



Audit Report



OIG-18-008

RESOURCE MANAGEMENT

DATA Act: Council Met Reporting Requirements Under the
DATA Act Despite Challenges

November 2, 2017

Office of
Inspector General

Department of the Treasury

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Abbreviations

ARC	Administrative Resource Center
ASP	Award Submission Portal
Award ID	Award Identification Number
BP	BP Exploration & Production Inc.
Broker	DATA Act Broker
CFO	Chief Financial Officer
CIGIE	Council of the Inspectors General on Integrity and Efficiency
Council	Gulf Coast Ecosystem Restoration Council
DAIMS	DATA Act Information Model Schema
DATA Act	Digital Accountability and Transparency Act of 2014

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FAEC	Federal Audit Executive Council
FFATA	Federal Funding Accountability and Transparency Act of 2006
FSRS	FFATA Sub-award Reporting System
FSSP	Federal Shared Service Provider
FPDS-NG	Federal Procurement Database System – Next Generation
GAO	Government Accountability Office
GSA	General Services Administration
GTAS	Government-wide Treasury Account Symbol Adjusted Trial Balance System
IG	Inspector General
IG Guide	CIGIE FAEC DATA Act Working Group <i>Inspectors General Guide to Compliance Under the DATA Act</i>
OIG	Office of Inspector General
OMB	Office of Management and Budget
PIID	Procurement Instrument Identifiers
Playbook	DATA Act Implementation Playbook
PMO	Program Management Office
RAAMS	Restoration Assistance and Award Management System
Recovery Board	Recovery Accountability and Transparency Board
RESTORE Act	Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act
SAO	Senior Accountable Official
SAM	System for Award Management
SBR	Statement of Budgetary Resources
SF-133	Report on Budget Execution and Budgetary Resources
SOC	Service Organization Controls
Submission Certification Statement	Fiscal Year 2017 – Quarter 2 DATA Act Submission Certification Statement
Treasury	Department of the Treasury
TAFS	Treasury Account Fund Symbol
TAS	Treasury Account Symbol
Trust Fund	Gulf Coast Restoration Trust Fund

*The Department of the Treasury
Office of Inspector General*

November 2, 2017

Ben Scaggs
Acting Executive Director
Gulf Coast Ecosystem Restoration Council

This report presents the results of our audit, the first in a series of mandated reports,¹ of the Gulf Coast Ecosystem Restoration Council's (Council) reporting of financial and payment information as required by the Digital Accountability and Transparency Act of 2014 (DATA Act).^{2,3} Our audit objectives were to assess the (1) completeness, timeliness, accuracy, and quality of financial and payment data submitted for publication on Beta.USAspending.gov,⁴ and (2) the Council's implementation and use of the financial data standards established by the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury). The scope of the audit included fiscal year 2017, second quarter⁵ financial and payment data submitted for publication by the Council, and any applicable procedures, certifications, documentation, and controls to achieve this process.

To accomplish our objectives, we obtained an understanding of the current laws and guidance related to the Council's reporting

¹ Subsequent reports will follow on a 2-year cycle, in November 2019 and November 2021.

² Public Law 113-101 (May 9, 2014).

³ Our office issued an audit report on the Gulf Coast Ecosystem Restoration Council's (Council) efforts to report financial and payment information, as required by the Digital Accountability and Transparency Act of 2014 (DATA Act): DATA Act Readiness: Council is Making Progress in Meeting DATA Act Reporting Requirements Despite Challenges (OIG-17-045; issued June 2, 2017). Although not a mandated report, the review of the Council's DATA Act readiness helped us gain an understanding and assess the processes, systems, and controls that the Council implemented to report Federal agency expenditures and link Federal contract, loan, and grant spending information in accordance with the DATA Act.

⁴ On May 9, 2017, the Department of the Treasury's (Treasury) DATA Act Program Management Office (PMO) publicly launched the Beta.USAspending.gov website to track agency expenditures and link relevant agency expenditure data with awards distributed by the government. Treasury plans to run Beta.USAspending.gov concurrently with the previous version of USAspending.gov until fall 2017 to minimize disruptions to users' data access and provide more time to add user-centered enhancements.

⁵ Fiscal year 2017, second quarter data is for the period January 1 through March 31, 2017.

responsibilities under the DATA Act. We conducted interviews with Council personnel responsible for the Council's implementation and compliance with the DATA Act reporting requirements. Based on the Council's low volume of transactions for fiscal year 2017, second quarter, we tested 100 percent of the Council's spending data transactions for completeness, timeliness, accuracy, and quality of financial and payment data. Additionally, we reviewed relevant documents such as the Council's DATA Act (1) implementation plan; (2) work instructions; (3) reconciliation reports; (4) Broker⁶ submission along with supporting documentation; and (5) Fiscal Year 2017 – Quarter 2 DATA Act Submission Certification Statement (Submission Certification Statement). We conducted our fieldwork from April through October 2017. Appendix 1 contains a detailed description of our objectives, scope, and methodology.

Results in Brief

The Council continues to make progress in its efforts to comply with the DATA Act by executing its comprehensive implementation plan that conforms to the Government-wide technical informational guidance issued by OMB and Treasury's Program Management Office (PMO). Specifically, on April 27, 2017, the Council's Senior Accountable Official⁷ (SAO) signed a Submission Certification Statement and submitted it to Treasury's Bureau of the Fiscal Service's Administrative Resource Center (ARC),⁸ who was responsible for completing the Council's fiscal year 2017, second quarter DATA Act submission within the Broker for publication on Beta.USAspending.gov.

We found that the Council met the DATA Act requirement to publish its fiscal year 2017, second quarter data submission prior to the May 9, 2017 deadline for publication on

⁶ The Broker is an information system that collects, maps, transforms, validates, and submits agency financial and award data into a format consistent with the DATA Act Information Model Schema (DAIMS), which is discussed further herein.

⁷ A SAO is a high-level senior official who is accountable for the quality and objectivity of Federal spending information.

⁸ ARC is a Federal shared service provider (FSSP) that provides a full range of administrative services for various Federal agencies.

Beta.USAspending.gov. We determined that the Council's management controls over its fiscal year 2017, second quarter DATA Act submission, reconciliation, and certification process were reasonably designed, implemented and operating effectively. In addition, the Council also properly implemented and used the 57 financial data standard elements established by OMB and Treasury. However, we determined that some of the data submitted, as a result of issues beyond the Council's control, was not complete, timely, accurate, nor of quality. More specifically, as a result of an ARC error affecting many of its customers, there was a variance in the Council's procurement award data between the Council's Files C and D1 submission, as further discussed below.⁹ In addition, another variance occurred due to a grant award being included in the Council's File D2, but not in their File C submission. This issue was due to the grant award not being timely included in ARC's accounting system or in the data submission for fiscal year 2017, second quarter. Lastly, adjustments to obligations made during the first quarter of fiscal year 2017, were not included in the Council's fiscal year 2017 second quarter data. ARC did not include the required coding needed for these adjustments to be included in the Council's File B submission. We noted that the Council's processes for identifying and addressing these variances and issues were reasonable; and that the Council was proactive in reporting these variances on its Submission Certification Statement. Furthermore, the Council has begun working with ARC to ensure that ARC takes corrective actions to address these issues.

We are recommending that the Council's Executive Director ensure that the Council's SAO continues: (1) to refine the Council's policies and procedures for compliance with the DATA Act requirements; and (2) to work closely with ARC to address the timing and ARC errors, discussed herein, for future DATA Act submissions.

In a written response, included as appendix 5, the Council agreed with the audit conclusion that certain data submitted was not complete, timely, accurate, or of quality. To address our recommendation relating to refining the Council's policies and

⁹ As explained in further detail in the background section of this report, the Council has seven unique DATA Act submission files; this includes Files A through C, D1, D2, E, and F.

procedures, the Council reported that its internal controls have been improved, and the reconciliation process has been updated with regards to timing and scope. With respect to our recommendation relating to working closely with ARC to address the timing and ARC errors, the Council responded it has already worked with ARC to update the coding and rebuild the accounting period so that the warning message with regards to File B obligations will not recur. Additionally, the Council responded that their internal controls and reconciliation process have been improved to prevent the recurrence of the error that occurred between Files C and D2 for grant awards. Finally, the Council will continue to work with ARC regarding the File D1 issue that relates to the posting of awarding agency versus funding agency in the Broker for future DATA Act submissions.

Background

The DATA Act was signed into law by the President on May 9, 2014, and serves to:

- (1) expand the Federal Funding Accountability and Transparency Act of 2006 (FFATA)¹⁰ by disclosing direct Federal agency expenditures and linking Federal contract, loan, and grant spending information to programs of Federal agencies to enable taxpayers and policymakers to track Federal spending more effectively;
- (2) establish Government-wide data standards for financial data and provide consistent, reliable, and searchable Government-wide spending data that is displayed accurately for taxpayers and policymakers on USAspending.gov (or a successor system that displays the data);
- (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 to USAspending.gov by holding Federal agencies accountable for the completeness and accuracy of the data submitted; and

¹⁰ Public Law 109-282 (September 26, 2006).

(5) apply approaches developed by the Recovery Accountability and Transparency Board (Recovery Board) to spending across the Federal government.¹¹

The DATA Act imposes requirements on Federal agencies and their Inspectors General (IG). Specifically, the DATA Act required that any funds made available to or expended by a Federal agency, or its component, be accurately reported and displayed on USAspending.gov by May 9, 2017, in accordance with the financial data standards established by Treasury's PMO and OMB.

The DATA Act also requires the IGs of each Federal agency to perform a series of reviews of statistically valid samples of spending data submitted under the DATA Act. The IGs must submit to Congress (and make publicly available) a report assessing the completeness, timeliness, accuracy, and quality of the data sampled, as well as the implementation and use of financial data standards by the Federal agency. The first IG reports were to be submitted in November 2016, and subsequent reports in November 2018 and November 2020. However, due to a reporting date anomaly, this report constitutes the first required report, a 1 – year delay from the statutory due date, with subsequent reports following on a 2 – year cycle ending in November 2021.¹²

¹¹ The Recovery Board was a Federal agency that managed Recovery.gov and oversaw spending under the American Recovery and Reinvestment Act of 2009. Recovery.gov displayed American Recovery and Reinvestment Act of 2009 spending information reported by recipient agencies. Pursuant to law, the Recovery Board ceased operations in September 2015.

¹² The Council of the Inspectors General on Integrity and Efficiency (CIGIE) identified a reporting date anomaly with the oversight requirements contained in the DATA Act. Although the first IG reports were due to Congress in November 2016, Federal agencies were not required to report financial and payment information in accordance with the financial data standards established under the DATA Act until May 2017. To address this reporting date anomaly, the IGs plan to provide Congress with their first required reports in November 2017, a 1-year delay from the statutory due date, with subsequent reports following on a 2-year cycle in November 2019 and November 2021. Although CIGIE determined the best course of action was to delay the IG reports, it encouraged IGs to undertake DATA Act "Readiness Reviews" at their respective agencies well in advance of the first November 2017 report. On December 22, 2015, CIGIE's chair issued a letter explaining the strategy for dealing with the IG reporting date anomaly and communicated it to the Senate Committee on Homeland Security and Government Affairs and the House Committee on Oversight and Government Reform. The letter is provided in appendix 2.

Government-wide Financial Data Standards

The DATA Act required the establishment of Government-wide financial data standards for Federal funds made available to or expended by Federal agencies and entities receiving Federal funds. Under FFATA, Federal agencies reported over 259 data elements to USAspending.gov. Subsequent to the enactment of the DATA Act, Treasury and OMB identified 57 data elements that required standardization. From May 2015 through August 2015, Treasury and OMB released final financial data standards for the 57 data elements in phases. Appendix 3 provides the required data elements and their definitions; appendix 4 provides an analysis of the required data elements as they should be presented in the DATA Act Files according to the DATA Act Information Model Schema (DAIMS), which is discussed further below.

OMB and Treasury PMO Guidance

On May 8, 2015, Federal agencies received guidance on implementing financial data standards required by the DATA Act, including their ongoing reporting responsibilities for USAspending.gov, in OMB M-15-12, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*. This guidance requires Federal agencies to establish an award identification number (Award ID)¹³ to link information between their financial, financial assistance, and procurement management systems—a key component to tracking spending more effectively.

Additionally, OMB M-15-12 specifies that agency implementation plans should (1) identify a SAO; (2) estimate resource requirements, (3) propose an implementation timeline; and (4) identify foreseeable challenges and resolutions. Further,

¹³ The Award ID is the unique identifier of the specific award being reported and is used to link information from an agency's financial systems to their award management systems. The Award ID will serve as the key to associate data across management systems and financial systems. This linkage will facilitate timely reporting of award level financial data, reduce reporting errors, and serve as the primary mechanism moving forward for associating expenditures with Federal awards.

agencies, particularly Federal Shared Service Providers (FSSPs),¹⁴ should include specific information about anticipated costs and timelines necessary to implement the guidance.

Concurrent with OMB's May 8, 2015 guidance, Treasury's PMO issued a *DATA Act Implementation Playbook, Version 1.0* (Playbook), which included eight recommended key steps to help agencies leverage existing capabilities and drive implementation of the DATA Act. On June 24, 2016, Treasury's PMO released the *DATA Act Implementation Playbook, Version 2.0*, with updates based on expanded guidance and progress specifically related to Playbook steps five through eight. The eight steps are included in Figure 1 below:

¹⁴ Shared services are arrangements under which one agency (the provider) provides information technology, human resources, financial, or other services to other departments, agencies, and bureaus (the customer). OMB and Treasury designated Treasury's Bureau of the Fiscal Service's ARC as a FSSP for financial management.

Figure 1: Agency 8 Step Plan

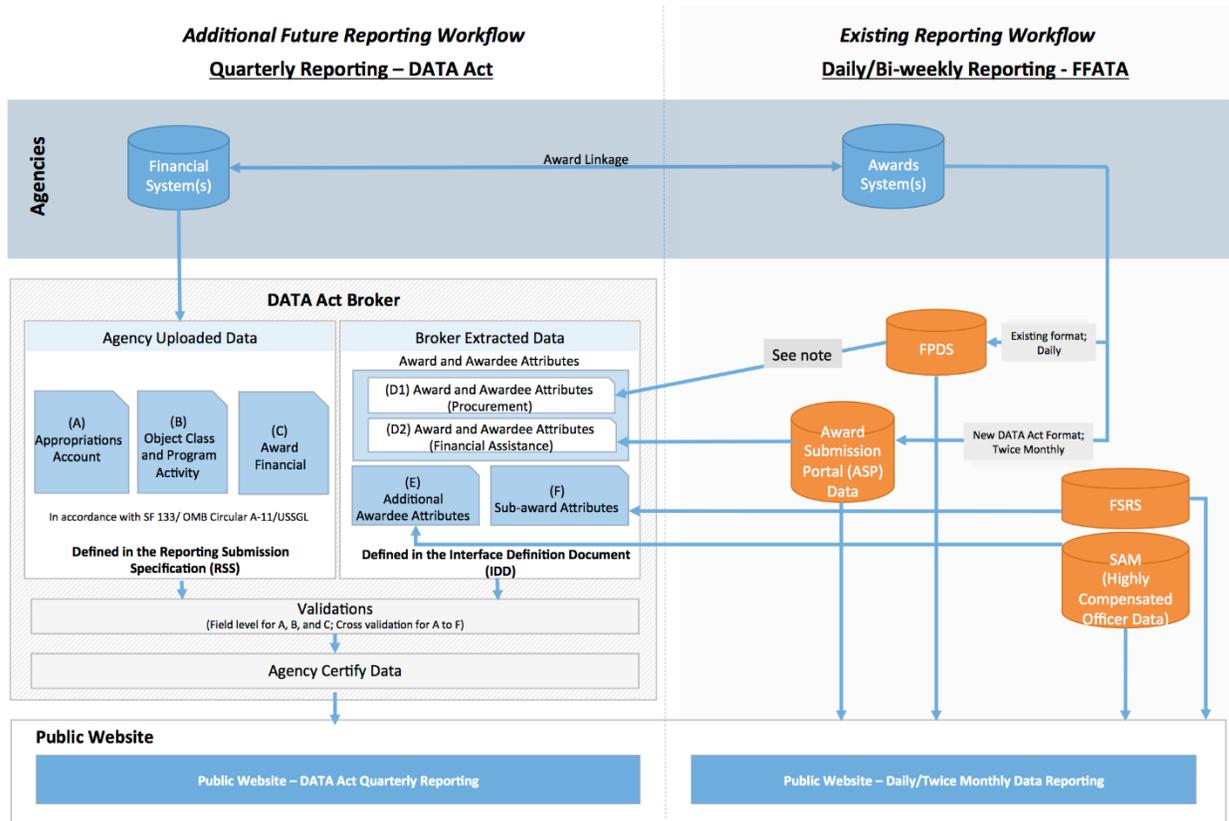
Steps for Agencies
1) Organize team <i>Create an agency DATA Act work group including impacted communities (e.g., CIO, Budget, Accounting, etc.) and identify Senior Accountable Official</i>
2) Review elements <i>Review list of DATA Act elements and participate in data definitions standardization</i>
3) Inventory data <i>Perform inventory of agency data and associated business processes</i>
4) Design & strategize <i>Plan changes (e.g., adding Award IDs to financial systems) to systems and business processes to capture data that are complete multi-level (e.g., Summary and award detail) fully-linked data</i>
5) Prepare Data for Submission to the Broker <i>Implement system changes and extract data (includes mapping of data from agency schema to the DATA Act Schema) iteratively</i>
6) Test Broker implementation <i>Test Broker outputs to ensure data are valid iteratively</i>
7) Update systems <i>Implement other changes iteratively (e.g., establish linkages between program and financial data, capture any new data)</i>
8) Submit data <i>Update and refine process (repeat 5-7 as needed)</i>

Source: *DATA Act Implementation Playbook* (Version 2.0, June 2016).

On April 29, 2016, Treasury’s PMO and OMB released the DAIMS, which prescribes relationships between data elements, as well as format and data reporting validation requirements necessary for Federal agencies to transmit spending and award data from their internal financial systems and external award reporting systems for publication on USAspending.gov.

As depicted in Figure 2 below, the DAIMS provides the DATA Act flow of information from agency financial and award systems to public websites and the sources of data for the individual DATA Act submission files.

Figure 2: DATA Act Information Model Schema Flow Diagram



Source: *DATA Act Implementation Playbook* (Version 2.0, June 2016).¹⁵

The following is a description of the flow of information depicted in Figure 2 above:

- Reporting agency financial and payment data is reported on a quarterly basis to Beta.USAspending.gov.
- Reporting agency financial and award data, including procurement and financial assistance awards, is collected from the Government-wide Treasury Account Symbol

¹⁵ The Figure 2 diagram was updated on June 30, 2017, when Treasury released version 1.1 of the DAIMS flow diagram. The DAIMS flow diagram illustrates the complexities of the DATA Act information flow. The updated version displays that the Broker generates Files D1, D2, E, and F; performs an intra-file validation check of data in Files A, B, and C; and performs a cross-file validation of linkages across Files A through D2.

Adjusted Trial Balance System (GTAS).¹⁶ Files A through C are generated and contain the reporting agency's budgetary information from its systems:

- File A includes appropriation summary level data that aligns to the Standard Form-133, *Report on Budget Execution and Budgetary Resources* (SF-133).¹⁷
 - File B, a subset of File A, includes obligation and outlay information at the program activity and object class level.¹⁸
 - File C, a subset of File B, includes obligations at the award (procurement and financial assistance) and object class level.
- Once Files A through C are generated, these files are uploaded to the Broker.
 - The Broker performs a first validation check of Files A through C, ensuring necessary data has been uploaded and formatted correctly.
 - The Broker then generates award and awardee attributes found in data extracts from external award reporting systems in four additional datasets, Files D1, D2, E, and F.
 - File D1 contains award and awardee details associated with procurement awards found in File C, and is extracted from the Federal Procurement Database System – Next Generation (FPDS-NG).¹⁹

¹⁶ GTAS is an accounting system used by Federal agencies to report budget execution information and proprietary financial reporting information to Treasury.

¹⁷ The SF-133 provides a consistent presentation of data across programs within each agency. An agency-wide SF-133 should generally agree with an agency's Statement of Budgetary Resources (SBR). The SBR and related disclosures provide information about budgetary resources made available to an agency and the status of those resources at the end of the fiscal year.

¹⁸ Obligation, program activity, and object classes are defined in appendix 4.

¹⁹ FPDS-NG is used by Federal agencies to report all contract actions, including modifications, using appropriated funds for contracts whose estimated value is at or above \$3,500. FPDS-NG is administered by the General Services Administration (GSA).

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- File D2 includes award and awardee details associated with financial assistance awards in File C, and is extracted from the Award Submission Portal (ASP).²⁰
 - File E includes highly compensated officer data associated with any unique identifier present in Files D1 and D2.²¹ File E is extracted from the System for Award Management (SAM).²²
 - File F includes all sub-award data associated with the awards that appear in File C, and is extracted from the FFATA Sub-award Reporting System (FSRS).²³
- Once the Broker generates Files D1, D2, E, and F, it performs an intra-file validation check of data in Files A, B, and C; and a cross-file validation of linkages across Files A through D2. This process is completed by the Broker's validation tool which identifies any potential warnings and/or errors for Files A through D2.
 - Reporting agencies are responsible for reviewing the Broker's validation checks of Files A through D2. Any identified errors are corrected prior to an agency SAO approving the data files.
 - Each reporting agency's SAO certifies that data Files A through F, present in the Broker, are accurate and then authorizes the agency's data submission.
 - Following agency authorization, the Broker uploads each agency's quarterly reporting files on Beta.USAspending.gov; the files become publicly available within days.

On May 3, 2016, OMB issued Management Procedures Memorandum No. 2016-03, *Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information*. Consistent with OMB M-15-12, this

²⁰ ASP, administered by Treasury's PMO, was the platform used by Federal agencies to upload assistance files, correct records, and to report that an agency has no submissions for a specific month. In September 2017, Treasury's PMO replaced ASP with the Financial Assistance Broker Submission.

²¹ Awardee/recipient unique identifier is defined in appendix 4.

²² SAM is the primary database in which those wishing to do business with the Federal government must maintain an active registration unless exempt. SAM is administered by GSA.

²³ FSRS provides data on first-tier sub-awards as reported by prime grantee and contract award recipients (awardees). FSRS is administered by GSA.

memorandum provides additional guidance to Federal agencies on reporting Federal appropriations account summary-level and Federal award-level data to USAspending.gov in accordance with the DATA Act. Among other things, this memorandum requires Federal agencies to associate data in agency financial systems with a unique Award ID, by January 1, 2017, to facilitate the linkage of summary-level and award-level data. Furthermore, this guidance requires SAOs, on a quarterly basis, to provide reasonable assurance that their agency's internal controls support the reliability and validity of the data submitted to Treasury for publication on USAspending.gov.

On November 4, 2016, OMB issued OMB M-17-04, *Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability*. This memorandum provides additional guidance to Federal agencies to support the reporting to USAspending.gov. Consistent with OMB Management Procedures Memorandum No. 2016-03, this memorandum further specifies (1) responsibilities for reporting financial information for awards involving Intragovernmental Transfers,²⁴ (2) guidance for reporting financial assistance award records containing personally identifiable information, and (3) guidance for agencies to provide the SAO assurance over quarterly submissions to USAspending.gov. Further, agencies are required to comply with the record keeping and reporting requirements detailed in this memorandum for the initial DATA Act reporting submission due May 2017, and every quarter thereafter.

About the Council

In response to environmental challenges and the 2010 Deepwater Horizon oil spill, on July 6, 2012, the President signed into law the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act (RESTORE Act).²⁵ The RESTORE Act established the Council, and tasked it

²⁴ Intragovernmental Transfers are funds transferred between Federal agencies. DATA Act requirements affect the reporting of two types of Intragovernmental Transfers: (1) allocation transfers and (2) buy/sell transactions which result in Federal awards that are subject to reporting under the DATA Act.

²⁵ Public Law 112-141, 126 Stat. 588-607 (July 6, 2012).

with developing and overseeing a Comprehensive Plan to restore the ecosystem and economy of the Gulf Coast region.²⁶ The Council is comprised of governors from the five affected Gulf States (Alabama, Florida, Louisiana, Mississippi, and Texas), the Secretaries from the U.S. Departments of the Interior, Commerce, Agriculture, and Homeland Security, as well as the Secretary of the Army, and the Administrator of the U.S. Environmental Protection Agency.

The RESTORE Act also established the Gulf Coast Restoration Trust Fund (Trust Fund), which resides within Treasury.²⁷ The Trust Fund provides financial resources for the environmental and economic restoration and protection of the Gulf Coast region. Deposits into the Trust Fund will be comprised of 80 percent of all civil and administrative penalties paid by responsible parties after July 6, 2012, under the Federal Water Pollution Control Act.^{28,29}

The Council has responsibility for awarding funds through grants and inter-agency agreements under the Council-Selected Restoration and Oil Spill Impact components of the Trust Fund. The Restoration Assistance and Award Management System (RAAMS)

²⁶ As defined in the RESTORE Act, the term Gulf Coast region represents (a) in the Gulf Coast States (Alabama, Florida, Louisiana, Mississippi, and Texas), the coastal zones that border the Gulf of Mexico; (b) any adjacent land, water, and watersheds that are within 25 miles of the coastal zones of the Gulf Coast States; and (c) all Federal waters in the Gulf of Mexico.

²⁷ The RESTORE Act divides the Trust Fund into five components and their respective percentages: the Direct Component (35 percent); the Comprehensive Plan Component, also known as the Council-Selected Restoration Component (30 percent); the Spill Impact Component (30 percent), the National Oceanic and Atmospheric Administration RESTORE Act Science Program (2.5 percent); and the Centers of Excellence Research Grants Program (2.5 percent).

²⁸ 33 U.S.C. § 1251 et seq.

²⁹ As of June 30, 2017, the Trust Fund balance was \$1.2 billion as a result of the Federal government's settlements with Transocean and Anadarko Petroleum Corporation defendants, including related interest. Also, in July 2015, BP Exploration & Production Inc. (BP) agreed to settle with the Federal government and the Gulf Coast States. A U.S. District Judge from the Eastern District of Louisiana approved the terms of the settlement on April 4, 2016, where BP agreed to pay \$20.8 billion. Of the \$20.8 billion, \$5.5 billion plus interest relates to civil and administrative penalties under the Clean Water Act. Of this amount, \$4.4 billion (80 percent) will be deposited into the Trust Fund over the next 15 years. BP made its first annual payment on April 10, 2017, in the amount of approximately \$379 million, of which approximately \$303 million was deposited in the Trust Fund, with annual payments continuing through 2031. Interest shall accrue on all unpaid portions and is payable to the United States in 2032.

is used by the Council to administer these grants and inter-agency agreements.

Council's DATA Act Governance Structure

As documented in the Council's DATA Act implementation plan and other project planning documentation, the Council identified its Chief Financial Officer (CFO)/Director of Administration as the SAO. In addition, in July 2017, Council's Deputy CFO was formally designated by the Council as an alternate SAO within the USAspending.gov database. The Council utilized the RAAMS implementation team as its core team of subject matter experts for DATA Act implementation. Along with the SAO, the DATA Act working group is comprised of Council staff from its administration, finance, and grants offices.³⁰

Council's DATA Act Submission

The DATA Act requires the Council to report its financial and payment data on a quarterly basis to Beta.USAspending.gov. The Council's DATA Act submission of Files A through F begins with ARC obtaining the Council's quarterly financial and award data, including procurement awards and grants, from the GTAS. ARC, the Council's FSSP,³¹ generates Files A through C, containing the Council's budgetary information, from its systems, on behalf of the Council. Once Files A through C are submitted by ARC and Files D1 and D2 are generated in the Broker, cross file validation checks are performed by the Broker validation tool, which identifies any potential warnings and/or errors for Files A through D2. Fatal errors identified by the Broker in Files A through D1 are corrected by ARC

³⁰ Following guidance from the Playbook, the Council's DATA Act working group established a working group governance structure and determined individual roles and responsibilities to execute the implementation process. Based on discussions with the Council's DATA Act working group and review of supporting documentation during our DATA Act Readiness Audit, we determined that the working group communicates regularly to discuss the Council's implementation efforts. For further information, please refer to our report, *DATA Act Readiness: Council is Making Progress in Meeting DATA Act Reporting Requirements Despite Challenges* (OIG-17-045; issued June 2, 2017).

³¹ As part of Treasury Office of Inspector General's (OIG) oversight of Treasury's DATA Act implementation efforts, our office issued the following audit report on ARC's efforts as a FSSP, to facilitate timely compliance under the DATA Act on behalf of its customer agencies: Treasury OIG, *DATA Act Readiness: ARC is Making Progress in Meeting DATA Act Reporting Requirements Despite Challenges* (OIG-17-039; issued April 13, 2017).

and fatal errors in File D2 are corrected by the Council. Subsequently, after the correction of any fatal errors, the results of the Broker validation checks of Files A through D2 are provided to the Council by ARC for final review.

After completing the validation checks, the Broker generates Files E and F. Before certifying the DATA Act submission, the Council will review Files A through F for accuracy. If non-fatal validation warnings are present, Council staff will evaluate those warnings to determine if they indicate an underlying error with the data. The Council works with ARC to correct the errors, and if necessary, ARC will resubmit files A through C to the Broker for validation. The updated files A through F must subsequently be sent to the Council, along with any new validation warnings, for review prior to the Council's approval. Once the Council approves all files, the Council SAO will certify that the information is accurate and inform ARC to submit the data files to the Broker. Lastly, the Broker uploads the DATA Act quarterly reporting files for publication on Beta.USAspending.gov.

Audit Results

Council Met the Reporting Requirements Under the DATA Act Despite Challenges

The Council continues to make progress in its efforts to comply with the DATA Act by executing its comprehensive implementation plan that conforms to the Government-wide technical and informational guidance issued by OMB and Treasury's PMO. The Council met the DATA Act requirement of having its data reported and displayed on Beta.USAspending.gov by May 9, 2017. Specifically, on April 27, 2017, the Council, in coordination with ARC, certified and submitted its fiscal year 2017, second quarter spending data in the Broker for publication on Beta.USAspending.gov.³² The Council provided us with its Submission Certification Statement, along with supporting

³² On August 14, 2017, the Council submitted its fiscal year 2017 third quarter spending data for publication on Beta.USAspending.gov. The Council's third quarter spending data fell outside the scope of this audit.

documentation of reconciliations performed by the Council and ARC. In signing the Submission Certification Statement, the Council's SAO attested to the validity and reliability of the complete DATA Act submission and the interconnectivity and linkages across all the data.

In order to verify the interconnectivity and linkages across Files A through F, the Council and ARC performed a series of reconciliations. These reconciliations uncovered three validation warning errors identified by the Broker's validation tool and reconciliation for Files B, D1, and D2. The Council provided qualifications in its Submission Certification Statement for the three warnings, as follows:

- Files A and B did not reconcile; however, the Council and ARC worked together to identify that the cause was due to adjustments to obligations made during the first quarter of fiscal year 2017 not being included in the fiscal year 2017 second quarter data. The Council and ARC informed us that the adjustments were not captured in the balances reported in File B because the adjustments did not include the required coding needed for the DATA Act submission to properly capture the amounts. However, ARC told us, and the Council confirmed, that ARC subsequently updated the coding and rebuilt the accounting periods so that the standard general ledger accounts are properly included in File B going forward. Furthermore, ARC confirmed that subsequent files did include these balances and matched the trial balance; and that ARC is verifying that the File B matches the trial balance before sending the DATA Act files to the Council for certification. Lastly, ARC has implemented an error report which will allow its accountants to verify that all transactions include all required coding for the future DATA Act submissions.
- There was a difference of \$115,000 between Files C and D1, relating to a procurement award being included in File C, but not in File D1. The Council explained that this difference was due to an ARC error beyond the Council's control. More specifically, as an ARC customer and with ARC being listed as the awarding agency, the Council's procurement award

was reported in Treasury's File D1 rather than the Council's File D1. The Council's SAO informed us that ARC communicated to them that there have been conversations between ARC and Treasury's PMO about making an adjustment in the way the Broker classifies information by funding agency versus the awarding agency, but a level of effort and timeline have not been determined.

- The comparison of Files C and D2 showed a difference of \$4.68 million that was the result of a grant award being included in File D2, but not in File C due to a timing difference. The Council explained that the timing difference was the result of a \$4.68 million grant being awarded by the Council on March 30, 2017, but the award was not included in the financial files for fiscal year 2017, second quarter. ARC was unable to make respective changes within its Oracle accounting system due to GTAS closing before the Broker validation tool report of errors was available. To avoid this issue from occurring in the future, the Council updated its monthly grants reconciliation process between RAAMS obligations and Oracle obligations to be completed within 3 to 5 days of month-end. The Council explained that in the future they will avoid issuing awards at quarter-end to alleviate timing differences.

Internal Controls Over the Council's Source Systems

Our audit did not include a review of the internal controls over ARC's source systems. Rather, we performed detail-testing of all transactions reported by the Council for its fiscal year 2017, second quarter DATA Act submission. Additionally, we sought to avoid duplicating the efforts of contracted independent auditors who examined the controls at ARC,³³ as a servicing agency. More specifically, the independent auditors examined ARC's description, included in its assertion, of its financial management services used

³³ The independent auditor's responsibility was to express an opinion on the fairness of the presentation of the description and the suitability of the design and operating effectiveness of the control to achieve the related control objectives stated in the description of ARC's financial management services.

for processing its customer agency's transactions,³⁴ as well as the suitability of the design and operating effectiveness of ARC's controls included in the description.³⁵

The auditors reported in a Service Organization Controls (SOC) 1 Report³⁶ that, in all material respects, the description fairly presented financial management services that were designed and implemented throughout the period of July 1, 2016 to June 30, 2017. ARC's SOC 1 report was transmitted by Treasury Office of Inspector General (OIG) on August 23, 2017.³⁷ In addition, as part of a required Council's financial statement audit, the Council's external auditor relies on ARC's SOC 1 report, and then further tests the Council's entity-level and end user controls. Treasury OIG anticipates transmitting the Council's financial statement audit report during November 2017.

Council's Management Controls Over DATA Act Submission

We assessed the Council's management controls over its fiscal year 2017, second quarter DATA Act submission, reconciliation, and certification process and determined that the Council's management controls were reasonably designed, implemented and operating effectively.

More specifically, the Council's CFO/Director of Administration and Deputy CFO provide management review of transaction support transmitted to ARC, as well as complimentary end-user controls for data received from ARC. Council management performs monthly and quarterly reconciliations of financial and award data. Further, Council personnel and management conduct an extensive review of grant applications, and the entire grant award process within RAAMS. The Council has formalized internal work

³⁴ ARC's financial management services include, but are not limited to, accounting and procurement processing, and general computer controls.

³⁵ The description only included the control objective and related controls of ARC, and did not extend to ARC's sub-service organization's end-user controls such as the Council's controls.

³⁶ A SOC 1 Report is a report on controls at a service organization which are relevant to user entities' internal control over financial reporting.

³⁷ Financial Management: *Report on the Bureau of the Fiscal Service Administrative Resource Center's Description of its Financial Management Services and the Suitability of the Design and Operating Effectiveness of its Controls for the Period July 1, 2016 to June 30, 2017* (OIG-17-050; issued August 23, 2017).

instructions for the following processes related to the DATA Act: (1) Broker certification process; (2) ASP submission certification and reconciliation processes; (3) pre-award and post-award financial tasks; and (4) the grant payments reconciliation process. The Council has established effective communication with ARC regarding the validation of DATA Act files, reconciliation items, and the data submission and certification process. The Council also worked with ARC to reconcile warnings identified by the Broker validation tool, and explained non-fatal errors in its Submission Certification Statement prior to certifying its fiscal year 2017, second quarter submission.

Council Properly Implemented and Used the Financial Data Standards Established by OMB and Treasury

We found that the Council properly implemented and used the 57 financial data standards established by OMB and Treasury. The DATA Act requires the establishment of Government-wide financial data standards for Federal funds made available to, or expended by, Federal agencies and entities receiving Federal funds. Under FFATA, Federal agencies reported 259 data elements to USAspending.gov. Subsequent to the enactment of the DATA Act, Treasury and OMB identified 57 data elements that required standardization. From May through August 2015, Treasury and OMB released final data standards for the 57 data elements. Appendix 4 of this report provides the required data elements and their definitions; appendix 5 provides an analysis of the required data elements as they should be presented in the DATA Act Files according to the DAIMS.

We assessed the completeness and proper use of the data standards for Files A and B by ensuring that summary-level financial data was reported in the proper reporting period and contained all the applicable data elements required by the DATA Act. Additionally, we reviewed Files C through F and determined that all of the Council's transactions for fiscal year 2017, second quarter contained the applicable data elements required by the DATA Act, and determined that each data element was presented accurately and in accordance with the data standard for that respective element.

Finding 1

Certain Council Financial and Award Data Did Not Meet Standards for Completeness, Timeliness, Accuracy, and Quality

We found that certain financial and award data included in the Council's fiscal year 2017, second quarter DATA Act submission did not meet the standards for completeness, timeliness, accuracy, and quality, as defined in the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Federal Audit Executive Council (FAEC) DATA Act Working Group *Inspectors General Guide to Compliance Under the DATA Act* (IG Guide).³⁸ The IG guide defines these standards as follows:

- Completeness is measured in two ways, (1) all transactions³⁹ that should have been recorded are recorded in the proper reporting period⁴⁰ 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 no later than May 9, 2017.⁴¹
- 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.⁴² 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

³⁸ FAEC DATA Act Working Group, *Inspectors General Guide to Compliance Under the DATA Act* (Treasury OIG, OIG-CA-17-012; issued February 27, 2017).

³⁹ According to the IG Guide, transaction refers to summary-level data and/or award-level data.

⁴⁰ *GAO Financial Audit Manual*, GAO-08-585G (July 25, 2008).

⁴¹ OMB M-15-12, issued on May 8, 2015, set forth the guidance to Federal agencies on the data standards established under the DATA Act. The DATA Act requires that agencies report financial and payment information data not later than 2 years after the date of issuance of this guidance.

⁴² OMB's *Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility, and Integrity of Information Disseminated by Federal Agencies* (February 22, 2002).

protection of information from unauthorized access or revision.

Based on our testing, described further below, of the Council’s fiscal year 2017, second quarter DATA Act submission, our assessment of the completeness, timeliness, accuracy, and quality of Files A through D2 is summarized in Table 1 below⁴³:

File	Completeness	Timeliness	Accuracy	Quality
A	Yes	Yes	Yes	Yes
B	Yes	Yes	No*	No*
C**	No	No	No	No
D1***	No	No	No	No
D2	Yes	Yes	Yes	Yes

- * File B is not accurate nor of quality based on a reconciliation to File A variance.
- ** File C did not include the Council’s financial assistance award; therefore, the Council did not meet the DATA Act requirements for completeness, timeliness, accuracy, and quality.
- *** The Council’s submission did not include File D1; therefore, the Council did not meet the DATA Act requirements for completeness, timeliness, accuracy, and quality. Instead, due to an ARC error beyond the Council’s control, the Council’s File D1 data was included in Treasury’s File D1.

Source: Treasury OIG analysis of agency records

Specifically, to determine whether the Council’s data was complete, timely, accurate, and of quality, we tested the Council’s fiscal year 2017, second quarter DATA Act submission. As described below, we assessed the Council’s (1) summary-level financial data from Files A and B; (2) detail-level award linkages from Files C through F; and (3) detail-level transaction data for Files C, D1, and D2.

⁴³ As outlined in OMB’s Management Procedures Memorandum 2016-03 (May 3, 2016), the authoritative sources for the data reported in Files E and F are SAM and FSRS respectively with no additional action required of Federal agencies. As such, we did not assess the completeness, accuracy, timeliness, and quality of the data extracted from SAM and FSRS via the Broker.

Summary-Level Financial Data Testing (Files A and B)

We performed the following testing, and determined that the Council's summary-level financial data included in Files A and B is complete and timely; however, the Council and ARC identified a variance between these files that affected the accuracy and quality of File B.

- To assess the completeness and accuracy of File A, we compared the appropriations account summary-level data in File A to the information included on the Council's SF-133 and determined that all transactions were included in File A for the fiscal year 2017, second quarter. In addition, we determined that the data in the SF-133 reconciled to the Council's Statement of Budgetary Resources (SBR) for the reporting period.

To determine whether File A included all Treasury Accounting Symbols (TAS) from which funds were obligated, we compared the summary-level transactions in File A to the elements⁴⁴ in the SF-133. We determined the elements in File A matched the TASs reported on the Council's SF-133. We did not identify any variances while reconciling the data elements in File A; therefore, we determined that the summary-level financial data in the Council's File A were complete and accurate.

- To assess the completeness and accuracy of File B, we compared the object class and program activity summary-level data in File B to the appropriation accounts in File A and determined that all appropriations found in the Council's SF-133 were accounted for in File B. We also compared and determined that the object class codes, as well as the program activity names and codes included in File B matched those defined in Section 83 of OMB Circular A-11⁴⁵ and the

⁴⁴ We compared the following elements: agency identifier, main account code, sub account code, budget authority appropriated amount, budget authority available amount, gross outlay amount by TAS, and unobligated balance.

⁴⁵ OMB Circular A-11, *Preparation, Submission, and Execution of the Budget* (July 1, 2014, Revised November 2014).

Program and Financing Schedule in the President's Budget for Fiscal Year 2017, respectively. Overall, we determined the summary-level financial data in the Council's File B were complete.

We also compared the data in Files A and B and determined that File B included all TASs. However, we noted a variance between two totals⁴⁶ in Files A and B that the Council and ARC had already identified and determined were the result of an error within two general ledger accounts included in File B. The error was due to adjustments to obligations made during the fiscal year 2017, first quarter not being included in the fiscal year 2017, second quarter data.

As discussed above, the Council disclosed this variance in its Submission Certification Statement. The Council and ARC informed us that the adjustments were not captured in the balances reported in File B because the adjustments did not include the required coding needed for the DATA Act submission to properly capture the amounts. However, ARC told us, and the Council confirmed, that ARC subsequently updated the coding and rebuilt the accounting periods so that the standard general ledger accounts are properly included in File B going forward. Furthermore, ARC confirmed that subsequent files did include these balances and matched the trial balance; and that ARC is verifying that the File B matches the trial balance before sending the DATA Act files to the Council for certification. Lastly, ARC has implemented an error report which will allow its accountants to verify that all transactions include all required coding for the future DATA Act submissions. Therefore, we considered the Council's process in identifying and reporting the variance, as well as the documentation provided to us and action taken to correct the variance to be reasonable for the fiscal year 2017, second quarter submission. However, the variance affected the entirety of File B; and therefore, we determined File B was not accurate.

⁴⁶ The variances between Files A and B included obligations incurred and deobligation recoveries refunds from the prior year.

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- We assessed the timeliness of Files A and B by reviewing copies of the Council’s Submission Certification Statement, submission emails, and a snapshot of the ASP submission screen. These items allowed us to verify that the Council submitted their reporting data no later than May 9, 2017. Therefore, we determined Files A and B were timely.
 - We assessed Files A and B for quality. Specifically, we considered the results of our testing for completeness and accuracy. Further, we determined the corrective action taken to address the variance in the totals between Files A and B to be reasonable. We concluded that the variance impacted the quality of the data reported in File B. This resulted in File A being of quality, and File B not meeting the quality testing standard.

Detail Award-Level Linkages and Transaction Data Testing (Files C through F)

The DATA Act guidance requires IGs to review a statistically valid sample of the spending data submitted by agencies. Furthermore, the IG Guide recommended that IGs review a sample, based on certain parameters, from File C. The IG Guide also states that the sample should be selected from the reportable award-level transactions in an agency’s certified data submission for File C, which includes obligation amounts for procurement and financial assistance awards. It further states that that the sample should be selected from Files D1 and D2 if File C is determined not to be suitable for sampling.

The Council’s File C only included one procurement award. As discussed further below, due to a timing variance identified by the Council, which resulted in a grant award only being included in File D2 and not File C, we determined that File C was incomplete. However, based on the Council only having these two transactions (one procurement award and one grant award) during the second quarter of fiscal year 2017, we determined that testing 100 percent of both Files C and D2 would be appropriate to assess the transaction data and award-level linkages to Files D1 through F. As part of our testing, we also assessed the transaction data in Files C, D1, and D2 for completeness, timeliness, accuracy, and quality.

Detail Award-Level Linkages Testing (Files C through F):

OMB M-15-12, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable* requires Federal agencies to establish linkage between their financial, financial assistance, and procurement management systems—a key component to tracking spending more effectively.

We performed the following testing of the award-level linkages from the Council's Files C and D2 to Files D1, E, and F:

- We determined the Council's financial data for the procurement award in File C included applicable TASs by matching the main account codes, sub account codes, and object class codes to the respective data in File B.
- We reviewed and determined that the Council's one procurement award in File C, in the amount of \$115,000, was not included in the Council's File D1. Based on discussions with the Council, the variance with the Council's File D1 was a result of an ARC error that was not specific to the Council, but instead was an error for many ARC customers. As an ARC customer, the Council is considered the funding agency for its awards, while ARC is considered the awarding agency. For Federal agencies using ARC as their FSSP, the Broker was including ARC FSSP customers' awards in Treasury's File D1, which created a variance between the customer agency's Files C and D1. The Council and ARC are aware of this variance. The Council's SAO informed us that ARC communicated to them that there have been conversations between ARC and Treasury's PMO about making an adjustment in the way the Broker classifies information by funding agency versus the awarding agency, but a level of effort and timeline have not been determined.

The Council noted the variance between its Files C and D1 and the cause in its Submission Certification Statement. To verify that the Council's award data was included in Treasury's File D1, we accessed Treasury's publicly available submission on Beta.USAspending.gov. We located the award

by the Procurement Instrument Identifier (PIID) and matched the details of the award in the Council's File C to Treasury's File D1. We also reviewed the FPDS-NG report and determined that information for the applicable data elements listed in the report matched the non-financial data elements in Treasury's File D1. Lastly, we compared the procurement information in the Council's File C and Treasury's File D1 to the procurement contract awarded by ARC on the Council's behalf and found no variances.

- The Council issued one procurement award and one financial assistance (grant) award during fiscal year 2017, second quarter. However, we reviewed and determined that only the procurement award was reflected in the Council's File C. Financial assistance awards, such as grants, should be reported in both File C and File D2. Due to a timing difference between source systems at the Council and ARC, the Council's File C did not include the grant award in the amount of \$4.68 million, which was correctly reported in File D2.

The timing difference was a result of the Council issuing the grant which was included in File D2 near the end of the second quarter. This transaction was not recorded in ARC's accounting system until the beginning of the third quarter. The Council and ARC were unable to correct the timing difference in ARC's accounting system as it was discovered after GTAS had closed for the accounting period.

We reviewed the signed award agreement and verified that the award was issued during fiscal year 2017, second quarter, and correctly reported in File D2. The timing difference created a variance in the Council's submission as File C did not reflect all transactions and awards for the reporting period. The Council noted the variance between their File C and File D2 and the cause in its Submission Certification Statement. To prevent timing differences in subsequent submissions, the Council will seek to avoid issuing awards near quarter-end and has updated its reconciliation process.

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- We reviewed the linkages between Files C and E and noted that due to the timing difference, the additional awardee attributes could not be matched to File C; however, we were able to use File D2 to link the data elements found in File E. The Council's prime awardee did not meet the above-mentioned SAM requirements; therefore, no highly compensated officer compensation data was reportable for File E.⁴⁷
 - We reviewed File F and noted there was no data extracted from FSRS by the Broker; however, File F did contain the required applicable sub-award attributes.

Detail – Award-Level Transaction Data Testing (Files C through D2):

We performed the following testing of the Council's procurement and financial assistance award data included in Files C and D2 to determine completeness, timeliness, accuracy, and quality.

- *Completeness:* We evaluated whether all procurement and grant awards, made or modified after January 1, 2017, were recorded and reported during fiscal year 2017, second quarter. We also evaluated whether both transactions tested contained all required standardized data elements. This testing was primarily completed through our comparison of the transactions and data elements in the award-level linkages and review of relevant documents such as award documentation and the Council SAO's Submission Certification Statement.
- *Timeliness:* We evaluated whether both procurement and grant award transactions were reported no later than May 9, 2017.

⁴⁷ SAM guidelines state that organizations are required to report executive compensation if the organization received: (1) 80 percent or more of annual gross revenues in U.S. Federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements.

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- *Accuracy:* We reviewed all relevant information such as Federal award-level, non-financial procurement award and, financial procurement award data for both the procurement and grant awards and compared them to the agency accounting records in its financial systems, agency underlying records, or other authoritative sources.
 - *Quality:* We considered the testing results for completeness, timeliness, and accuracy, as well as the internal controls in place in determining the quality of the procurement and financial assistance award data.

Based on our review of the source data of the transactions included in the files, testing of the award-linkages between the files, the SAO's Submission Certification Statement, and discussions with the Council, we determined that:

- File C was not complete, timely, accurate, nor of quality. We compared the procurement information in the Council's File C and Treasury's File D1 to the procurement contract awarded by ARC on the Council's behalf and found no variances. However, as discussed above, due to a timing difference which caused a variance between Files C and D2, the grant award was not recorded in File C until the third quarter, which affected all of the certification qualifications.
- File D2 was complete, timely, accurate, and of quality. As discussed above, although there was a timing difference, which caused a variance between Files C and D2, the grant award was correctly recorded in File D2. We reviewed the signed award agreement and verified that the award was issued during fiscal year 2017, second quarter, and reported timely, and matched relevant information. We also determined that the awardees properly registered in SAM and non-financial data matched File D2 and the contract. We observed that the Council did not have reportable sub-award data or executive compensation data in fiscal year 2017, second quarter to compare to FSRS and SAM.

Legal Entity City Code Error - The interface definition document, a DAIMS artifact, states that data from the Legal

Entity City Code for financial assistance awards in File D2, is derived via Treasury's ASP. During fieldwork, we noted that data for this field was blank. A Treasury official stated that data for Legal Entity City Code had not been derived since January 2017 and there were plans to reconsider how this element would be handled. Because data for this element was not derived or implemented the data field was blank and therefore not reported for display on USASpending.gov. However, as the Council does not have responsibility for how data is extracted by the broker from Treasury's ASP, we did not evaluate the reasonableness of Treasury's planned corrective action. Furthermore, we determined that this issue does not affect the completeness or accuracy of File D2.

- File D1 was not complete, timely, accurate, nor of quality. As discussed above, the Council's one procurement award in File C, in the amount of \$115,000, was not included in the Council's File D1. Based on discussions with the Council, the variance with the Council's File D1 was a result of a Broker-related system error beyond the Council's control. The Council's procurement award is recorded in Treasury's File D1; and therefore, the Council's D1 file was not generated or available for testing.

Testing Limitations for Data Reported from Files E and F:

File E of the DAIMS contains additional awardee attribute information extracted from SAM via the Broker. File F contains sub-award attribute information extracted from FSRS via the Broker. It is the prime awardee's responsibility to report sub-award and executive compensation information in SAM and FSRS. 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 2016-03, the authoritative sources for the data reported in Files E and F are SAM and FSRS, respectively, with no additional action required of Federal agencies. As such, we did not assess the completeness, timeliness, accuracy, and quality of the data extracted from SAM and FSRS via the Broker.

Conclusion

The Council continued to make progress in its efforts to comply with the DATA Act. The Council met the DATA Act requirement of having its data reported and displayed on Beta.USAspending.gov by May 9, 2017. The Council properly implemented and used the Government-wide financial data standards established by OMB and Treasury. However, as discussed above, we determined that certain data the Council submitted for publication was not complete, timely, accurate, nor of quality as a result of variances noted between the files. However, some of these variances were not the result of actions or lack of actions taken by the Council, such as the ARC error affecting the generation of File D1. In fact, it should be noted that the Council's processes for identifying and addressing these variances were reasonable. In addition, the Council was proactive in reporting and documenting all variances on its Submission Certification Statement, and has begun to implement corrective actions, which we plan to continue to monitor and will review in subsequent audits.

Recommendations

We recommend that the Council's Acting Executive Director ensure that the Council's SAO:

1. Continues to refine the Council's policies and procedures for compliance with the DATA Act requirements.

Management Response

Management responded that the Council's internal controls have been improved, and the reconciliation process has been updated with regards to timing and scope.

OIG Comment

Although we did not perform any procedures relating to the corrective actions already taken because they were outside the scope of this audit, management's response as stated meets the intent of our recommendation.

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2. Continues to work closely with ARC to address the timing and ARC errors, discussed herein, for future DATA Act submissions.

Management Response

Management responded the Council has already worked with ARC to update the coding and rebuild the accounting period so that the warning message with regards to File B obligations will not recur. Additionally, the Council responded that their internal controls and reconciliation process have been improved to prevent the recurrence of the error that occurred between Files C and D2 for grant awards. Finally, the Council will continue to work with ARC regarding the File D1 issue that relates to the posting of awarding agency versus funding agency in the Broker for future DATA Act submissions.

OIG Comment

Although we did not perform any procedures relating to the corrective actions already taken to ensure the errors will not recur because they were outside the scope of this audit, management's response as stated meets the intent of our recommendation.

* * * * *

We appreciate the courtesies and cooperation provided to our staff during the audit. If you wish to discuss the report, you may contact me at (202) 927-5776 or Daniel Gerges, Audit Manager, at (202) 927-0195. Major contributors to this report are listed in appendix 6. A distribution list for this report is provided as appendix 7.

/s/

Susan L. Barron
Director, Resource Management Audits

Our audit objectives were to assess the (1) completeness, timeliness, accuracy, and quality of financial and payment data submitted for publication on Beta.USAspending.gov and (2) Gulf Coast Ecosystem Restoration Council's (Council) implementation and use of the financial data standards established by the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury). This audit is the first in a series of mandated audits of the Council's reporting of financial and payment information as required by the Digital Accountability and Transparency Act of 2014 (DATA Act). The scope of the audit included fiscal year 2017, second quarter financial and payment data submitted for publication by the Council, and any applicable procedures, certifications, documentation, and controls to achieve this process. We conducted fieldwork at the Council's headquarters in New Orleans, Louisiana, and at our office in Washington, DC. We conducted our fieldwork from April through October 2017.

To accomplish our objectives, we performed the following procedures:

- reviewed Federal laws, regulations and guidance, including, but not limited to:
 - Federal Funding Accountability and Transparency Act of 2006, which outlines requirements for OMB to establish a single searchable website to provide the public with access to data on Federal spending;
 - DATA Act, which outlines the requirements for Treasury and OMB to establish Government-wide financial data standards and increase the availability, accuracy, and usefulness of Federal spending information; and
 - Council of the Inspectors General on Integrity and Efficiency Inspectors General Federal Audit Executive Council Working Group *Inspectors General Guide to Compliance Under the DATA Act*, which provides a common methodological and reporting approach for the Inspectors General community to use in performing its mandated work.

- reviewed technical and informational guidance issued by Treasury and OMB, including:
 - DATA Act Information Model Schema (DAIMS) Practices and Procedures, Version 1.1 (June 30, 2017);
 - DAIMS Validation Rules, Version 1.08 (April 13, 2017);
 - DAIMS Interface Definition Document, Version 1.01 (December 21, 2016);
 - OMB M-17-04, Additional Guidance for DATA Act Implementation: *Further Requirements for Reporting and Assuring Data Reliability* (November 4, 2016);
 - OMB *Management Procedures Memorandum No. 2016-03*, (May 3, 2016);
 - DATA Act Schema Reporting Submission Specification version 1.0 (April 29, 2016);
 - OMB M-15-12, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable* (May 8, 2015);
 - OMB Open Government Directive – *Federal Spending Transparency* (April 6, 2010); and
 - OMB's *Guidance for Ensuring and Maximizing the Quality, Objectivity, Utility, and Integrity of Information Disseminated by Federal Agencies* (February 22, 2002).

- reviewed the following Treasury Office of Inspector General (OIG) reports to establish criteria and note any prior findings or recommendations, including the sufficiency of any plans and actions taken by the Council to timely comply with the DATA Act:
 - OIG-17-045, *DATA Act Readiness: Council Is Making Progress in Meeting DATA Act Reporting Requirements Despite Challenges* (June 2, 2017);
 - OIG-17-039, *DATA Act Readiness: ARC Is Making Progress in Meeting DATA Act Reporting Requirements Despite Challenges* (April 13, 2017); and
 - OIG-17-021, *DATA Act Readiness: Treasury Is Making Progress in Meeting DATA Act Reporting Requirements Despite Challenges* (December 1, 2016).

- reviewed the following Government Accountability Office (GAO) reports to establish criteria:
 - GAO-14-476, *Oversight Needed to Address Underreporting and Inconsistencies on Federal Award Website* (June 30, 2014);
 - GAO-14-704G, *Standards for Internal Control in the Federal Government* (Sept. 2014);
 - GAO-10-365, *Electronic Government: Implementation of the Federal Funding Accountability and Transparency Act of 2006* (March 12, 2010); and
 - GAO-08-585G, *GAO Financial Audit Manual* (July 25, 2008).
- interviewed personnel, including the Council’s Senior Accountable Official (SAO), responsible for the Council’s implementation of the DATA Act reporting requirements.
- conducted a site visit with personnel at the Council’s headquarters in New Orleans, Louisiana on July 11 and 12, 2017.
- reviewed applicable laws, regulations, guidance, policies, and procedures.
- gained an understanding of the procedures and controls related to the Council’s DATA Act submission process.
- gained an understanding of the roles and responsibilities for the Council and their Federal Shared Services Provider (FSSP), Treasury’s Bureau of the Fiscal Service’s Administrative Resource Center; awardees and recipients.
- gained an understanding of the Council’s Restoration Assistance and Award Management System (RAAMS), including awardee registration, grant application, and payment processes.
- performed testing of applicable data elements required for the Council’s DATA Act submission of financial and award data.
- reviewed key documentation provided by Council personnel, including the Council’s:
 - Internal policy and procedure handbooks, manuals, and guides;
 - Internal DATA Act work instructions;
 - Organizational chart;

- SAO's Fiscal Year 2017 Quarter 2 - DATA Act Submission Certification Statement;
- Correspondence with its FSSP;
- DATA Act Broker validation reports;
- Application and award workflows of processes within RAAMS;
- DATA Act progress request forms;
- DATA Act Implementation Plan;
- Final validation, reconciliation, and assurance reports, and;
- Fiscal year 2017, second quarter data submission for Files A through F.

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

Appendix 2
CIGIE Reporting Date Anomaly Letter



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

Appendix 2
CIGIE Reporting Date Anomaly Letter

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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

Appendix 3
Government-wide Financial Data Elements and Definitions

Data Element	Data Definition
Action Date	The date the action being reported was issued/signed by the Government or a binding agreement was reached.
Action Type	Description (and corresponding code) that provides information on any changes made to the Federal prime award. There are typically multiple actions for each award.
Amount of Award	The cumulative amount obligated by the Federal Government for an award, which is calculated by USAspending.gov or a successor site. For procurement and financial assistance awards except loans, this is the sum of Federal Action Obligations. For loans or loan guarantees, this is the Original Subsidy Cost.
Appropriations Account	The basic unit of an appropriation generally reflecting each unnumbered paragraph in an appropriation act. An appropriation account typically encompasses a number of activities or projects and may be subject to restrictions or conditions applicable to only the account, the appropriation act, titles within an appropriation act, other appropriation acts, or the Government as a whole. An appropriations account is represented by a Treasury Account Fund Symbol (TAFS) created by Treasury in consultation with the Office of Management and Budget (OMB). (defined in OMB Circular A-11)
Award Description	A brief description of the purpose of the award.
Award Identification (ID) Number	The unique identifier of the specific award being reported, i.e. Federal Award Identification Number (FAIN) for financial assistance and Procurement Instrument Identifier (PIID) for procurement.
Award Modification/Amendment Number	The identifier of an action being reported that indicates the specific subsequent change to the initial award.
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.
Awardee/Recipient Legal Entity Name	The name of the awardee or recipient that relates to the unique identifier. For U.S. based companies, this name is what the business ordinarily files in formation documents with individual states (when required).
Awardee/Recipient Unique Identifier	The unique identification number for an awardee or recipient. Currently the identifier is the 9-digit number assigned by Dun & Bradstreet referred to as the DUNS® number.
Awarding Agency Code	A department or establishment of the Government as used in the TAFS.
Awarding Agency Name	The name associated with a department or establishment of the Government as used in the TAFS.
Awarding Office Code	Identifier of the level n organization that awarded, executed or is otherwise responsible for the transaction.
Awarding Office Name	Name of the level n organization that awarded, executed or is otherwise responsible for the transaction.
Awarding Sub Tier Agency Code	Identifier of the level 2 organization that awarded, executed or is otherwise responsible for the transaction.
Awarding Sub Tier Agency Name	Name of the level 2 organization that awarded, executed or is otherwise responsible for the transaction.
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. Usually, but not always, an appropriation provides budget authority. (defined in OMB Circular A-11)
Business Types	A collection of indicators of different types of recipients based on socio-economic status and organization / business areas.
Catalog of Federal Domestic Assistance (CFDA) Number	The number assigned to a Federal area of work in the Catalog of Federal Domestic Assistance.

Appendix 3
Government-wide Financial Data Elements and Definitions

Data Element	Data Definition
Catalog of Federal Domestic Assistance (CFDA) Title	The title of the area of work under which the Federal award was funded in the Catalog of Federal Domestic Assistance.
Current Total Value of Award	For procurement, the total amount obligated to date on a contract, including the base and exercised options.
Federal Action Obligation	Amount of Federal Government's obligation, de-obligation, or liability, in dollars, for an award transaction.
Funding Agency Code	The 3-digit Common Government-wide Accounting Classification (CGAC) agency code of the department or establishment of the Government that provided the preponderance of the funds for an award and/or individual transactions related to an award.
Funding Agency Name	Name of the department or establishment of the Government that provided the preponderance of the funds for an award and/or individual transactions related to an award.
Funding Office Code	Identifier of the level n organization that provided the preponderance of the funds obligated by this transaction.
Funding Office Name	Name of the level n organization that provided the preponderance of the funds obligated by this transaction.
Funding Sub Tier Agency Code	Identifier of the level 2 organization that provided the preponderance of the funds obligated by this transaction.
Funding Sub Tier Agency Name	Name of the level 2 organization that provided the preponderance of the funds obligated by this transaction.
Highly Compensated Officer Name	First Name: The first name of an individual identified as one of the five most highly compensated "Executives." "Executive" means officers, managing partners, or any other employees in management positions. Middle Initial: The middle initial of an individual identified as one of the five most highly compensated "Executives." "Executive" means officers, managing partners, or any other employees in management positions. Last Name: The last name of an individual identified as one of the five most highly compensated "Executives." "Executive" means officers, managing partners, or any other employees in management positions.
Highly Compensated Officer Total Compensation	The cash and noncash dollar value earned by the one of the five most highly compensated "Executives" during the awardee's preceding fiscal year and includes the following (for more information see 17 C.F.R. § 229.402(c)(2)): salary and bonuses, awards of stock, stock options, and stock appreciation rights, earnings for services under non-equity incentive plans, change in pension value, above-market earnings on deferred compensation which is not tax qualified, and other compensation.
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. In most cases, this should match what the entity has filed with the State in its organizational documents, if required. The address is made up of five components: Address Lines 1 and 2, City, State Code, and ZIP + 4 or Postal Code.
Legal Entity Congressional District	The congressional district in which the awardee or recipient is located. This is not a required data element for non-U.S. addresses.
Legal Entity Country Code	Code for the country in which 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."
Legal Entity Country Name	The name corresponding to the Country Code.
Non-Federal Funding Amount	For financial assistance, the amount of the award funded by non-Federal source(s), in dollars. Program Income (as defined in 2 C.F.R. § 200.80) is not included until such time that Program Income is generated and credited to the agreement.

Appendix 3
Government-wide Financial Data Elements and Definitions

Data Element	Data Definition
North American Industrial Classification System (NAICS) 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.
North American Industrial Classification System (NAICS) Description	The title associated with the NAICS Code.
Object Class	Categories in a classification system that presents obligations by the items or services purchased by the Federal Government. Each specific object class is defined in OMB Circular A-11 § 83.6. (defined in OMB Circular A-11)
Obligation	Obligation means a legally binding agreement that will result in outlays, immediately or in the future. When you place an order, sign a contract, award a grant, purchase a service, or take other actions that require the Government to make payments to the public or from one Government account to another, you incur an obligation. It is a violation of the Antideficiency Act (31 U.S.C. § 1341(a)) to involve the Federal Government in a contract or obligation for payment of money before an appropriation is made, unless authorized by law. This means you cannot incur obligations in a vacuum; you incur an obligation against budget authority in a Treasury account that belongs to your agency. It is a violation of the Antideficiency Act to incur an obligation in an amount greater than the amount available in the Treasury account that is available. This means that the account must have budget authority sufficient to cover the total of such obligations at the time the obligation is incurred. In addition, the obligation you incur must conform to other applicable provisions of law, and you must be able to support the amounts reported by the documentary evidence required by 31 U.S.C. § 1501. Moreover, you are required to maintain certifications and records showing that the amounts have been obligated (31 U.S.C. § 1108). The following subsections provide additional guidance on when to record obligations for the different types of goods and services or the amount. Additional detail is provided in Circular A-11.
Ordering Period End Date	For procurement, the date on which, for the award referred to by the action being reported, no additional orders referring to it may be placed. This date applies only to procurement indefinite delivery vehicles (such as indefinite delivery contracts or blanket purchase agreements). Administrative actions related to this award may continue to occur after this date. The period of performance end dates for procurement orders issued under the indefinite delivery vehicle may extend beyond this date.
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. (defined in OMB Circular A-11)
Outlay	Payments made to liquidate an obligation (other than the repayment of debt principal or other disbursements that are "means of financing" transactions). Outlays generally are equal to cash disbursements but also are recorded for cash-equivalent transactions, such as the issuance of debentures to pay insurance claims, and in a few cases are recorded on an accrual basis such as interest on public issues of the public debt. Outlays are the measure of Government spending. (defined in OMB Circular A-11)
Parent Award Identification (ID) Number	The identifier of the procurement award under which the specific award is issued, such as a Federal Supply Schedule. This data element currently applies to procurement actions only.
Period of Performance Current End Date	The current date on which, for the award referred to by the action being reported, awardee effort completes or the award is otherwise ended. Administrative actions related to this award may continue to occur after this date. This date does not apply to procurement indefinite delivery vehicles under which definitive orders may be awarded.

Appendix 3
Government-wide Financial Data Elements and Definitions

Data Element	Data Definition
Period of Performance Potential End Date	For procurement, the date on which, for the award referred to by the action being reported if all potential pre-determined or pre-negotiated options were exercised, awardee effort is completed or the award is otherwise ended. Administrative actions related to this award may continue to occur after this date. This date does not apply to procurement indefinite delivery vehicles under which definitive orders may be awarded.
Period of Performance Start Date	The date on which, for the award referred to by the action being reported, awardee effort begins or the award is otherwise effective.
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.
Primary Place of Performance Address	The address where the predominant performance of the award will be accomplished. The address is made up of six components: Address Lines 1 and 2, City, County, State Code, and ZIP + 4 or Postal Code.
Primary Place of Performance Congressional District	U.S. congressional district where the predominant performance of the award will be accomplished. This data element will be derived from the Primary Place of Performance Address.
Primary Place of Performance Country Code	Country code where the predominant performance of the award will be accomplished.
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.
Program Activity	A specific activity or project as listed in the program and financing schedules of the annual budget of the United States Government. (defined in OMB Circular A-11)
Record Type	Code indicating whether an action is an individual transaction or aggregated.
Treasury Account Symbol (excluding sub-account)	Treasury Account Symbol: The account identification codes assigned by the Department of the Treasury to individual appropriation, receipt, or other fund accounts. All financial transactions of the Federal Government are classified by TAS for reporting to the Department of the Treasury and the Office of Management and Budget. (defined in OMB Circular A-11)
	Treasury Appropriation Fund Symbol: The components of a Treasury Account Symbol – allocation agency, agency, main account, period of availability and availability type – that directly correspond to an appropriations account established by Congress. (defined in OMB Circular A-11)
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.
Ultimate Parent Unique Identifier	The unique identification number for the ultimate parent of an awardee or recipient. Currently the identifier is the 9-digit number maintained by Dun & Bradstreet as the global parent DUNS® number.
Unobligated Balance	Unobligated balance means the cumulative amount of budget authority that remains available for obligation under law in unexpired accounts at a point in time. The term “expired balances available for adjustment only” refers to unobligated amounts in expired accounts. Additional detail is provided in Circular A-11.

Source: OMB, “Federal Spending Transparency Data Standards,” <https://max.gov/maxportal/assets/public/offm/DataStandardsFinal.htm> (accessed May 30, 2017)

Appendix 4
Government-wide Financial Data Elements File Presence

Government-wide financial data elements presence in the Digital Accountability and Transparency Act of 2014 (DATA Act) Files according to the DATA Act Information Model Schema (DAIMS)

Data Element	File A	File B	File C	File D1	File D2	File E	File F
Action Date				✓	✓		✓
Action Type				✓	✓		
Amount of Award ^a				✓	✓		
Appropriations Account ^b	✓	✓	✓				
Award Description				✓	✓		✓
Award Identification Number (Award ID) ^c			✓	✓	✓		
Award Modification/Amendment Number				✓	d		
Award Type				✓			
Awardee/Recipient Legal Entity Name				✓	✓		
Awardee/Recipient Unique Identifier				✓	✓	✓	✓
Awarding Agency Code				✓	✓		
Awarding Agency Name				✓	✓		
Awarding Office Code				✓	d		
Awarding Office Name				✓	✓		
Awarding Sub Tier Agency Code				✓	✓		✓
Awarding Sub Tier Agency Name				✓	✓		✓
Budget Authority Appropriated	✓						
Business Types					✓		
Catalog of Federal Domestic Assistance (CFDA) Number					✓		✓
Catalog of Federal Domestic Assistance (CFDA) Title					✓		✓
Current Total Value of Award				✓			
Federal Action Obligation				✓	✓		
Funding Agency Code				✓	d		
Funding Agency Name				✓	✓		
Funding Office Code				✓	d		
Funding Office Name				✓	✓		

Appendix 4
Government-wide Financial Data Elements File Presence

Data Element	File A	File B	File C	File D1	File D2	File E	File F
Funding Sub Tier				✓	d		
Agency Code							
Funding Sub Tier				✓	✓		
Agency Name							
Highly Compensated Officer Name						✓	✓
Highly Compensated Officer Total Compensation						✓	✓
Legal Entity Address ^e				✓	✓		✓
Legal Entity Congressional District				✓	✓		✓
Legal Entity Country Code				✓	✓		✓
Legal Entity Country Name				✓			✓
Non-Federal Funding Amount					d		
North American Industrial Classification System (NAICS) Code				✓			✓
North American Industrial Classification System (NAICS) Description				✓			✓
Object Class		✓	✓				
Obligation	✓	✓	d				
Ordering Period End Date				✓			
Other Budgetary Resources	✓						
Outlay	✓	✓	d				
Parent Award Identification (ID) Number			✓	✓			✓
Period of Performance Current End Date				✓	d		
Period of Performance Potential End Date				✓			
Period of Performance Start Date				✓	d		
Potential Total Value of Award				✓			
Primary Place of Performance Address ^f				✓			✓
Primary Place of Performance Congressional District				✓	✓		✓

Appendix 4
Government-wide Financial Data Elements File Presence

Data Element	File A	File B	File C	File D1	File D2	File E	File F
Primary Place of Performance Country Code				✓	✓		✓
Primary Place of Performance Country Name							✓
Program Activity		✓					
Record Type					✓		
Treasury Account Symbol (TAS) (excluding sub-account) ^g	✓	✓	✓				
Ultimate Parent Legal Entity Name				✓		✓	
Ultimate Parent Unique Identifier				✓		✓	
Unobligated Balance	✓						

✓Element should be presented in the respective File.

^a Amount of Award is the sum of Federal Action Obligations for procurement awards; or the Original Subsidy Cost for financial assistance awards.

^b Appropriations accounts are represented by Treasury Account Symbols (TAS)

^c Award ID is the Federal Award Identification Number (FAIN) for financial assistance and Procurement Instrument Identifier (PIID) for procurement.

^d A value may be optionally reported for this element in the respective File in accordance with the DAIMS.

^e Legal Entity Address is made up of five components: Address Lines 1 and 2, City, State Code, and ZIP + 4 or Postal Code.

^f Primary Place of Performance Address is made up of six components: Address Lines 1 and 2, City, County, State Code, and ZIP + 4 or Postal Code.

^g TAS is made up of five components: allocation agency, agency, main account, period of availability and availability type.

Source: Compiled from DAIMS version 1.0



GULF COAST ECOSYSTEM RESTORATION COUNCIL

MEMORANDUM FOR: Susan L. Barron
Director, Resource Management Audits

FROM: Ben Scaggs 
Acting Executive Director,
Gulf Coast Ecosystem Restoration Council

DATE: October 30, 2017

SUBJECT: Response to the Treasury Office of Inspector General
Report "Audit of the Gulf Coast Ecosystem Restoration
Council's (Council) reporting of financial and payment
information as required by the Digital Accountability and
Transparency Act of 2014 (DATA Act)."

Thank you for the opportunity to respond to the Treasury Office of the Inspector General's (OIG) above-entitled report, which was carried out as part of OIG's ongoing oversight of programs, projects, and activities to be funded by the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act).

The Council is pleased that the audit found that the Council met the DATA Act requirement to publish its fiscal year 2017, second quarter data submission prior to the May 9, 2017 deadline, the Council's management controls over its DATA Act submission, reconciliation, and certification process were reasonably designed, implemented and operating effectively, and properly implemented and used the 57 financial data standard elements established by the Office of Management and Budget and Treasury.

The Council agrees with the audit conclusions that certain data submitted were not complete, timely, accurate, or of quality. As the Report noted, the Council has already worked with ARC to update the coding and rebuild the accounting period so the warning message with regards to file B will not recur. Likewise, internal controls and the reconciliation process have been improved to prevent the recurrence of the error that occurred between files C and D2 for grant awards. The other difference in the data was between files C and D1 for contracts. The difference was due to the fact that ARC issues contracts on behalf of the Council and so file D1 captures the Council as the funding agency but not the awarding agency, thus creating a difference between the Council's C and D1 files. This issue continues to be worked by the Treasury and ARC Transparency Teams.

The Council provides the following in response to the Audit Recommendations:

Appendix 5
Management Response

Recommendation (1) The SAO should continue to refine the Council's policies and procedures for compliance with the DATA Act requirements.

Management Response: Internal controls have been improved, and the reconciliation process has been updated with regards to timing and scope.

Recommendation (2) The SAO should continue to work closely with ARC to address the timing and ARC errors, discussed herein, for future DATA Act submissions.

Management Response: The Council will continue to work with ARC regarding the D1 issue regarding the posting of awarding agency versus funding agency in the Broker for future DATA Act submissions.

The Council appreciates the OIG's courtesy and professionalism during its review of the Council's work, as well as the OIG's interest in working with the Council.

Appendix 6
Major Contributors to This Report

Daniel Gerges, Audit Manager
Michael Levin, Auditor-in-Charge
Rafael Cumba, Auditor
Alexis Satterwhite, Auditor
Alicia Weber, Referencer
Khuyen Tran, Referencer

Gulf Coast Ecosystem Restoration Council

Department of Agriculture Designee

Department of the Army Council Designee

Department of Commerce Council Designee

Environmental Protection Agency Council Designee

Department of Homeland Security Council Member

Department of the Interior Council Designee

State of Alabama Council Designee

State of Florida Council Designee

State of Louisiana Council Designee

State of Mississippi Council Designee

State of Texas Council Designee

Department of the Treasury

Deputy Secretary

Under Secretary for Domestic Finance

Fiscal Assistant Secretary

Deputy Assistant Secretary, Fiscal Operations and Policy

Office of Management and Budget

Office of Inspector General Budget Examiner

U.S. Senate

Chairman and Ranking Member
Committee on Environment and Public Works

Chairman and Ranking Member
Committee on Commerce, Science, and Transportation

Chairman and Ranking Member
Committee on Energy and Natural Resources

Chairman and Ranking Member
Committee on Appropriations

Chairman and Ranking Member
Committee on Homeland Security and Governmental
Affairs

Chairman and Ranking Member
Committee on the Budget

U.S. House of Representatives

Chairman and Ranking Member
Committee on Science, Space, and Technology

Chairman and Ranking Member
Committee on Natural Resources

Chairman and Ranking Member
Committee on Transportation and Infrastructure

Chairman and Ranking Member
Committee on Appropriations

Chairman and Ranking Member
Committee on Oversight and Government Reform

Chairman and Ranking Member
Committee on the Budget

U.S. Government Accountability Office

Comptroller General of the United States



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Gulf Coast Restoration Hotline – Call toll free: 1-855-584.GULF (4853)

Email: Hotline@oig.treas.gov

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