:

- File A: Appropriations Account
- File B: Object Class and Program Activity

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

<sup>2</sup> Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282 (FFATA).

<sup>3</sup> “Program activity” is a specific activity or project as listed in the program and financing schedules of the annual budget of the United States Government.

<sup>4</sup> See <https://max.gov/datastandards>.

<sup>5</sup> DATA Act Schema, *DATA Act Practices and Procedures v1.02*, Dec. 21, 2016.

- File C: Award Financial
- File D1: Award and Awardee Attributes—Procurement Awards
- File D2: Award and Awardee Attributes—Financial Assistance Awards
- File E: Additional Awardee Attributes
- File F: Sub-Award Attributes

The Federal agency submits Files A, B, and C based on data housed within its internal financial system(s). Files A and B contain summary-level financial data, and File C contains reportable award-level data. Files D1 through F contain detailed demographic information for award-level transactions reported in File C. Agencies are responsible for compiling and submitting Files A, B, and C to the broker quarterly. The remaining files (D1, D2, E, and F) are generated by the broker at the time of submission based on data extracted by the broker from external reporting systems. For File D1, agencies submit procurement award data to the Federal Procurement Data System (FPDS-NG) on a daily basis; this information is extracted by the broker from FPDS-NG to generate File D1.<sup>6</sup> Additionally, at least twice a month, agencies submit financial assistance data to the Award Submission Portal (ASP).<sup>7</sup> This information is extracted by the broker and used to generate File D2. For both Files D1 and D2, though the broker generates the files at the time of submission, the agency is the source of the initial data entry in both FPDS-NG and ASP.

OMB's Management Procedures Memorandum 2016-03<sup>8</sup> states that Federal financial assistance awards, for specific entities, must be submitted twice a month to USASpending.gov.<sup>9</sup> Agencies must use information from their systems to populate these data. The criteria further states that the authoritative sources for the data reported in Files E and F are System for Award Management (SAM)<sup>10</sup> and Federal Sub-award Reporting System (FSRS),<sup>11</sup> respectively, with no additional action required of Federal agencies. It is the prime awardee's responsibility to report sub-award and executive compensation information in SAM and FSRS. As such, we did not assess the completeness, accuracy, timeliness, and quality of the data extracted from SAM and FSRS via the DATA Act Broker.

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<sup>6</sup> FPDS-NG contains data from all government agencies. All contracts whose estimated value is \$3,000 or more are required to be reported in FPDS-NG, as well as every modification to that contract, regardless of dollar value.

<sup>7</sup> The ASP is the platform used by federal agencies to upload monthly assistance data to USASpending.gov.

<sup>8</sup> OMB, *Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information*, M-16-03, (May 3, 2016).

<sup>9</sup> USASpending.gov is a publicly accessible website that displays required federal contract, grant, loan, and other financial assistance awards information, to give the American public access to information on how their tax dollars are being spent.

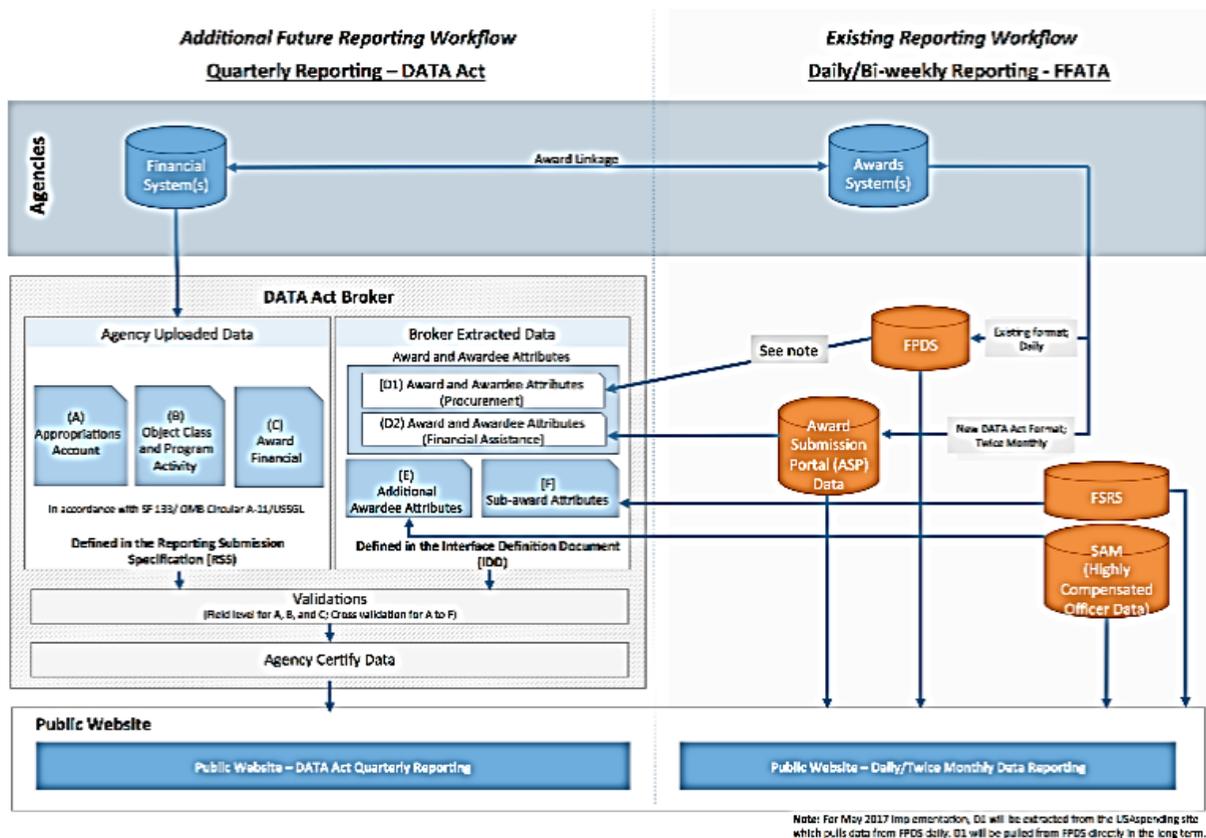
<sup>10</sup> Entities (contractors, federal assistance recipients, and other potential award recipients) must register in SAM to do business with the Government, look for opportunities or assistance programs, or report subcontract information. SAM is also used by Government contracting and grants officials responsible for contracts, grants, past performance reporting, and suspension and debarment activities, and by public users searching for government business information.

<sup>11</sup> FSRS is the reporting tool Federal prime awardees use to capture and report sub-award and executive compensation data regarding their first-tier sub-awards to meet the FFATA reporting requirements.

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Additionally, OMB M-17-04<sup>12</sup> requires that the senior accountable official (SAO)<sup>13</sup> assure, on a quarterly basis, alignment among all files within the complete DATA Act submission is valid and reliable, including the linkages across all data in Files A-F. It further states, where there are legitimate differences between the files, the SAO should provide explanations for any misalignment. To provide this assurance, agencies should have internal controls in place over all of the data reported for display in USASpending.gov. To promote accurate and complete awardee and sub-awardee data in FSRs and SAM, agencies must comply with current regulatory requirements, such as requiring Federal prime awardees to report to FSRs and SAM as part of the terms and conditions of the award.

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



**Figure 1: Information Flow** (provides an overview of the sources of the data included in the DATA Act Schema and how the data will be submitted to the broker)  
<https://fedspendingtransparency.github.io/data-model/>

<sup>12</sup> OMB, *Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability*, M-17-04, (Nov. 4, 2016).

<sup>13</sup> The SAO is a delegated high-level senior official accountable for the quality and objectivity of Federal spending information. These senior leaders will ensure that the information conforms to OMB guidance on information quality and adequate systems and processes are in place within the agencies to promote such conformity.

Additionally, the DATA Act Practices and Procedures also provided overall instructions for creating and understanding DATA Act reporting and validation rules to ensure agencies are including appropriate, sufficient data in the appropriate format.

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

## **USDA Reporting**

The Office of the Chief Financial Officer (OCFO) is responsible for leading USDA's DATA Act implementation. Specific to USDA, the data required by the DATA Act reside in one of USDA's three general ledgers.<sup>14</sup> In addition to these 3 general ledgers, USDA agencies listed 40 additional systems that they use to compile data required by the DATA Act. To capture the 57 data elements for reporting, OCFO had to modify source systems to incorporate data elements that were not initially captured by the systems. In some instances, such as with FMFI,<sup>15</sup> the modification required the incorporation of new data fields within FMFI.

Due to the magnitude of the data that USDA is required to report by the DATA Act, USDA created a DATA Act repository to store all of its DATA Act data. OCFO designed the repository to allow USDA to apply analytics and error checks before OCFO submits the data to USASpending.gov via the Department of the Treasury's broker. The functionality of the repository is to collect USDA agency data, run validation checks for errors, allow USDA agencies to correct and resubmit their data, consolidate the original and corrected data, and then submit the combined files to the Department of the Treasury's broker.

## **Inspector General Requirements**

In addition to reporting requirements at Federal agencies, the DATA Act requires the Inspector General (IG) of each Federal agency to review a statistically valid sample of the spending data submitted by its Federal agency. Further, the IG of each agency must submit to Congress a publicly available report assessing the completeness, timeliness, quality, and accuracy of the data sampled as well as the implementation of the Government-wide financial data standards by the Federal agency. The Inspector General guide<sup>16</sup> also sets forth definitions of the following elements of the audit objective:

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<sup>14</sup> Financial Management Modernization Initiative (FMFI), CORE General Ledger System, and Program Loan Accounting System.

<sup>15</sup> FMFI is an advanced, web-based, financial management system that provides general accounting, funds management, and financial-reporting capabilities. FMFI integrates a majority of the financial functions of USDA.

<sup>16</sup> The IG Guide to Compliance Under the DATA Act of 2014 presents a common methodological and reporting approach for the IG community to use in performing its mandated work. This guide provides the IG community with a baseline framework for the reviews required by the DATA Act.

<https://www.treasury.gov/about/organizational-structure/ig/Audit%20Reports%20and%20Testimonies/OIG-CA-17-012.pdf>.

- Completeness is measured in two ways: (1) as the percentage of all transactions that should have been recorded are recorded in the proper reporting period, and (2) as the percentage of transactions containing all applicable data elements required by the DATA Act.
- Timeliness is measured as the percentage of transactions reported within 30 days of quarter end.
- Accuracy is measured as the percentage of transactions that are complete and agree with the systems of record or other authoritative sources.
- Quality is defined as a combination of utility, objectivity, and integrity.
  - “Utility” refers to the usefulness of the information to the intended users.
  - “Objectivity” refers to whether the disseminated information is being presented in an accurate, clear, complete, and unbiased manner.
  - “Integrity” refers to the protection of information from unauthorized access or revision.

In consultation with the Government Accountability Office (GAO), as required by the DATA Act, the Council of the Inspectors General for Integrity and Efficiency (CIGIE) Federal Audit Executive Council (FAEC) Working Group developed an audit guide to set a baseline framework for the required reviews performed by the IG community and to foster a common methodology for performing the mandates. Under the DATA Act, each IG is required to issue three reports on its agency’s data submission and compliance with the DATA Act. We used the working group guide as a basis for the USDA audit program.

As written in the DATA Act, the first set of IG reports were due to Congress in November 2016. However, Federal agencies were not required to submit spending data in compliance with the DATA Act until April 30, 2017. As a result, IGs were not able to report in November 2016 on the spending data submitted under the DATA Act, as this information would not exist until 2017. For this reason, CIGIE developed an approach to address the reporting date anomaly. The revised plan is for the IGs to provide to Congress the first required reports in November 2017, one year later than the due date in the statute. Subsequent reports will follow on a 2-year cycle: November 2019, then again in November 2021.

On December 22, 2015, CIGIE issued a letter that documented the strategy for addressing the IG reporting date anomaly and communicated it to the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform (See Exhibit A).

Prior to this audit, OIG completed a readiness review of USDA’s implementation of the DATA Act Implementation Playbook developed by the Department of the Treasury and the OMB.<sup>17</sup> OIG issued an interim report to document USDA’s implementation of Steps 1-4 of the Playbook.<sup>18</sup> The interim report identified challenges, but did not note any material weaknesses

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<sup>17</sup> DATA Act Implementation Playbook, Version 1.0, was issued in June 2015; Version 2.0 is dated June 24, 2016.

<sup>18</sup> Audit Report 11601-0001-23(1), *USDA Implementation of the Digital Accountability and Transparency Act of 2014 (DATA Act)—Readiness Review—Interim Report*, Feb. 2017.

that would prevent USDA from succeeding in its plans for DATA Act reporting. The final report, however, identified that USDA did not resolve gaps in its data pertaining to two agencies that did not use FMMI as their general ledger system. The gaps remained, in part, because OCFO did not effectively communicate the agencies' data extraction progress.<sup>19</sup>

## Objectives

Our objectives were to assess the (1) completeness, timeliness, quality, and accuracy of fiscal year 2017, second quarter, financial and award data submitted for publication on USASpending.gov, and (2) USDA's implementation and use of the Government-wide financial data standards established by OMB and the Department of the Treasury.

Finding 1 addresses issues found and recommendations related to the completeness and overall quality aspect of USDA's DATA Act submission, as well as USDA's implementation of the data standards established by OMB and the Department of the Treasury. Regarding the quality of the data submitted, we conducted an internal control assessment and tested a sample of 385 transactions for timeliness, accuracy, and completeness. However, we do not provide a finding because the results obtained were inconclusive. Therefore, they did not provide an adequate basis to support recommendations to USDA.

In summary, to address the audit objectives we employed the prescribed methodology and selected a statistical sample of 385 transactions to compare to supporting documentation for the purpose of reporting an aggregate error rate regarding the accuracy, timeliness, and completeness of the data. We initially found 3 of 385 transactions chosen did not reside in the second quarter and were eliminated from testing. From tests performed of the remaining 382 transactions, we found errors related to agency supplied information and issues with the broker where the agency did not have control. In some cases, we were not able to specifically determine the root cause, but there is evidence that it may be broker-related. As a result, in many instances there were errors we considered beyond USDA's control and acknowledge that our review did not determine the degree of error breakdown attributable to USDA.

Specifically, we identified the following examples during our transaction testing:

- In four cases, we could not verify data to source documentation because USDA was unable to provide supporting documentation pertaining to the transaction.
- For 163 of 382 (approximately 43 percent) financial award transactions sampled, the USDA source documentation did not match the totals reported by the broker for the current total value of the award reported in File D1. These discrepancies were the result of how the data were extracted by the Department of the Treasury broker from FPDS-NG rather than incorrect entry by USDA. A Department of the Treasury official stated that the issue will be resolved once related historical data from USASpending.gov are transferred to Beta.USASpending.gov during the fall of 2017. However, since USDA

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<sup>19</sup> Audit Report 11601-0001-23, *USDA Implementation of the Digital Accountability and Transparency Act of 2014 (DATA Act)—Readiness Review*, Sept. 2017.

does not have responsibility for how data is extracted by the broker, we did not evaluate the reasonableness of the Department of the Treasury's planned corrective action.

- For 77 of 382 transactions, nearly 20 percent of our sample, we could not verify certain data elements because either the fields did not contain the required data elements, or the elements were not in conformance with the established data standards. For those instances, we were unable to determine if the issue in those fields was attributable to USDA or to the Department of the Treasury, which is responsible for aggregating the information from non-USDA source systems.
- Lastly, as required, we verified attributes within the sample to data contained in SAM, which is maintained solely by the Contractor. We found errors where the legal entity address compared to source documentation did not match for 170 of 382 transactions, or nearly 45 percent; however, we could not determine if the errors were the fault of the Contractor, USDA, or the Department of the Treasury, based on how the data was populated.

Throughout the course of our audit work, we communicated the applicable issues above as potential broker issues to the Department of the Treasury and/or GAO during the monthly FAEC working group meetings. We were informed that the Department of the Treasury OIG plans to conduct an audit of the DATA Act Information Model Schema, the Treasury's broker, and how Treasury collects raw data from agencies, which should identify, on a Government-wide basis, any additional issues affecting agencies. We conclude, until weaknesses identified in this report are addressed, any efforts to assess the quality of USDA's data submitted for publication on [Beta.USASpending.gov](https://beta.USASpending.gov) will be limited due to uncertainties about data accuracy. Therefore, we do not provide a finding or recommendations to USDA for the timeliness, accuracy, and completeness of the data for our sample of 385 transactions. We do plan to report summary data to GAO for their mandated quality review, in which they are assessing OMB and Treasury's progress toward addressing issues related to the implementation of the DATA Act.

## Section 1: USDA DATA Act Submission

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### Finding 1: USDA's Fiscal Year 2017 Second Quarter Appropriation and Program Data Submission was Incomplete

Although USDA submitted and certified second quarter files to the Department of the Treasury's broker by the April 30, 2017, reporting deadline, these files were incomplete and of insufficient quality.<sup>20</sup> Specifically, USDA submitted data, which only contained 1 of the required 670 Treasury account symbols and 6 of 576 program activities, and submitted a blank file (File C), which was supposed to include all financial award data for the quarter. This occurred, in part, because USDA's DATA Act repository was not fully functional at the time of the second quarter submission. Furthermore, OCFO did not have formalized policies and procedures in place to govern the DATA Act submission and reconciliation process within USDA, and not all USDA agencies submitted the required financial and award data to OCFO for processing to the Department of the Treasury. As a result, taxpayers and policy makers did not have access to quality USDA data comprised of complete financial information pertaining to USDA's fiscal year 2017, second quarter data submission.

The DATA Act provides that, no later than 3 years after the date of its enactment, Act, for any funds made available or expended by a Federal agency or component of a Federal agency the following information should be reported: (1) the amount of obligated and unobligated balances for the budget authority appropriated and any other budgetary resources; (2) the accounts and amounts that are obligated for each program activity, including the amounts of any outlays; (3) the accounts and amounts that are obligated for each object class, including the amounts of any outlays; and (4) the amounts obligated and any outlays from each object class by program activity.<sup>21</sup> DATA Act Practices and Procedures established by the Department of the Treasury required agencies to submit and certify second quarter files, containing the data (A, B, C, D1, D2, E, and F) to the broker by April 30, 2017.

Although USDA adhered to the file submission requirements outlined by the Department of the Treasury and submitted files A, B, and C (and subsequently generated files D1, D2, E, and F from the broker) by April 30, 2017, the files were incomplete and therefore did not comply with the requirements of the DATA Act.

For example, the DATA Act requires, for each appropriation account (File A), the amount of budget authority appropriated, the amount that is obligated, the amount of unobligated balances, and the reporting of any other budgetary resources. However, USDA only submitted data on 1 of 670 appropriation accounts (File A). The DATA Act also requires agencies submit the amount of appropriations and outlays for each program activity; however, USDA only submitted data pertaining to 6 of 576 program activities (File B). Finally, the DATA Act required the agency to report financial award data for the quarter (File C), but USDA did not report any data within the file. The file did contain a header row, which included the data element titles.

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<sup>20</sup> Quality and completeness determinations are based on the definitions established by the FAEC's DATA Act Working Group Inspectors General Guide to Compliance under the DATA Act.

<sup>21</sup> Digital Accountability and Transparency Act of 2014, Public Law No. 113-101.

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Submitting a file with the data element titles allowed USDA to submit the file to the Department of the Treasury without the file rejecting, even though the file did not contain any substantive data.

OCFO officials agree that its fiscal year 2017, second quarter, data submission to the Department of the Treasury was incomplete; however, they contend that they met the requirements outlined by the Department of the Treasury because they submitted files to the broker by April 30, 2017. However, due to the amount of data missing from USDA's submission, we concluded that USDA did not comply with the DATA Act reporting requirements, even though it submitted files to the broker by the Department of the Treasury's April 30, 2017 deadline.

Several causes contributed to USDA's submission of incomplete data: (1) USDA's DATA Act repository was not fully functional at the time of the second quarter submission, (2) OCFO did not have formalized policies and procedures in place to govern the DATA Act submission and reconciliation process within USDA, and (3) not all USDA agencies submitted the required financial and award data to OCFO for processing to the Department of the Treasury's broker.

#### *Repository was not fully functional*

To comply with the requirements of the DATA Act, OCFO developed a DATA Act repository to maintain all of USDA's data. The main functions of the repository were to collect USDA agency data, check the data for errors, allow USDA agencies to correct and resubmit their records, consolidate the data, and then submit the data to the Department of the Treasury's broker. However, we determined that USDA's DATA Act repository was not fully functional at the time of the second quarter submission. For example, USDA's DATA Act repository was designed to emulate the edit checks within the Department of the Treasury's broker. However, the repository did not produce error reports for Files A, B, or C during the April 30 submission process to alert USDA to the extent of errors that existed within the second quarter data.

An OCFO official informed us that on May 3, 2017, after the data submission deadline had passed, coding updates to the repository were in process to help with the correction of data files. Also, OCFO officials stated that, once these coding issues were corrected, the updates would help solve multiple problems with the files. For example, on May 10, 2017, coding changes were made to the repository to help correct formatting issues with the File A outbound file. In later discussion with OCFO officials, we were told that the USDA appropriation accounts data in File A and the appropriations data within the SF-133 did not always properly reconcile, contributing to File A's lack of data. This problem contributed to USDA reporting less than 1 percent of its Treasury account symbols to the Department of the Treasury's broker by the April 30 submission deadline.

Although OCFO accepted the 57 data elements established by OMB and the Department of the Treasury, it incurred challenges incorporating the elements into USDA's financial systems. For example, OCFO had not fully integrated nine additional fields needed for reporting financial assistance, which inhibited the completion of the File D2 process. This problem also contributed to the incomplete submission.

OCFO documented that system modifications were needed in order to incorporate the additional DATA Act elements required for Federal financial assistance reporting within the DATA Act submission. Without the modifications, OCFO concluded that it could not complete the File D2 automation. As a temporary solution, USDA used a manual process for processing its File D2 second quarter data. We concluded that OCFO should make the appropriate system modifications to capture missing DATA Act elements to assist in the completion of USDA's File D2 data.

*No formalized policies and procedures in place*

Another contributing factor to USDA's incomplete submission of data was that OCFO did not have formalized policies and procedures in place to govern the DATA Act process within USDA. Although, OCFO provided the agencies with DATA Act guidance issued by OMB and the Department of the Treasury, many of OCFO's written processes and instructions are still in draft form. For example, OCFO did not have formalized written procedures for reconciling and validating data for Files A, B, and C. Additionally, prior to April 30, 2017, OCFO's written guidance for FMFI users to place the award identification number on various manually entered FMFI documents had not been finalized. Without the inclusion of an award identification number on FMFI documents, OCFO is unable to reconcile the accounting transactions and award. We concluded OCFO should take steps to formalize and implement DATA Act Standard Operating Procedures.

*Agencies did not submit required data*

Lastly, not all USDA agencies submitted the required financial and award data to OCFO for processing at the Department of the Treasury. For example, two agencies<sup>22</sup> that maintain financial data outside the Department's financial system, FMFI, did not submit any of their accounting or award data to OCFO. The two agencies must prepare and submit a consolidated A-C file for inclusion in the DATA Act repository; however, neither agency provided its required data for the second quarter reporting to OCFO. Officials from both agencies stated that a lack of funding hampered their ability to address the mandated requirement.

In addition, OCFO officials told us that two additional agencies<sup>23</sup> did not submit all of their financial assistance award data (File D2) to OCFO for the second quarter submission. Both agencies agreed that there had been challenges with the File D2 reporting to OCFO. For example, one agency cited problems with the Federal Award

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<sup>22</sup> The two agencies were the Farm Service Agency and Rural Development.

<sup>23</sup> The two agencies were the Foreign Agriculture Service and the National Resource Conservation Service.

Identification Number (FAIN) and the Procurement Instrument Identifiers (PIID)<sup>24</sup> that are not populated on direct entry FMMI obligations, invoices, or general ledger transactions. Another agency said there were challenges with formatting the data properly and with the acceptance of Data Universal Numbering System (DUNS) numbers.<sup>25</sup> Without USDA agencies providing all of their required DATA Act data to OCFO, the Department's quarterly data submission will remain incomplete. OCFO should develop a plan with each USDA agency and office to address fatal errors specific to the agency/office and facilitate the reporting of DATA Act data to the repository.

OCFO subsequently updated the second quarter data submission to the Department of the Treasury for Files A and B, certifying the updated submission on May 12, 2017. However, File C remained the same and only included the header row of data. On June 6, 2017, OCFO decided to move on from the second quarter submission to focus on the third quarter submission, leaving the May 12, 2017 files as the most recent files for its second quarter submission.<sup>26</sup> According to OCFO, one problem it is working to resolve regarding File C pertains to fatal errors associated with the FAIN and PIID Award IDs. According to the Department of the Treasury's Data Act Validation Rules, each row provided in File C must contain either a FAIN, Uniform Resource Identifier (URI), or PIID, and any errors are considered fatal. A fatal error must be corrected before the Department of the Treasury will accept the data submission. In June 2017, OCFO provided us with File C error reports for the months of March and April 2017, which disclosed 18,997 records that failed this validation rule. Although these errors represented less than one percent of total errors, these errors prohibit the complete submission from being processed.

On July 24, 2017, OCFO issued a bulletin communicating established policy and procedures for FMMI users that should help USDA agencies identify obligations and payments by FAIN or PIID for manually-entered documents. OCFO officials stated that they would not be fully aware of all File C errors until File D2 is fully populated. Part of the problem, according to OCFO, is there are no system controls in FMMI that would prevent a user from submitting a document without a FAIN or PIID. The system will prompt a user to add a FAIN or PIID, but currently this is only a warning: the user can still create the document without an Award ID. At the agency closeout meeting, we communicated that OCFO should implement system controls within FMMI to ensure agencies populate the appropriate Award ID for associated procurement and financial assistance transactions to help resolve reconciliation errors within the repository. OCFO agreed with our recommended approach.

The purpose of the DATA Act is, in part, to expand the FFATA of 2006 by disclosing direct Federal agency expenditures and linking Federal contract, loan, and grant spending information to programs of Federal agencies to enable taxpayers and policy makers to track Federal spending

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<sup>24</sup> The Award ID is FAIN for financial assistance awards and PIID for procurement awards. URI is an agency-defined identifier that is unique for every reported action. FAIN and PIID are unique ID numbers; specifically, they are the keys to linking the financial and award data. FAIN ties the data in the Award Submission Portal (ASP) to the associated financial data. PIID ties the data in the Federal Procurement Data System (FPDS) to the associated financial data.

<sup>25</sup> The DUNS number is the unique identification number for an awardee or recipient, which is a 9-digit number assigned by Dun & Bradstreet.

<sup>26</sup> OIG did not verify the subsequent data submissions.

more effectively. As a result of USDA's incomplete submission of data, taxpayers and policy makers do not have appropriate and timely financial information needed to track Federal spending more effectively as intended by the DATA Act for USDA's second quarter 2017 data.

OCFO concurred that its fiscal year 2017, second quarter data submission to the Department of the Treasury was incomplete. OCFO generally agreed with the contributing causes we identified for the incomplete data submission. According to OCFO officials, multiple factors contributed to the incomplete submission of data. On April 21, 2017, USDA contacted OMB and the Department of the Treasury seeking a reporting extension to July 31, 2017, for the second quarter submission. The SAO cited multiple reasons for the extension request, including tornado damage to USDA's National Finance Center (NFC) in New Orleans, where the USDA DATA Act repository was under development. The SAO also reported major network connectivity issues and resource constraints. Additionally, she explained that the displacement of NFC employees significantly affected the collaborative nature of the repository development and slowed USDA's progress. She stated she was not confident that USDA had enough time to complete quality control assurances or allow USDA agencies' chief financial officers sufficient time to review and approve the data to be submitted to the broker. Based on the Department of the Treasury's response, USDA submitted the files by the original April 30, 2017 deadline with a plan to work aggressively towards a full data submission thereafter.

Additionally, OCFO officials cited constant changes to the Department of the Treasury's broker as a continual challenge in meeting the second quarter reporting deadline. Each change made to the broker-required changes to be made to USDA's DATA Act repository. OCFO officials stated that USDA's complex structure also created challenges for meeting the reporting deadline, as USDA has a large number of Treasury account symbols as compared to other Departments. Overall, OCFO officials stated that they took a long-term and comprehensive approach to building the data repository and recognized that they would encounter short-term reporting challenges due to the volume of data that USDA processes.

We agree that USDA faced significant challenges to the successful and timely implementation of the DATA Act. However, as the Department moves forward, USDA should take appropriate action to ensure its future quarterly data submissions are timely, complete, and accurate for display on USASpending.gov.

## **Recommendation 1**

Work with each USDA agency and office to assess fatal errors and develop a plan to timely resolve the fatal errors and facilitate the submission of data to OCFO and ultimately to the Department of the Treasury's broker.

## **Agency Response**

In its October 23, 2017, response, OCFO concurred with this audit recommendation. OCFO stated Agencies and Staff Offices submit data to the USDA DATA Act Repository quarterly for files A, B and C. D2 file data is submitted bi-monthly. These data are subject to DATA Act Repository validations, which identify errors in the data. When fatal errors are identified, the

Financial Management Services component of OCFO notifies the Agency or Staff Office via an error report for the data owner to correct. The D2 error report identifies each fatal error with a code. The Error and Values Workbook provided to all DATA Act Points of Contact identifies each code and describes the error. It is up to the agency or staff office to address the error and resubmit the record. OCFO estimates a completion date of August 10, 2018.

### **OIG Position**

We are unable to accept management decision on this recommendation. Although OCFO detailed current and planned actions pertaining to data submitted by the agencies, it did not address a plan to coordinate with agencies and offices that failed to submit all or part of their data for the quarterly submission. OCFO needs to ensure any proposed action incorporates this aspect into its plan.

### **Recommendation 2**

Take action to finalize and implement DATA Act Standard Operating Procedures.

### **Agency Response**

In its October 23, 2017, response, OCFO concurred with this audit recommendation. OCFO stated it has contract support to develop Standard Operation Procedures and governance documents for the DATA Act implementation. There will be a Charter, Standard Operation Procedures for each file, and Frequently Asked Questions. OCFO estimates a completion date of August 10, 2018.

### **OIG Position**

We accept OCFO's management decision on this recommendation.

### **Recommendation 3**

Provide formal training to agencies on DATA Act Standard Operating Procedures and Protocols.

### **Agency Response**

In its October 23, 2017, response, OCFO concurred with this audit recommendation. OCFO stated that training for the agencies and staff offices will begin after the Standard Operating Procedures are issued in August 2018. In the interim, OCFO will schedule additional workshops for agencies and staff offices to work with the Transparency and Accountability Reporting Division on the current process and protocols via DATA Act Point of Contract meetings and ongoing training on OCFO Bulletin 17-02. OCFO began training in September 2017 and will continuously train during fiscal year 2018. OCFO estimates a completion date October 25, 2018.

## **OIG Position**

We accept OCFO's management decision on this recommendation.

## **Recommendation 4**

Implement system controls within applicable systems to ensure agencies populate Federal Award Identification Number (FAIN) or Procurement Instrument Identifiers (PIID) for associated procurement and financial assistance transactions to resolve reconciling errors within the repository.

## **Agency Response**

In its October 23, 2017, response, OCFO concurred with this audit recommendation. OCFO has work in progress to update FMMI with a hard validation requirement to check if a PIID/FAIN field must be completed based on the type of transaction. The Transparency and Accountability Reporting Division will work with the smaller offices one on one to assist them with this effort. OCFO estimates a completion date of July 31, 2018.

## **OIG Position**

We accept OCFO's management decision on this recommendation.

## **Recommendation 5**

Make the appropriate modifications to the DATA Act reportable systems to capture and report the new DATA Act elements.

## **Agency Response**

In its October 23, 2017, response, OCFO generally concurred with this audit recommendation. OCFO stated the Transparency and Accountability Reporting Division identified the data elements required in the EzFed-Grants system. This resulted in a change request to have these elements added. The Transparency and Accountability Reporting Division will work with Financial Management Services, who manages the change request, to get it processed as soon as possible. OCFO estimates a completion date of October 25, 2018.

## **OIG Position**

We accept OCFO's management decision.

## Scope and Methodology

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Our objectives were to assess the (1) completeness, timeliness, quality, and accuracy of fiscal year 2017, second quarter financial and award data submitted for publication on USASpending.gov, and (2) USDA's implementation and use of the Government-wide financial data standards established by OMB and the Department of the Treasury. We conducted fieldwork between March 2017 and August 2017 at the OCFO Headquarters in Washington, D.C., and the Financial Management Services Center in New Orleans, Louisiana.

The IGs and GAO play a vital role ensuring accountability and transparency.<sup>27</sup> Because of this ongoing responsibility, we participated in FAEC DATA Act implementation team meetings. We routinely coordinated our work with GAO, the FAEC DATA Act Working Group, and other OIGs that were conducting DATA Act compliance reviews of their agencies.

The scope of this engagement was fiscal year 2017, second quarter financial and award data USDA submitted for publication on USASpending.gov and any applicable procedures, certifications, documentation, and controls to achieve this process. According to OMB's Management Procedures Memorandum 2016-03, data reported by Federal agencies in fiscal year 2017, second quarter, will be displayed on USASpending.gov by May 2017. File C is the preferred source to select a statistically valid sample of data. File C, for fiscal year 2017, second quarter, should include obligation amounts for each award made and/or modified during that reporting quarter (January 1, 2017–March 31, 2017). However, USDA did not report any data in its File C submission. As outlined by the IG guide, in instances where data were not contained in File C, Files D1 and D2 should be used as the source to select a statistically valid sample. Thus, we determined File C was not suitable for sampling and derived the statistical sample of 385 transactions from Files D1 and D2, second quarter 2017 data.<sup>28</sup>

To accomplish our objectives, we conducted interviews with OCFO Headquarters and Financial Management Services officials and analyzed pertinent documents, which included the DATA Act and procedures and policies relating to DATA Act. Additionally, we obtained contract documentation for all 385 statistically selected transactions and tested the FY 2017, second quarter submission to verify the completeness, accuracy, timeliness, and quality of the data reported. This submission included Files A, B, C, D1, D2, E, and F.

We did not rely on information technology systems as authoritative sources for information reported in accordance with the DATA Act. For the review of the 385 transactions selected in our sample, we verified transaction elements to source documentation. Therefore, we did not perform any additional testing to evaluate the agency's information technology system used and make no representation as to the adequacy of the agency's information technology systems or reports.

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<sup>27</sup> Sections 6(a) and (b) of the DATA Act require IGs and the Comptroller General to provide DATA Act oversight reports to Congress.

<sup>28</sup> The statistical sample was out of a universe of 13,759 transactions. The agencies reviewed were Agricultural Marketing Service, Agricultural Research Service, Animal and Plant Health Inspection Service, Farm Service Agency, Food and Nutrition Service, Food Safety and Inspection Service, Forest Service, Natural Resources Conservation Service, OCFO, and Rural Housing Service.

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

## Abbreviations

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ASP	Award Submission Portal
Award ID	Award Identification Number
CIGIE	Council of the Inspectors General on Integrity and Efficiency
DATA Act	Digital Accountability and Transparency Act of 2014
DUNS	Data Universal Numbering System
FAEC	Federal Audit Executive Council
FAIN	Federal Award Identification Number
FFATA	Federal Funding Accountability and Transparency Act of 2006
FMMI	Financial Management Modernization Initiative
FPDS-NG	Federal Procurement Data System-Next Generation
FSRS	Federal Sub-award Reporting System
GAO	Government Accountability Office
IG	Inspector General
NFC	National Finance Center
OCFO	Office of the Chief Financial Officer
OIG	Office of Inspector General
OMB	Office of Management and Budget
PIID	Procurement Instrument Identifiers
SAO	Senior Accountable Official
SAM	System for Award Management
TAS	Treasury Account Symbol
URI	Uniform Resource Identifier
USDA	Department of Agriculture

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

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December 22, 2015

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

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

Dear Mr. Chairmen and Ranking Members:

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

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

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

1717 H Street, NW, Suite 825, Washington, DC 20006

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

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

We have kept GAO officials informed about our plan to delay the first Inspector General reports for one year, which they are comfortable with, and our ongoing efforts to help ensure early engagement through Inspector General readiness reviews.

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

Sincerely,



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

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



**OCFO'S  
RESPONSE TO AUDIT REPORT**





October 23, 2017

United States  
Department of  
Agriculture

Office of the Chief  
Financial Officer

1400 Independence  
Avenue, SW

Washington, DC  
20250

**TO:** Gil H. Harden  
Assistant Inspector General  
Office of Inspector General

**FROM:** Lynn M. Moaney/s/  
Acting Deputy Chief Financial  
Officer

**SUBJECT:** Audit Report 11601-0001-22 USDA's 2017 Compliance with  
the Digital Accountability and Transparency Act (DATA  
Act)

On October 11, 2017, the Office of Inspector General (OIG) elevated the discussion draft to an official draft report on Audit Report 11601-0001-22, "USDA's 2017 Compliance with the Digital Accountability and Transparency Act (DATA Act)."

OIG stated that "We recommended that, as the Department moves forward, USDA should take appropriate action to improve the quality of its data by ensuring its future quarterly data submissions are timely, complete, and accurate for display on USASpending.gov.

OCFO's response to reach management decision on Recommendations 1 through 5 of the subject audit is attached. If you have any questions or need additional information, please contact Tyson Whitney, Director, Transparency and Accountability Reporting Division, at 202-720-8978.

Attachment

As a member of the Chief Financial Officer's Council, USDA was involved in discussions regarding the U.S. Government Accountability Office (GAO) and Inspector General (IG) DATA Act audits. These discussions revolved around the different approaches that GAO and Agency IGs utilized when executing the required audits for DATA Act implementation and compliance. The outcome of these discussions are summarized below and provide important context to the USDA DATA Act implementation.

This Administration is committed to the DATA Act's goals of improving financial data transparency and reducing administrative burden, and has prioritized these areas through the publication of M-17-22 in April 2017, the launch of Beta.USAspending.gov in May, and the submission of the report to Congress on the Section 5 pilot in August. This work builds on government-wide progress to improve financial data transparency, dating back to implementation of the Federal Funding Accountability and Transparency Act signed into law by President Bush, which began about 10 years ago. Since the DATA Act was enacted in 2014, USDA has worked with OMB and Treasury, first to develop data standards in May 2015, and then to report against these new standards, taking an agile, iterative, data centered approach to building new digital tools to collect and display this data publicly. USDA, through the Chief Financial Officers Council has been working together with OMB and Treasury to engage and is closely monitoring the comprehensive work being done by GAO and the USDA Inspector General to review data submissions under the Act.

We recognize the newly transparent data is historic in its ability to connect award level financial data to financial system data for the first time, and to validate that data quarterly against agency systems of record to ensure the highest data quality. USDA marginally met the deadline to implement this new reporting requirement in a constrained budget environment, without additional resources, despite Congressional Budget Office estimates that implementation would cost between \$2-\$3 million/year per agency (total of \$285 million over 2014-2018). This is particularly noteworthy considering it took over 10 years after the CFO Act of 1990 for agencies to achieve unmodified opinions on their financial statements. However, with additional budgetary resources, OCFO is confident USDA will realize significant improvements with future compliance to the DATA Act.

While this new data provides an improvement in overall transparency of Federal spending data, we note that data accuracy levels as measured in the forthcoming audit reports of the first quarter submissions may be adversely impacted in part by the process established to integrate historic data into the new website with data based on the new standards and requirements. USDA notes it has discussed with OMB and Treasury that this type of data quality issue is beyond the control of any given agency. USDA, together with OMB and Treasury will carefully review and consider both agency-specific and government-wide findings on the DATA Act implementation based on the reporting standards and processes established. To the extent these forthcoming reports articulate the root causes of any data quality issues, such a distinction will assist us in distinguishing between agency data quality issues for USDA to address, and government-wide issues for OMB and Treasury to address.

We look forward to reviewing the OIG and GAO reports, analyzing their findings, continuing our ongoing engagement with the audit community, and incorporating their recommendations into our plans to further improve data quality ahead of our May 2018 statutory deadline to ensure

that the data standards issued in May 2015 are applied to the data available on the public website Beta.USASpending.gov.

It is important to recognize that this transformative effort to provide greater transparency of Federal spending is an iterative process that began over a decade ago and has accelerated its pace thanks in large part to the DATA Act. USDA met a critical milestone along the Federal government's continuous data transparency journey by successfully submitting our spending data in the new formats in April 2017. USDA has made incremental improvements to DATA Act data quality since the audit took place.

The report included the recommendations listed below. Please find the Office of the Chief Financial Officer's (OCFO) responses and estimated completion dates under each recommendation.

**Recommendation 1**

Work with each USDA agency and office to assess fatal errors and develop a plan to timely resolve the fatal errors and facilitate the submission of data to OCFO and ultimately to the Department of the Treasury's broker.

**OCFO Response:** Estimated completion date August 10, 2018.

OCFO concurs with OIG recommendation 1. Agencies and Staff Offices submit data to the USDA DATA Act Repository quarterly for files A, B and C. D2 file data is submitted bi-monthly. These data are subject to DATA Act Repository validations which identify errors in the data.

Fatal errors are predominantly found in the A, B and C files. When fatal errors are identified, the Financial Management Services (FMS) component of OCFO notifies the Agency or Staff Office via an error report for the data owner to correct. The D2 error report identifies each fatal error with a code. The Error and Values Workbook provided to all DATA Act Points of Contact identifies each code and describes the error. It is up to the agency or staff office to address the error and resubmit the record. The corrected record contains a "c" in the correction data field to indicate that the original record is being corrected. Treasury acknowledges the following five data elements/fields may not displaying the correct result because of issues in deriving, extracting, and displaying fields: Current Total Value Of Award, Potential Total Value Of Award, and indefinite delivery vehicle (IDV) Type on the D1 file and Legal Entity City Code and Primary Place Of Performance County Name on the D2 File. Treasury is working to resolve the issues with the display of these five data elements.

Therefore, these known data element issues are outside the control of USDA and there are no actions that we could have taken to address these issues. Given these elements appear on all transactions and cut across both the D1 and D2 files, it is likely that all agencies will have missing or incorrect data in these fields across all transactions.

File A is based on the Treasury SF-133 reports. These reports present data at the Treasury Symbol level. File A data is now mostly error free.

The B file contains similar data to File A and includes reporting by Program Activity and Budget Object Classification Code. File B should foot to the same grant total as file A. The third quarter report has fewer errors than the second quarter which was reviewed by OIG for this audit. Agencies are working diligently to address all fatal errors and will turn their attention to warnings once fatal errors are resolved. For example, the Farm Service Agency is submitting test files for files A and B in the fourth quarter to identify errors. When the official fourth quarter reporting window opens, they will have had an opportunity to correct the errors.

File C contains many warning errors and some fatal errors. Agencies and staff offices focus on the fatal errors and warning errors, in that order. The C file contains many transactions that do not have a Financial Assistance Identification Number or a Procurement Instrument Identification number (PIID). OCFO issued guidance in OCFO Bulletin 17-02 to help the agencies and staff offices fill in these values in the general ledger. FMS issues weekly reports to the agencies identifying records needing a FAIN or PIIDs field populated.

D1 data is pulled from the Federal Procurement Data System (FPDS) quarterly as are files E and F. D1 data is subject to the FPDS data validations and rules. The USDA Senior Procurement Official provides assurances for this data annually.

On September 20, 2017, Treasury changed the D2 reporting process. Prior to September 20, D2 data was sent to the Treasury Award Submission Portal (ASP). It is now sent to the Financial Assistance Broker Service (FABS). Data that passes the DATA Act Repository may, in certain instances, fail to pass a FABS validation. In that case, the error(s) from FABS are sent back to the agency or staff office for correction. The OCFO Transparency and Accountability Reporting Division (TARD) monitors error files produced by the Repository as well as the FABS errors. TARD works with FMS and the agencies and staff offices to address these errors and get corrections submitted in a timely manner.

Files E and F are data submitted by the recipient. USDA provides assurance over the requirements that recipients must comply with in providing this data.

### **Recommendation 2**

Take action to finalize and implement DATA Act Standard Operating Procedures.

**OCFO Response:** Estimated completion date August 10, 2018.

OCFO concurs with this recommendation. OCFO has contract support to develop standard operation procedures (SOP) and governance documents for the DATA Act implementation. There will be a Charter, SOPs for each file, and Frequently Asked Questions. This effort is projected to be complete by August 10, 2018.

### **Recommendation 3**

Provide formal training to agencies on DATA Act Standard Operating Procedures and Protocols.

**OCFO Response:** Estimated completion date October 25, 2018. OCFO concurs with this recommendation. The SOP documentation effort is projected to be complete by August 10, 2018. Training for the agencies and staff offices will begin shortly thereafter.

In the interim, OCFO will schedule additional workshops for agencies and staff offices to work with TARD on the current process and protocols via DATA Act Point of Contract meetings and ongoing training on OCFO Bulletin 17-02. OCFO began training in September 2017 and will continuously train on this during fiscal year 2018.

#### **Recommendation 4**

Implement system controls within applicable systems to ensure agencies populate Federal Award Identification Number (FAIN) or Procurement Instrument Identifiers (PIID) for associated procurement and financial assistance transactions to resolve reconciling errors within the repository.

**OCFO Response:** Estimated completion date July 31, 2018. OCFO concurs with this recommendation. OCFO issued guidance in OCFO Bulletin 17-02 to help the agencies and staff offices fill in these values in the general ledger. FMS issues weekly reports to the agencies to assist them in entering the FAINs and PIIDs. OCFO held two workshops in September 2017 which were attended by eight agencies. OCFO is conducting workshops for the Forest Service the week of October 23, 2017 and future workshops with other USDA agencies will be offered soon. Work is in progress to update FMMI with a hard validation requirement to check if a PIID / FAIN field must be completed, based on the type of transaction.

TARD will work with the smaller offices one on one to assist them with this effort.

#### **Recommendation 5**

Make the appropriate modifications to the DATA Act reportable systems to capture and report the new DATA Act elements.

**OCFO Response:** Estimated completion date October 25, 2018. OCFO concurs in part with this recommendation. OCFO has issued clear guidance on the required data elements to all agencies and staff offices. TARD identified the data elements required in the EzFed-Grants system. This resulted in a Change Request to have these elements added. TARD will work with FMS, who manages the change request, to get it processed as soon as possible.

For systems with DATA Act data outside of OCFO which are controlled by agencies and staff offices, data is flowing as expected. The Farm Service Agency and the Rural Development agency, during the second quarter, indicated that they were not able to provide all the required data. Both agencies are now on track to report that data during the Fiscal Year 2017 fourth quarter reporting window.

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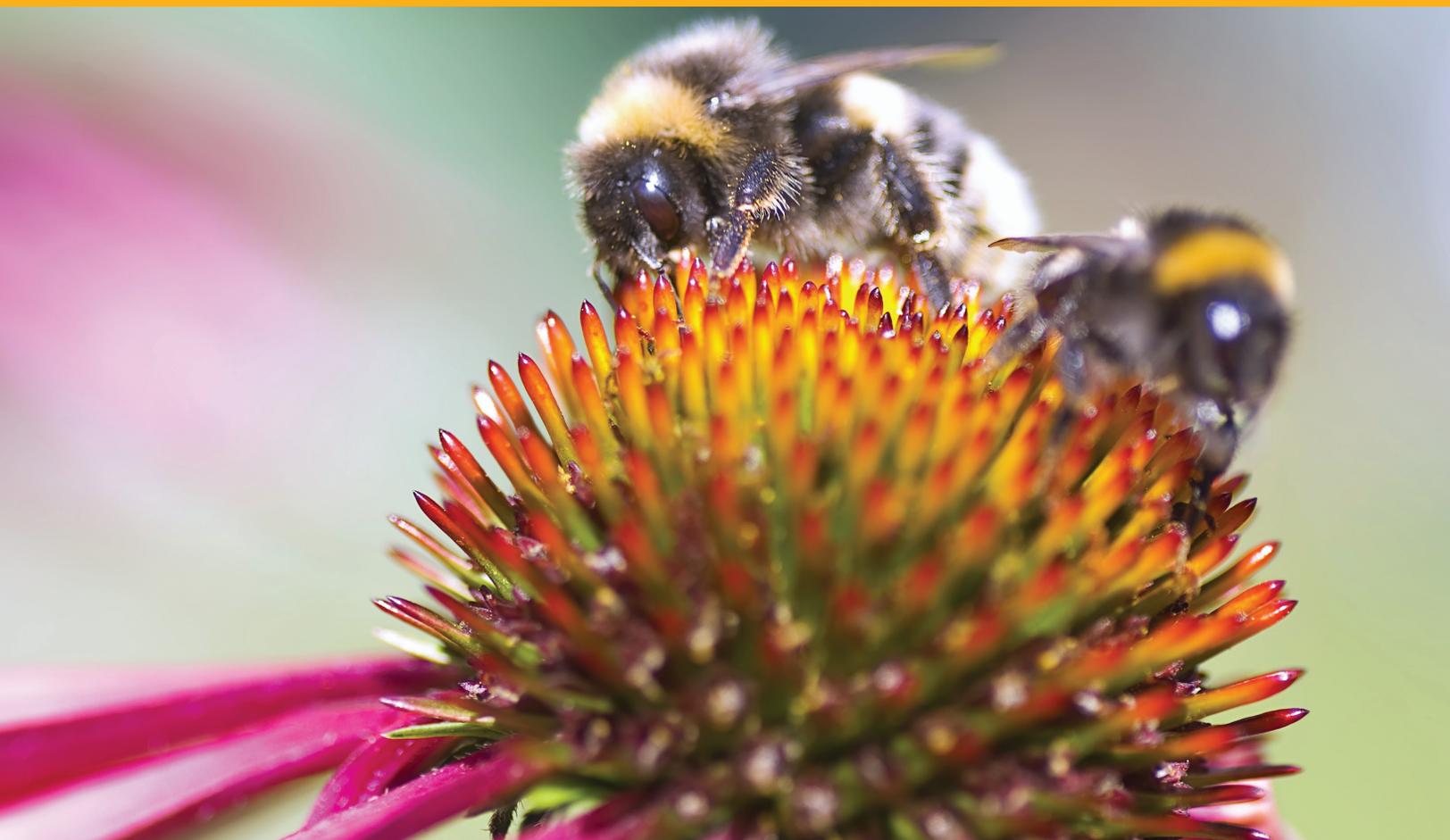
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